

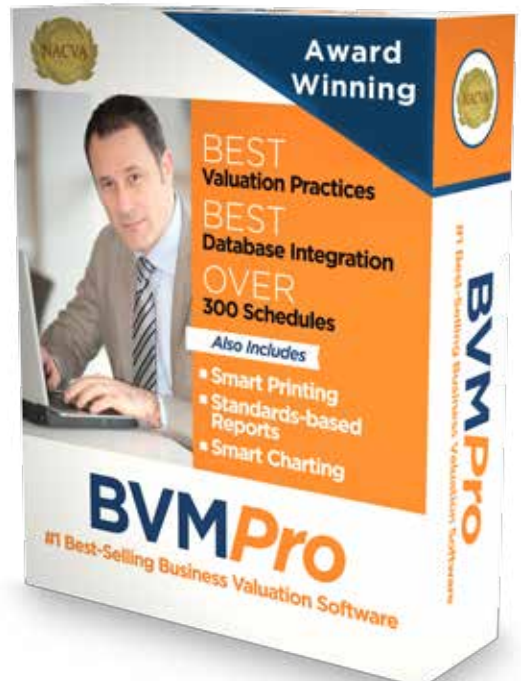
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## SAMPLE REPORT



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This sample is meant to show the full functionality of the software, not reflect an actual valuation. There are options and assumptions in this report that do not reflect valuation best practices in order for you to see the full scope of the analysis. Even though this software automates and standardizes the valuation process, it does not replace the expertise of the valuator.

Whenever you see text or numbers surrounded by chevrons, like «February 14, 2019», this represents a link to the analysis workbook. A link to the analysis file (working papers) can be a cell, range or chart. Realize that a small change in a single value can carry forward to many numbers in the report. For instance, changing a growth rate in an income method can change the conclusion of value and all the intermediate values in between. When you choose to update the links, all these values get updated to reflect the current numbers, tables and charts in working papers.



## VALUATION OF THE COMMON STOCK OF:

Childrens Clothing Store

12345 Street Name

Valuation Date: December 31, 2003

Report Dated: January 15, 2004

# OPINION LETTER

January 15, 2004

Mr. Attorney  
12345 Street Address  
New York, NY 12345

Dear Mr. Attorney,

The enclosed valuation report has been developed for the exclusive and confidential use of Mr. Attorney. The report has been prepared by Joe Appraiser CPA dated 0 and was made by and/or under the direct supervision of the undersigned. The purpose of the valuation is to render an opinion as to the fair market value of the common stock interest, as of December 31, 2003.

In preparing our business valuation report, we have relied upon historical financial information provided to us by management and derived from [enter the appropriate source of the information, such as tax return, audit report issued by another auditor, etc.]. This financial information has not been audited, reviewed, or compiled by us and accordingly we do not express an opinion or any form of assurance on this financial information.

Our report is based on historical and prospective financial information provided to us by management and other third parties. Users of this valuation report should be aware that business valuations are based on future earnings potential that may or may not materialize. Therefore, the actual results achieved during the projection period will vary from the projections used in this valuation, and the variations may be material. The accompanying report discusses all the assumptions and limiting conditions that apply to this opinion of value and are integral to the understanding of the opinion.

Based upon our study and analytical review procedures, we have concluded that a reasonable estimate of the fair market value of a 80% common stock interest of Childrens Clothing Store as of December 31, 2003 is \$1,399,600 .

This engagement was not contingent upon developing or reporting predetermined results. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*. No one provided significant business appraisal assistance to the person signing this certification.

Sincerely yours,

Joe Appraiser  
Joe Appraiser CPA

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# EXECUTIVE SUMMARY

Governing Standard: 0  
Purpose: 0  
Standard of Value: fair market value  
Premise of Value: non-marketable minority interest  
Client Name: Mr. Attorney  
Business Name: Childrens Clothing Store  
Type of Entity: corporation  
Business Interest Valued: 80%  
Valuation Date: December 31, 2003  
Report Date: January 15, 2004  
Appraiser Name: Joe Appraiser  
Appraiser Firm: Joe Appraiser CPA  
Conclusion of Value: \$1,399,600

# INTRODUCTION

## Specifics

Joe Appraiser CPA has been retained by Mr. Attorney to estimate the fair market value of Childrens Clothing Store. Childrens Clothing Store is a corporation located at 12345 Street Name in 0. Furthermore, an interest of 80% is being valued as of December 31, 2003.

The appraisal will be used by Mr. Attorney for the sole purpose of 0. The distribution of this report is restricted to the Mr. Attorney, legal and tax professionals advising Mr. Attorney and any regulatory agencies whereby reporting is required. Any other use of this report is unauthorized and the information included in the report should not be relied upon.

## Definitions

Appendix F has a glossary of terms that is applicable to this engagement. In addition to those definitions the following are pertinent:

## Standard of Value

The standard of value for this report is fair market value.

## Premise of Value

Although valuation is a range concept, current valuation theory suggests that there are three basic “levels” of value applicable to a business or business interest. The levels of value are respectively:

**Controlling interest:** the value of the enterprise as a whole.

**As if freely tradable minority interest:** the value of a minority interest, lacking control, but enjoying the benefit of market liquidity.

**Non-marketable minority interest:** the value of a minority interest, lacking both control and market liquidity.

This valuation is prepared on a non-marketable minority interest basis.

# SOURCES OF INFORMATION

The primary sources of information were research on the economy, industry and company, analysis of financial statement and interviews with key people. Please see Appendix D for a complete listing.

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# APPROACH

Business valuation theory promulgates three basic approaches to value.

**Asset Based Approach:** A general way of determining a value indication of a business's assets and/or equity using one or more methods based directly on the value of the assets of the business less liabilities.

**Income Approach:** A general way of determining a value indication of a business's assets and/or equity using one or more methods wherein a value is determined by converting anticipated benefits.

**Market Approach:** A general way of determining a value indication of a business's assets and/or equity using one or more methods that compare the subject to similar investments that have been sold.

The various methods of valuation that appraisers use in practice are typically considered as subdivisions of these broad approaches. Valuation methods under the Market and Income approaches generally contain common characteristics such as measures of benefit streams, discount rates and/or capitalization rates and multiples.

## Assumptions

There are several key assumptions that this report relies on.

This valuation report has been prepared in accordance with the *Uniform Standards of Professional Appraisal Practice*. In accordance with these standards, a Statement of Contingent and Limiting Conditions is provided as Appendix B. and a Statement of Appraiser Qualifications is included in Appendix C.

## Scope Limitation

The scope of this valuation engagement report was limited. We were engaged to perform a valuation for Childrens Clothing Store with the intent of ascertaining an opinion of value. However, We were limited to the information that was provided as of December 31, 2003 regarding [The author must list the deficiency in the data relied on to develop a value. If there are no scope limitations then this section should be changed to reflect that as well.] If more information were available to us, matters may have come to our attention that could have a material impact on the opinion of value contained in this report.

Accordingly, our level of assurance on the estimate of value is reduced. This report is not intended to serve as a basis for expert testimony in a court of law or other governmental agency without further analysis and resulting documentation.

# COMPANY

History

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Nature of the Business

Products or Services

Operating and Investment Assets

Capital Structure

Sales Records and Management

Expectations

# APPRAISAL OF ECONOMIC CONDITIONS

## National Economy

General Overview

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Specific Areas – Consumer Spending

Specific Areas – Real Estate and Construction

Specific Areas – Inflation

Summary

## Industry Outlook

General Overview

Specific Areas – Consumer Spending

Specific Areas – Real Estate and Construction

Specific Areas – Inflation

Summary

# COMPANY BALANCE SHEETS

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## Summary Balance Sheets

	2003	2002	2001	2000	1999
<b>ASSETS</b>					
Cash	549,000	387,000	465,000	356,000	229,000
Accounts Receivable	140,000	55,000	66,000	50,000	40,000
Inventory	840,000	490,000	440,000	373,000	270,000
Other Current Assets	80,000	75,000	52,000	38,000	40,000
Total Current Assets	1,609,000	1,007,000	1,023,000	817,000	579,000
Fixed Assets	1,338,000	1,349,000	1,031,000	979,000	886,000
Net Intangible	75,000	85,000	95,000	0	0
Other Non-Current	43,000	45,000	40,000	60,000	55,000
Non-Operating Assets	30,000	114,000	30,000	30,000	30,000
<b>Total Assets</b>	<b>3,095,000</b>	<b>2,600,000</b>	<b>2,219,000</b>	<b>1,886,000</b>	<b>1,550,000</b>
<b>LIABILITIES &amp; EQUITY</b>					
Accounts Payable	74,000	75,000	60,000	55,000	45,000
Short Term Notes Payable	33,000	27,000	18,000	25,000	25,000
Current Portion of LT Debt	28,000	26,000	16,000	14,000	12,000
Other Current Liabilities	74,000	77,000	57,000	45,000	44,000
Total Current Liabilities	209,000	205,000	151,000	139,000	126,000
Long Term Debt	1,370,000	1,200,000	1,110,000	980,000	750,000
Other Non-Current Liabilities	59,000	58,000	41,000	50,000	47,000
Non-Operating Liabilities	12,000	12,000	12,000	12,000	12,000
Total Liabilities	1,650,000	1,475,000	1,314,000	1,181,000	935,000
Total Equity	1,445,000	1,125,000	905,000	705,000	615,000
<b>Total Liabilities &amp; Equity</b>	<b>3,095,000</b>	<b>2,600,000</b>	<b>2,219,000</b>	<b>1,886,000</b>	<b>1,550,000</b>

## RMA Peer Comparisons

For purposes of comparison with industry financial measures available from non-public company sources, we reviewed the *Annual Statement Studies*, published by The Risk Management Association (RMA). RMA compiled average percentage income statement and balance sheets and key financial ratios of companies classified under Standard Industrial Classification (SIC) # 5641. The selected RMA group includes [number of companies] companies. We believe the RMA data provide limited comparative perspective and strict comparisons should be made with caution.

# COMPANY PROFIT AND LOSS

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## Summary Profit and Loss Statements

	2003	2002	2001	2000	1999
Revenue	5,966,000	5,194,000	3,970,000	2,935,000	2,100,000
Cost of Goods Sold	1,880,000	1,550,000	1,100,000	875,000	600,000
Gross Profit	4,086,000	3,644,000	2,870,000	2,060,000	1,500,000
Operating Expenses	2,018,000	1,980,000	1,825,000	1,222,000	838,000
Officers' Compensation	1,121,000	854,000	532,000	385,000	248,000
Depreciation/Amortization	180,000	156,000	90,000	66,000	50,000
Interest Expense	220,000	250,000	210,000	190,000	192,000
Operating Profit	547,000	404,000	213,000	197,000	172,000
Other Income/(Expense)	(16,000)	(14,000)	13,000	36,000	(8,000)
Income Before Taxes	531,000	390,000	226,000	233,000	164,000
Income Taxes	186,000	140,000	66,000	59,000	51,000
<b>Net Income</b>	<b>345,000</b>	<b>250,000</b>	<b>160,000</b>	<b>174,000</b>	<b>113,000</b>

# NORMALIZATION ADJUSTMENTS

Normalization adjustments are required to adjust the historical financial statements so that they are representative of a normal condition as of the valuation date.

## Balance Sheet Adjustments

### Book Value

The Company's reported book value at the date of valuation was 1445000. Listed below, we have identified adjustments that are required to restate shareholders' equity and reflect the net asset value of the Company.

### Liquidation Value

The Company's reported liquidation value at the date of the valuation was \$134,426 . Listed below, we have identified adjustments that are required to restate shareholders' equity and reflect the liquidation asset value of the Company.

## Income Statement Adjustments

The Company's reported profit and loss statement was adjusted for one time charges and abnormalities as listed below.

# ESTIMATE OF VALUE

## Methodologies Considered But Rejected

While there are many methods that can be used to determine the fair market value of a company, the fact pattern in the specific case of Childrens Clothing Store dictates that certain methodologies are inappropriate. The following lists those methods and the reasons why they are not used.

### Book Value Method

The book value method is an accounting based value that is calculated by subtracting the book value of total liabilities from the book value of total assets. This method takes as fact that the underlying assets are the driving factor in the valuation of the company and that the fair market value is approximated by the book value.

The book value methodology was rejected for determining the value of Childrens Clothing Store because our review indicates that the value of the enterprise is driven by the ability of the collection of assets in place to generate a benefit stream that is more important in terms of valuation than the value in the underlying assets themselves. In other words, the value of the individual assets and their associated liabilities are less important than the manner in which management has utilized them.

Additionally, the our review indicates that the fair market value of the underlying assets less the fair market value of the liabilities is different than the book value of the assets. This is primarily due to the fact that the accounting standards do not allow the recognition of appreciation in value.

# Determination of Fair Market Value

## Book Value Method

The book value of Childrens Clothing Store as of December 31, 2003 was \$1445000. The book value method is an accounting based value that is calculated by subtracting the book value of total liabilities from the book value of total assets. This method takes as fact that the underlying assets are the driving factor in the valuation of the company and that the fair market value is approximated by the book value.

Our review indicates that the value of the enterprise is driven by the collection of assets' ability to generate a benefit stream that is not more important in terms of valuation than the value of underlying assets themselves. In other words, the value of the individual assets and their associated liabilities are more important than the manner in which management has utilized them.

Additionally, our review indicates that the fair market value of the underlying assets less the fair market value of the liabilities approximates the book value of the assets.

## Adjusted Book Value Method – Going Concern

The adjusted value of Childrens Clothing Store as of December 31, 2003 was \$963,000 . The adjusted book value - going concern method develops a valuation indication by adjusting the reported book values of a subject company's assets to their actual or estimated fair market values and subtracting its liabilities (adjusted to fair market value, if appropriate). The specific adjustments were described in the analysis of the balance sheet. The indicated value should not be interpreted as an estimate of liquidation value. Neither an orderly nor a forced liquidation is contemplated.

## Application of Built In Gains Adjustment

In addition to fair market value adjustments, a built in gain or trapped in gain tax adjustment is necessary to reflect the income tax liability incurred for changes in the value from the historical cost to the fair market value. The fair market values of the assets are assumed to be \$1,400,000 . A holding period of 8 and an appreciation rate of 0.00% are assumed to arrive at an appreciated value of 1,773,478. The book value at this point in the future is assumed to be 1,200,000 for a trapped in gain of 573,478. This amount is then brought back to the present value of 91,393 using a discount rate of 30.00%.. The appropriate tax rate was assumed to be 30.00% and when applied to the difference results in the adjustment amount of \$31,074 for built in gains.



## Application of Minority Interest Discount

A minority interest discount is a reduction in the initial indicated value due to a lack of control prerogatives such as declaring dividends, liquidating the company, going public, issuing or buying stock, directing management, setting management's salaries, etc. In our opinion, a minority interest discount of 37.3% is appropriate because

## Application of Lack of Marketability Discount

In our opinion, a discount of 25.0% is required for lack of marketability. The discount reflects an expectation for illiquidity because

Appendix E contains further information on the lack of a marketability discount.

## Indicated Value Calculation

As determined below, the fair market value indicated by using the Adjusted Book Value as a Going Concern method was \$962,567 and was rounded to \$963,000 .

Unadjusted Equity	1,445,000
Tax Effect of Built-in Gain	(31,074)
Total Adjustments	633,000
Adjusted Equity - Going Concern Value	2,046,926
Less Minority Interest Discount	37.3%
Subtotal	1,283,423
Less Marketability Discount	25.0%
<b>Indicated Value</b>	<b>962,567</b>
<b>SELECTED GOING CONCERN VALUE</b>	<b>963,000</b>

## Adjusted Book Value Method – Liquidation Value

The adjusted book value in an orderly liquidation of Childrens Clothing Store as of December 31, 2003 was \$1,400,000 . The adjusted book value - liquidation method develops a valuation indication by adjusting the reported book values of a subject company's assets to their actual or estimated price as if they were sold in a piecemeal and orderly fashion. It is assumed that the assets are given an adequate level of exposure in their normal secondary market. This premise does not contemplate any contributory value from the company's intangible assets. The specific adjustments were described in the analysis of the balance sheet.

## Application of Built In Gains Adjustment

In addition to fair market value adjustments, a built in gain or trapped in gain tax adjustment is necessary to reflect the income tax liability incurred for changes in the value from the historical cost to the fair market value. The fair market values of the assets were assumed to be \$1,400,000 . A holding period of 8 and an appreciation rate of 0.00% are assumed to arrive at an appreciated value of 1,773,478. The book value at this point in the future is assumed to be 1,200,000 for a trapped in gain of 573,478. This amount is then brought back to the present value of 91,393 using a discount rate of 30.00%.. The appropriate tax rate was assumed to be 30.00% and when applied to the difference results in the adjustment amount of \$31,074 for built in gains.

### Application of Minority Interest Discount

A minority interest discount is a reduction to the initial indicated value due to a lack of control prerogatives such as declaring dividends, liquidating the company, going public, issuing or buying stock, directing management, setting management's salaries, etc. In our opinion, a minority interest discount of 37.3% is appropriate because

### Application of Lack of Marketability Discount Applied

In our opinion, a discount of 25.0% is required for lack of marketability. The discount reflects an expectation for illiquidity because

Appendix E contains further information on the lack of a marketability discount.

### Indicated Value Calculation

As determined below, the fair market value indicated by using the Adjusted Book Value – Liquidation Method was \$63,214 and was rounded to \$63,000 .

Unadjusted Equity	1,445,000
Tax Effect of Built-in Gain	(31,074)
Total Adjustments	<u>(1,279,500)</u>
Adjusted Equity - Liquidation Value	134,426
Less Minority Interest Discount	<u>37.3%</u>
Subtotal	84,285
Less Marketability Discount	<u>25.0%</u>
<b>Indicated Value</b>	<b><u>63,214</u></b>
<b>SELECTED LIQUIDATION VALUE</b>	<b><u>63,000</u></b>

### Capitalization of Earnings Method

Capitalization of earnings requires an estimate of an ongoing benefit stream and a capitalization multiple. The capitalization multiple represents the required rate of return minus the sustainable growth rate. Capitalization of earnings effectively determines the present value of the Company's ongoing economic benefit stream growing perpetually at a fixed rate and discounted at the required rate of return. The present value is representative of the amount a willing buyer and a willing seller would exchange for the business.

### **Estimate of Ongoing Benefit Stream**

The analysis presented below represents the calculation of the ongoing economic benefit stream. It depicts the calculation of the net of debt after tax cash flow benefit stream.

## Calculation of the Ongoing Economic Benefit Stream

	2003	2002	2001	2000	1999
<i>Earning Power Based on Adjusted Pretax Income + Depr + Amort</i>					
Adjusted Pretax Income	586,000	390,000	226,000	233,000	164,000
Add Depreciation/Amortization	180,000	156,000	90,000	66,000	50,000
Total	766,000	546,000	316,000	299,000	214,000
Weight	5	4	3	2	1
<b>Ongoing Earning Power</b>	<b>518,267</b>				
<i>Earning Power Based on Margin Analysis</i>					
Adjusted Revenue	5,966,000	5,194,000	3,970,000	2,935,000	2,100,000
Weight on Adjusted Revenue	5	4	3	2	1
Ongoing Revenue	4,699,067				
Invested Capital After Tax Earnings Margin	12.8%	10.5%	8.0%	10.2%	10.2%
Weight Applied to Adjusted Margin	5	4	3	2	1
Ongoing Margin	10.7%				
<b>Ongoing Earning Power Based on Margin Analysis</b>	<b>503,395</b>				
<b>Net of Debt After Tax Cash Flow Before Adjustment</b>	<b>510,831</b>				
Less Ongoing Depreciation/Amortization	131,733				
Taxable Base	379,098				
Less Estimated State Income Taxes - Effective Rate: 10.0%	37,910				
Before Federal Taxes	341,188				
Less Federal Taxes	116,004				
After Tax Cash Flow Base Before Adjustment	225,184				
Depreciation/Amortization	131,733				
Other Adjustments	0				
Adjust for Working Capital Requirements	(127,100)				
Adjust for Capital Expenditure Requirements	(74,000)				
Adjust for Long Term Debt Requirements	139,800				
<b>Calculated Ongoing Net of Debt After Tax Cash Flow</b>	<b>295,617</b>				
<b>SELECTED ONGOING NET OF DEBT AFTER TAX CASH FLOW</b>	<b>295,600</b>				

The weighting above was performed because **list the reasons**.

### **Margin Analysis**

The margin analysis helps to capture the effects of small anomalies and abnormal occurrences and will smooth the original weighting. Sustainable revenues and margins are estimated in the context of

### **Taxes**

Taxes were calculated as \$37,910 for the state and \$116,004 for federal. The ongoing benefit stream was reduced by these outflows.

### **Cash Flow**

A cash flow stream needs to define the changes in working capital, capital expenditures and long term debt. The ongoing increase/decrease in working capital is \$(127,100). The ongoing increase/decrease in capital expenditures is \$(74,000). The change in long term debt amounts to \$139,800 .

### **Capitalization Multiple**

#### **Capitalization Rates**

The discount rate represents the risk an investor is willing to take on for the potential reward an investment in the subject company will return. Different rates apply to types of businesses. It can also be considered the rate of return that an investor requires on an ongoing basis. This risk is not calculated in a vacuum or a sterile environment but rather it is calculated based on the factors that can be contrasted against the investment in other vehicles that are available and in the specific environment as of the valuation date.

The buildup method layers different risk estimates to build up a discount rate. The appropriate discount rate components for the Company are the risk free rate, equity risk premium, size premium and company specific premium. Subtracting sustainable growth from the discount rate develops the capitalization rate.

#### **Risk Free Rate**

The risk free rate measures the rate of return an investor can earn without taking any additional risk. Examples of risk free returns are the United States Treasury bonds. As of the valuation date December 31, 2003, this yield was 5.0%. The rate applied to the buildup was 5.0%.

#### **Equity Risk Premium**

The equity risk premium represents the risk an investor takes on for investing in large public companies. This risk is measured by taking the returns of public companies over the last 78 years and subtracting the risk free return over the last 78 years(average annual

returns for large capitalization stocks minus average annual returns for long term government bonds). This information is published by Ibbotson Associates. As of December 31, 2003, the equity risk premium was 6.0%. The rate applied to Childrens Clothing Store was 6.0%.

### Size Risk Premium

Empirical evidence shows that the risk reward principle (the greater the risk the greater the reward) holds true in the size or capitalization of the company. The size premium represents average annual returns for small capitalization stocks minus average annual returns for large capitalization stocks. Based on *Stocks, Bonds, Bills, and Inflation Yearbook*, a publication of Ibbotson & Associates, the small stock risk premium averaged 7.0% from 1926 to 2003 . The rate applied to Childrens Clothing Store was 7.0%.

### Industry Risk Premium

Based upon the industry of the subject company as reported in *Stocks, Bonds, Bills, and Inflation Yearbook*, a publication of Ibbotson & Associates, the industry risk premium was calculated as 4.5%. The rate applied to Childrens Clothing Store was 4.5%.

### Specific Company Risk Premium

Based upon Company specific factors - cyclical risk, risks of competitive encroachment, size and various operating concentrations (key executive dependency, customer concentration, and the like) - the summation requires an additional risk premium of 7.5% .

### Expected Sustainable Growth Rate

We estimate 4.0% long term compound annual growth. This earnings growth estimate is based upon our assessment of the Company's prospects for sustained growth in relationship to the estimate of ongoing earnings power developed above.

### Rate to Factor Conversion

The capitalization rate developed using the buildup method is 26.0%. The reciprocal of this measure (1/26.0%) provides a capitalization multiple of 4.

### Calculation of the multiple

The schedule below shows how the multiple was calculated

Risk-Free Rate of Return	5.0%
Equity Risk Premium	6.0%
Small Stock Risk Premium	7.0%
Plus/Minus Industry Risk Premium	4.5%
Company Specific Premium	7.5%
Discount Rate	30.0%
Sustainable Growth	4.0%
<b>Capitalization Rate To Apply To Next Year Stream</b>	<b>26.0%</b>



## **Indicated Value**

To calculate an indicated value for Childrens Clothing Store, the first step is to use the net of debt after tax cash flow benefit stream and divide it by the multiple. In order to match the appropriate period to the rate, the rate is divided by one plus the growth rate.

## **Midyear Convention**

In the normal discounting process it is assumed that the benefit stream is available to the hypothetical buyer at the end of the period. This is not always the case since sales and expenses occur over the course of a period. The benefit stream is then available during the period and not only at the end. To implement this logic, a midyear convention is used. The midyear convention calculates the present value of a benefit stream using arithmetic that presumes half is available before the midyear and half is available after the midyear. We have applied the midyear convention because .

The next step is to apply adjustments to value for Childrens Clothing Store.

## **Application of Minority Interest Discount**

A minority interest discount is a reduction to the initial indicated value due to a lack of control prerogatives such as declaring dividends, liquidating the company, going public, issuing or buying stock, directing management, setting management's salaries, etc. In our opinion, a minority interest discount of 37.3% is appropriate because

## **Application of Marketability Discount**

In our opinion, a discount of 25.0% is required for lack of marketability. The discount reflects an expectation for the lack of a secondary market in which to negotiate a quick sale.

Appendix E contains further information on the lack of a marketability discount.

## **Application of Excess or Non-Operating Assets**

Excess or Non-operating assets represent the value of resources the company has control of but are not required to operate the business. Examples would be excess cash on hand, real estate or other securities not used in the production of goods or services. In our judgment, excess and non-operating assets that need to be added back and are part of the value total \$124,051 .

## **Indicated Value Calculation**

The following schedule presents the indicated value using the capitalization of earnings method. As calculated, the indicated fair market value of the \$758,016 is which has been rounded to \$758,000 .



Net of Debt After Tax Cash Flow	295,600	
Sustainable Growth Rate	4.0%	
Subtotal Assuming Midyear Convention		350,517
Capitalization Rate		26.0%
Subtotal		1,348,143
Minority Interest Discount		37.3%
Subtotal		845,286
Marketability Discount		25.0%
Subtotal		633,964
Excess/Non-Operating Assets		124,051
<b>Indicated Value</b>		<b>758,016</b>
<b>SELECTED VALUE - COE</b>		<b>758,000</b>

## Discounted Future Earnings

The discounted future earnings method was applied and the fair market value of Childrens Clothing Store as of December 31, 2003 was \$966,000 . This income method is the most appropriate method to use because the method focuses on the present value of the forecasted future benefits that would accrue to the hypothetical owner of the company that vary greatly in the short run and are still estimable in the long run. This method requires an explicit forecast of the future benefit streams over a reasonably foreseeable short term and an estimate of a long term benefit stream that is stable and sustainable, i.e. not varying from period to period and the benefit stream is determined to continue into the future without compromise. An appropriate discount rate and an estimate of long term growth beyond the forecast period allow discrete present values to be calculated and summed for all the benefit streams to determine the entity value.

### Estimate of Ongoing Benefit Stream

The analysis presented below represents the ongoing economic benefit stream. It depicts the calculation of the net of debt after tax cash flow benefit stream.

## Calculation of the Ongoing Economic Benefit Stream

	2003	2002	2001	2000	1999
<i>Earning Power Based on Adjusted Pretax Income + Depr + Amort</i>					
Adjusted Pretax Income	586,000	390,000	226,000	233,000	164,000
Add Depreciation/Amortization	180,000	156,000	90,000	66,000	50,000
Total	766,000	546,000	316,000	299,000	214,000
Weight	5	4	3	2	1
<b>Ongoing Earning Power</b>	<b>518,267</b>				
<i>Earning Power Based on Margin Analysis</i>					
Adjusted Revenue	5,966,000	5,194,000	3,970,000	2,935,000	2,100,000
Weight on Adjusted Revenue	5	4	3	2	1
Ongoing Revenue	4,699,067				
Invested Capital After Tax Earnings Margin	12.8%	10.5%	8.0%	10.2%	10.2%
Weight Applied to Adjusted Margin	5	4	3	2	1
Ongoing Margin	10.7%				
<b>Ongoing Earning Power Based on Margin Analysis</b>	<b>503,395</b>				
<b>Net of Debt After Tax Cash Flow Before Adjustment</b>	<b>510,831</b>				
Less Ongoing Depreciation/Amortization	131,733				
Taxable Base	379,098				
Less Estimated State Income Taxes	37,910				
Before Federal Taxes	341,188				
Less Federal Taxes	116,004				
After Tax Cash Flow Base Before Adjustment	225,184				
Depreciation/Amortization	131,733				
Other Adjustments					
Adjust for Working Capital Requirements	(127,100)				
Adjust for Capital Expenditure Requirements	(74,000)				
Adjust for Long Term Debt Requirements	139,800				
<b>Calculated Ongoing Net of Debt After Tax Cash Flow</b>	<b>295,617</b>				
<b>SELECTED ONGOING NET OF DEBT AFTER TAX CASH FLOW</b>	<b>295,600</b>				

The weighting above was performed because **list the reasons**.

The margin analysis helps to capture the effects of small anomalies and abnormal occurrences and will smooth the original weighting. Sustainable revenues and margins are estimated in the context of **list the context**.

Taxes were calculated as \$37,910 for the state and \$116,004 for federal. The benefit stream was reduced by these outflows.

A cash flow stream needs to define the changes in working capital, capital expenditures and long term debt. The ongoing change in working capital is \$(127,100). The ongoing change in capital expenditures is \$(74,000). The change in long term debt amounts to \$139,800 .

### **Benefit Stream Forecast Assumptions**

Certain assumptions must be made in this model. Primarily, what is the reasonably foreseeable short term. The benefit stream should have different characteristics than the sustainable long term benefit stream. The fact set for Childrens Clothing Store as of December 31, 2003 dictates that the reasonable foreseeable short term is 5 years because

The method of forecast was two-stage gordon growth. This method was chosen because

Given these assumptions, the benefit stream was forecasted 5 using the two-stage gordon growth. The next step is to determine a discount rate.

### **Discount Rate**

The discount rate represents the risk an investor is willing to take on for the potential reward an investment in the subject company will return. Different rates apply to types of businesses. It is also known as the return that an investor requires by generating the investment. This risk is not calculated in a vacuum or a sterile environment but rather it is calculated based on the factors that can be contrasted against investing in other vehicles that are available and in the specific environment as of the valuation date.

The buildup method layers different risk estimates to build up a discount rate. The appropriate discount rate components for the Company are the risk free rate, equity risk premium, size premium and company specific premium.

### **Risk Free Rate**

The risk free rate measures the rate of return an investor can earn without taking any additional risk. Examples of risk free returns are the United States Treasury bonds. As of the valuation date, December 31, 2003, this yield was 5.0%. The rate applied to the buildup was 5.0%.

### Equity Risk Premium

The equity risk premium represents the risk an investor takes on for investing in large public companies. This risk is measured by taking the returns over the last 78 years and subtracting the risk free return over the last 78 years (average annual returns for large capitalization stocks minus average annual returns for long term government bonds). This information is published by Ibbotson Associates. As of December 31, 2003, the equity risk premium was 6.0%. The rate applied to Childrens Clothing Store was 6.0%.

### Small Capitalization Equity Risk Premium

Empirical evidence shows that the risk reward principle (the greater the risk the greater the reward) holds true in the size or capitalization of the company. The size premium represents average annual returns for small capitalization stocks minus average annual returns for large capitalization stocks. Based on *Stocks, Bonds, Bills, and Inflation Yearbook*, a publication of Ibbotson & Associates, the small stock risk premium averaged 7.0% from 1926 to 2003. The rate applied to Childrens Clothing Store was 7.0%.

### Industry Risk Premium

Based upon the industry of the subject company as reported in *Stocks, Bonds, Bills, and Inflation Yearbook*, a publication of Ibbotson & Associates, the industry risk premium was calculated as 4.5%. The rate applied to Childrens Clothing Store was 4.5%.

### Specific Company Risk Premium

Based upon Company specific factors - cyclical risk, risks of competitive encroachment, size and various operating concentrations (key executive dependency, customer concentration, and the like) - the summation requires an additional risk premium of 7.5%.

### Discount Rate Calculation

The schedule below shows how the discount rate was calculated. The discount rate selected for Childrens Clothing Store is 0.3.

Risk-Free Rate of Return	5.0%
Equity Risk Premium	6.0%
Small Stock Risk Premium	7.0%
Plus/Minus Industry Risk Premium	4.5%
Company Specific Premium	7.5%
<b>Discount Rate To Apply To Next Year Stream</b>	<b><u>30.0%</u></b>

### Terminal Growth Rate and Benefit Stream

One of the key elements to the discounted future earnings method is that an estimate of a long term benefit stream that is stable and sustainable can be determined. Put another way, this benefit stream is continuing into the future without change. In the short term, the benefit stream can vary wildly due to circumstances in the fact pattern. However, at the end of the reasonably foreseeable future a terminal benefit stream must be estimated.

We estimate 4.0% long term compound annual growth. This earnings growth estimate is based upon our assessment of the Company's prospects for sustained growth in relationship to the estimate of ongoing earnings power developed above.

The earnings in the fifth period of the discrete forecast was \$476,067 . Applying the growth rate of 4.0%, we estimate the continuing stream should be \$495,109 .

The stream is then discounted to present value and summed with the discrete present values in determining the fair market value of Childrens Clothing Store.

### **Midyear Convention**

In the normal discounting process it is assumed that the benefit stream is available to the hypothetical buyer at the end of the period. This is not always the case since sales and expenses occur over the course of a period. The benefit stream is then available during the period and not only at the end. To implement this logic, a midyear convention is used. The midyear convention calculates the present value of a benefit stream using arithmetic that presumes half is available before the midyear and half is available after the midyear. We have applied the midyear convention because

### **Indicated Value**

To calculate the fair market value of Childrens Clothing Store, the first step is to list the discrete short term benefit streams and present value them to December 31, 2003. The terminal benefit stream is then present valued. The sum of all these indicate an initial fair market value.

### **Application of Minority Interest Discount**

A minority interest discount is a reduction to the initial indicated value due to a lack of control prerogatives such as declaring dividends, liquidating the company, going public, issuing or buying stock, directing management, setting management's salaries, etc. In our opinion, a minority interest discount of 37.3% is appropriate because

### **Application of Marketability Discount**

In our opinion, a discount of 25.0% is required for lack of marketability. The discount reflects an expectation for the lack of a secondary market in which to negotiate a quick sale.

Appendix E contains further information on the lack of a marketability discount.

### **Application of Excess or Non-Operating Assets**

Excess or Non-operating assets represent the value of resources the company has control of but are not required to operate the business. Examples would be excess cash on hand,



real estate or other securities. In our judgment, excess and non-operating that need to be added back and are part of the value total 197,849 .

### Indicated Value Calculation

The following schedule presents the indicated value using the discounted future earnings method. As calculated, the indicated fair market value of Childrens Clothing Store is \$966,429 which has been rounded to \$966,000 .

Forecast Period	After Tax Cash Flow	Growth Rate	Terminal Value	P.V. Using 30.0% Discount Rate	Discounted Cash Flow
2004	325,160	10.0%		0.87706	285,185
2005	357,676	10.0%		0.67466	241,310
2006	393,444	10.0%		0.51897	204,185
2007	432,788	10.0%		0.39921	172,773
2008	476,067	10.0%		0.30708	146,191
2008-Forever	495,109	4.0%	1,904,265 *	0.30708	584,762
Subtotal					1,634,406
Minority Interest Discount					37.3%
Subtotal					1,024,773
Marketability Discount					25.0%
Subtotal					768,580
Excess/Non-Operating Assets					197,849
<b>Indicated Value</b>					<b>966,429</b>
<b>SELECTED VALUE - DCF</b>					<b>966,000</b>

### Discounted Future Cash Flow Detail

The discounted future cash flow method was applied and the fair market value of Childrens Clothing Store as of December 31, 2003 was 2,143,000 . This income method is the most appropriate method to use because the method focuses on the present value of the forecasted future benefits that would accrue to the hypothetical owner of the company that vary greatly in the short run and are still estimable in the long run. This method requires an explicit forecast of the future benefit streams over a reasonably foreseeable short term and an estimate of a long term benefit stream that is stable and sustainable, i.e. not varying from period to period and determined to continue into the future without compromise. An appropriate discount rate and an estimate of long term growth beyond the forecast period allow discrete present values to be calculated and summed for all the benefit streams to determine the entity value.

### Key Assumptions in Forecast

The basic forecast assumptions are developed within the context of the Company's historical experience during the past 5 years. The assumptions are summarized below:

### **Sales Growth Assumptions**

### **Gross Profit Margin Assumptions**

### **Operating Expenses Assumptions**

### **Officers' Compensation Assumptions**

### **Other Income and Expense Assumptions**

### **Depreciation and Amortization Assumptions**

Depreciation and amortization is a function of the Company's adjusted balance of fixed assets and intangible assets along with projected acquisitions.

### **Interest Expense Assumptions**

Interest expense is a function of the amount of the Company's interest-bearing debt and the terms therein.

### **Income Tax Rate(s) Assumptions**

### **Working Capital Assumptions**

### **Capital Expenditures Assumptions**

### **Long-Term Debt Assumptions**

The change in the long-term debt is the net of additional borrowings and the reduction of outstanding debt. The assumptions for new debt are

### **Estimate of the Ongoing Benefit Stream**

The analysis presented below represents the ongoing economic benefit stream. It depicts the calculation of the net of debt after tax cash flow benefit stream using the assumptions described above. The forecast is for 10 years.



# BVMPro

## Calculation of the Ongoing Economic Benefit Stream

Projected After Tax Income	609,775	731,235	867,927	1,021,534	1,193,907	1,387,079	1,606,583	1,851,564	2,121,405	2,422,337
Common Stock Dividend Adjustment	0	0	0	0	0	0	0	0	0	0
Projected Depreciation/Amortization	220,000	220,000	220,000	220,000	220,000	220,000	215,000	210,000	210,000	210,000
After Tax Gross Cash Flow	829,775	951,235	1,087,927	1,241,534	1,413,907	1,607,079	1,821,583	2,061,564	2,331,405	2,632,337
Decrease / (Increase) in Working Capital	228,814	(50,781)	(55,813)	(61,344)	(67,423)	(74,103)	(81,445)	(89,514)	(98,382)	(335,624)
Decrease / (Increase) in Investments.	0	0	0	0	0	0	0	0	0	0
Decrease / (Increase) in Other Assets	(3,650)	(3,833)	(4,024)	(4,225)	(4,437)	(4,658)	(4,891)	(5,136)	(5,393)	(5,662)
(Decrease) / Increase in Other Liabilities	7,100	7,810	8,591	9,450	10,395	11,435	12,578	13,836	15,219	16,741
Cash Available for Financing	1,062,039	904,431	1,036,680	1,185,415	1,352,443	1,539,752	1,747,824	1,980,750	2,242,849	2,307,792
(Decrease) / Increase in Long Term Debt	(84,038)	(92,838)	(102,560)	(113,299)	(125,163)	(138,269)	(152,748)	(168,742)	(186,412)	(205,932)
Less Preferred Stock Dividends	0	0	0	0	0	0	0	0	0	0
Net Cash Flow	978,001	811,593	934,121	1,072,116	1,227,280	1,401,483	1,595,077	1,812,008	2,056,438	2,101,860
Plus Beginning Cash Balance	500,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Preliminary Cash Available	1,478,001	911,593	1,034,121	1,172,116	1,327,280	1,501,483	1,695,077	1,912,008	2,156,438	2,201,860
Less Minimum Required Cash Balance	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
<b>Available for Dividend - Net Free Cash Flow</b>	<b>1,378,001</b>	<b>811,593</b>	<b>934,121</b>	<b>1,072,116</b>	<b>1,227,280</b>	<b>1,401,483</b>	<b>1,595,077</b>	<b>1,812,008</b>	<b>2,056,438</b>	<b>2,101,860</b>

## **Discount Rate**

The discount rate represents the risk an investor is willing to take on for the potential reward an investment in the subject company will return. Different rates apply to types of businesses. It is also known as the return that an investor requires by generating the investment. This risk is not calculated in a vacuum or a sterile environment but rather it is calculated based on the factors that can be contrasted against investing in other vehicles that are available and in the specific environment as of the valuation date.

The buildup method layers different risk estimates to build up a discount rate. The appropriate discount rate components for the Company are the risk free rate, equity risk premium, size premium and company specific premium.

## **Risk Free Rate**

The risk free rate measures the rate of return an investor can earn without taking any additional risk. Examples of risk free returns are the United States Treasury bonds. As of the valuation date, December 31, 2003, this yield was 5.0%. The rate applied to the buildup was 5.0%.

## **Equity Risk Premium**

The equity risk premium represents the risk an investor takes on for investing in large public companies. This risk is measured by taking the returns over the last 78 years and subtracting the risk free return over the last 78 years (average annual returns for large capitalization stocks minus average annual returns for long term government bonds). This information is published by Ibbotson Associates. As of December 31, 2003, the equity risk premium was 6.0%. The rate applied to Childrens Clothing Store was 6.0%.

## **Small Capitalization Equity Risk Premium**

Empirical evidence shows that the risk reward principle (the greater the risk the greater the reward) holds true in the size or capitalization of the company. The size premium represents average annual returns for small capitalization stocks minus average annual returns for large capitalization stocks. Based on *Stocks, Bonds, Bills, and Inflation Yearbook*, a publication of Ibbotson & Associates, the small stock risk premium averaged 0.0% from 1926 to 2003 . The rate applied to Childrens Clothing Store was 0.0%.

## **Specific Company Risk Premium**

Based upon Company specific factors - cyclical risk, risks of competitive encroachment, size and various operating concentrations (key executive dependency, customer concentration, and the like) - the summation requires an additional risk premium of 7.5%.

## **Cash Flow to Earnings Conversion Adjustment**

Because the Ibbotson data is based on cash flows, the foregoing factors total to a cash flow discount rate. Because the benefit stream being capitalized is not cash flow based, an additional adjustment is required to convert the discount rate to an earnings based

discount rate. An additional 0.0% is added to the summation to account for the estimated difference between the Company's cash flows and earnings.

### EBIT Conversion Adjustment

Because the benefit stream is not synchronized with an earnings before interest and taxes base, an additional 0.0% is added to the summation to account for the estimated difference between the Company's EBIT base and rate calculated.

### Discount Rate Calculation

The schedule below shows how the discount rate was calculated. The discount rate chosen for Childrens Clothing Store is 0.3.

Risk-Free Rate of Return	5.0%
Equity Risk Premium	6.0%
Small Stock Risk Premium	7.0%
Plus/Minus Industry Risk Premium	4.5%
Company Specific Premium	7.5%
<b>Discount Rate To Apply To Next Year Stream</b>	<b><u>30.0%</u></b>

### Terminal Growth Rate and Benefit Stream

One of the key elements to the discounted future cash flow method is that an estimate of a long term benefit stream that is stable and sustainable can be determined. Put another way, this benefit stream is continuing into the future without change. In the short term, the benefit stream can vary wildly due to circumstances in the fact pattern. However, at the end of the reasonably foreseeable future a terminal benefit stream must be estimated.

We estimate 0.0% terminal compound annual growth. This cash flow growth estimate is based upon our assessment of the Company's prospects for sustained growth in relationship to the estimate of ongoing cash flow power developed above.

The cash flow in the tenth period of the discrete forecast was 0 . Applying the growth rate of 0.0%, we estimate the continuing stream should be \$2,101,860 .

The stream is then discounted to present value and summed with the discrete present values in determining the fair market value of Childrens Clothing Store.

### Midyear Convention

In the normal discounting process it is assumed that the benefit stream is available to the hypothetical buyer at the end of the period. This is not always the case since sales occur over the course of a period and expenses occur over the course of a period. The benefit stream is then available during the period and not only at the end. To implement this logic, a midyear convention is used. The midyear convention calculates the present value of a benefit stream using arithmetic that presumes half is available before the midyear and half is available after the midyear. We have applied the midyear convention because

## Indicated Value

To calculate the fair market value of Childrens Clothing Store, the first step is to list the discrete short term benefit streams and present value them to December 31, 2003. The terminal benefit stream is then present valued. The sum of all these indicate an initial fair market value.

## Indicated Value Calculation

The following schedule presents the indicated value using the discounted future cash flow method. As calculated, the indicated fair market value of the \$2,142,676 is which has been rounded to \$2,143,000 .

Forecast Period	After Tax Cash Flow	Growth Rate	Terminal Value	30.0% Discount Rate	Discounted Cash Flow
2004	1,378,001	N/A		0.76923	1,059,999
2005	811,593	-41.1%		0.59172	480,236
2006	934,121	15.1%		0.45517	425,184
2007	1,072,116	14.8%		0.35013	375,380
2008	1,227,280	14.5%		0.26933	330,543
2009	1,401,483	14.2%		0.20718	290,359
2010	1,595,077	13.8%		0.15937	254,207
2011	1,812,008	13.6%		0.12259	222,134
2012	2,056,438	13.5%		0.09430	193,922
2013	2,101,860	2.2%		0.07254	152,469
2013-Forever	2,101,860	0.0%	7,006,200 *	0.07254	508,230
Subtotal					4,292,664
Minority Interest Discount					37.3%
Subtotal					2,691,500
Marketability Discount					25.0%
Subtotal					2,018,625
Excess/Non-Operating Assets					124,051
<b>Indicated Value</b>					<b>2,142,676</b>
<b>SELECTED VALUE - DCF</b>					<b>2,143,000</b>

## Capitalization of Excess Earnings

The capitalization of excess earnings method develops a value by blending pieces of the asset approach and the income approach. During Prohibition in the 1920's, this method was introduced to estimate the intangible value of breweries and distilleries lost as a result of enacting Prohibition laws. The US Treasury Department, in Appeals and Review Memorandum 34, established the methodology. Its current version is found in Revenue Ruling 68-609. This method may appear simple, but it is easy to misuse.

The primary methodology adds the present value of the excess portion of a benefit stream over the normal benefit stream provided by the assemblage of the assets to the fair market value of those assets generating the benefit stream. Capitalization of excess earnings requires estimates of the adjusted net asset value, ongoing benefit stream, normal benefit stream return and a capitalization cash flow.

## **Estimate of the Benefit Stream**

The analysis presented below represents the ongoing economic benefit stream. It depicts the calculation of the net of debt after tax cash flow benefit stream.

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## Calculation of the Ongoing Economic Benefit Stream

	2003	2002	2001	2000	1999
<i>Earning Power Based on Adjusted Pretax Income + Depr + Amort</i>					
Adjusted Pretax Income	586,000	390,000	226,000	233,000	164,000
Add Depreciation/Amortization	180,000	156,000	90,000	66,000	50,000
Total	766,000	546,000	316,000	299,000	214,000
Weight	5	4	3	2	1
<b>Ongoing Earning Power</b>	<b>518,267</b>				
<i>Earning Power Based on Margin Analysis</i>					
Adjusted Revenue	5,966,000	5,194,000	3,970,000	2,935,000	2,100,000
Weight on Adjusted Revenue	5	4	3	2	1
Ongoing Revenue	4,699,067				
Invested Capital After Tax Earnings Margin	12.8%	10.5%	8.0%	10.2%	10.2%
Weight Applied to Adjusted Margin	5	4	3	2	1
Ongoing Margin	10.7%				
<b>Ongoing Earning Power Based on Margin Analysis</b>	<b>503,395</b>				
<b>Net of Debt After Tax Cash Flow Before Adjustment</b>	<b>510,831</b>				
Less Ongoing Depreciation/Amortization	131,733				
Taxable Base	379,098				
Less Estimated State Income Taxes	37,910				
Before Federal Taxes	341,188				
Less Federal Taxes	116,004				
After Tax Cash Flow Base Before Adjustment	225,184				
Depreciation/Amortization	131,733				
Other Adjustments					
Adjust for Working Capital Requirements	(127,100)				
Adjust for Capital Expenditure Requirements	(74,000)				
Adjust for Long Term Debt Requirements	139,800				
<b>Calculated Ongoing Net of Debt After Tax Cash Flow</b>	<b>295,617</b>				
<b>SELECTED ONGOING NET OF DEBT AFTER TAX CASH FLOW</b>	<b>295,600</b>				



The weighting above was performed because

The margin analysis helps to capture the effects of small anomalies and abnormal occurrences and will smooth the original weighting. Sustainable revenues and margins are estimated in the context of

Taxes were calculated as \$37,910 for the state and \$116,004 for federal. The economic benefit stream was reduced by these outflows.

A cash flow stream needs to define the changes in working capital, capital expenditures and long term debt. The ongoing increase/decrease in working capital is \$(127,100). The ongoing increase/decrease in capital expenditures is \$(74,000). The change in long term debt amounts to \$139,800 .

### Return on Adjusted Net assets Value

The estimate of net assets value is developed below, where required adjustments are applied to reported assets. The specific adjustments in this analysis were made because of these reasons

	2003
Adjusted Assets	3,728,000
Non-Operating Assets	(30,000)
Excess Assets	(245,799)
Tax Affect of Built In Gain	(31,074)
Adjusted Operating Assets	3,421,127
Reasonable Rate of Return on Operating Assets	4.0%
<b>Calculated Return on Operating Assets</b>	<b>136,845</b>
<b>SELECTED RETURN ON OPERATING ASSETS</b>	<b>136,800</b>

A return of 4.0% on net assets has been estimated to be appropriate for Childrens Clothing Store. This estimate was made for the following reasons

A return on assets of 4.0% multiplied against net adjusted assets results in a calculated return of \$136,845 . This amount has been rounded to \$136,800 .

### Capitalization Multiple

The discount rate represents the risk an investor is willing to take on for the potential reward an investment in the subject company will return. Different rates apply to types of businesses. It is also known as the return that an investor requires by generating the investment on an ongoing basis. This risk is not calculated in a vacuum or a sterile environment but rather it is calculated based on the factors that can be contrasted against



the investment in other vehicles that are available in the specific environment as of the valuation date.

The buildup method layers different risk estimates to build up a discount rate. The appropriate discount rate components for the Company are the risk free rate, equity risk premium, size premium and company specific premium. Subtracting sustainable growth from the discount rate develops the capitalization rate.

### **Risk Free Rate**

The risk free rate measures the rate of return an investor can earn without taking any additional risk. Examples of risk free returns are the United States Treasury bonds. As of the valuation date December 31, 2003, this yield was 5.0%. The rate applied to the buildup was 5.0%.

### **Equity Risk Premium**

The equity risk premium represents the risk an investor takes on for investing in large public companies. This risk is measured by taking the returns of public companies over the last 78 years and subtracting the risk free return over the last 78 years (average annual returns for large capitalization stocks minus average annual returns for long term government bonds). This information is published by Ibbotson Associates. As of December 31, 2003, the equity risk premium was 6.0%. The rate applied to Childrens Clothing Store was 6.0%.

### **Small Capitalization Equity Risk Premium**

Empirical evidence shows that the risk reward principle (the greater the risk the greater the reward) holds true in the size or capitalization of the company. The size premium represents average annual returns for small capitalization stocks minus average annual returns for large capitalization stocks. Based on *Stocks, Bonds, Bills, and Inflation Yearbook*, a publication of Ibbotson & Associates, the small stock risk premium averaged 7.0% from 1926 to 2003. The rate applied to Childrens Clothing Store was 7.0%.

### **Industry Risk Premium**

Based upon the industry of the subject company as reported in *Stocks, Bonds, Bills, and Inflation Yearbook*, a publication of Ibbotson & Associates, the industry risk premium was calculated as 4.5%. The rate applied to Childrens Clothing Store was 4.5%.

### **Specific Company Risk Premium**

Based upon Company specific factors - cyclical risk, risks of competitive encroachment, size and various operating concentrations (key executive dependency, customer concentration, and the like) - the summation requires an additional risk premium of 9.0%.

### Expected Sustainable Growth Rate

We estimate 4.0% long term compound annual growth. This earnings growth estimate is based upon our assessment of the Company's prospects for sustained growth in relationship to the estimate of ongoing multiple power developed above.

### Rate to Factor Conversion

The capitalization rate developed using the buildup method is 27.5%. The reciprocal of this measure (1/27.5%) provides a capitalization multiple of 0.

### Capitalization multiple Calculation

The schedule below shows how the multiple was calculated.

Risk-Free Rate of Return	5.0%
Equity Risk Premium	6.0%
Small Stock Risk Premium	7.0%
Plus/Minus Industry Risk Premium	4.5%
Company Specific Premium	9.0%
Discount Rate	31.5%
Sustainable Growth	4.0%
<b>Capitalization Rate To Apply To Next Year Stream</b>	<b><u>27.5%</u></b>

### Indicated Value

To calculate an indicated value for Childrens Clothing Store, the first step is to use the net of debt after tax cash flow benefit steam and subtract the normal returns on assets. In order to match the appropriate period to the rate, the rate is divided by one plus the growth rate.. This difference represents the excess earnings and is divided by the multiple and represents the intangible value. The present value of ongoing benefit stream is then added to the adjusted assets.

### Application of Minority Interest Discount

A minority interest discount is a reduction to the initial indicated value due to a lack of control prerogatives such as declaring dividends, liquidating the company, going public, issuing or buying stock, directing management, setting management's salaries, etc. In our opinion, a minority interest discount of 37.3% is appropriate because

### Application of Marketability Discount

In our opinion, a discount of 25.0% is required for lack of marketability. The discount reflects an expectation for the lack of a secondary market in which to negotiate a quick sale.

Appendix E contains further information on the lack of a marketability discount.

### Application of Excess or Non-Operating Assets

Excess or Non-operating assets represent the value of resources the company has control of but are not required to operate the business. Examples would be excess cash on hand, real estate or other securities. In our judgment, excess and non-operating that need to be added back and are part of the value total \$0 .

### Indicated Value Calculation

The following schedule presents the indicated value using the capitalization of excess earnings method. As calculated, the indicated fair market value of the Childrens Clothing Store is \$1,900,552 which has been rounded to \$1,901,000 .

Net of Debt After Tax Cash Flow	295,600	
Sustainable Growth Rate	<u>4.0%</u>	
Subtotal		307,424
Return on Operating Assets		<u>136,800</u>
Excess Earnings		170,624
Capitalization Rate		<u>27.5%</u>
Intangible Value		620,451
Adjusted Operating Assets		3,421,127
Subtotal		4,041,578
Minority Interest Discount		<u>37.3%</u>
Subtotal		2,534,069
Marketability Discount		<u>25.0%</u>
Subtotal		1,900,552
Excess/Non-Operating Assets		<u>0</u>
<b>Indicated Value</b>		<b><u>1,900,552</u></b>
<b>SELECTED VALUE - COEE</b>		<b><u>1,901,000</u></b>

### Subject Company Transactions

There were 2 transactions involving the Company's stock. The transaction prices ranged from \$462.00 to \$558.00 per share of stock. Based on the price paid per share of stock and the number of shares of stock outstanding at the time of the transactions, the implied value of the Company ranged from \$2,310,000 to \$2,790,000 .

### Application of Minority Interest Discount

A minority interest discount is a reduction to the initial indicated value due to a lack of control prerogatives such as declaring dividends, liquidating the company, going public, issuing or buying stock, directing management, setting management's salaries, etc. In our opinion, a minority interest discount of 37.3% is appropriate because

## Indicated Value Calculation

The following schedule presents the conclusions of value using the capitalization of earnings method. As calculated, the indicated fair market value of the Childrens Clothing Store is \$1,199,138 which has been rounded to \$1,199,000 .

Transaction Number	# 1	# 2
Date of Transaction	11/30/2001	10/31/2001
Transaction Price Per Share	462.00	558.00
Total Shares Outstanding	5,000	5,000
Implied Value	2,310,000	2,790,000
Minority Interest Discount	37.3%	37.3%
Subtotal	1,448,370	1,749,330
Marketability Discount	25.0%	25.0%
Subtotal	1,086,278	1,311,998
Weight Applied	1	1
<b>Indicated Value</b>	<b>1,199,138</b>	
<b>SELECTED</b>	<b>1,199,000</b>	

## Market Data Method – P/E

Guideline companies are companies that provide a reasonable basis for comparison to the relevant investment characteristics of a company being valued. Guideline companies are most often publicly traded companies, although they may be private, in the same or similar business as the subject of this valuation. Guideline companies are used as a basis to develop valuation conclusions with respect to a subject company under the presumption that a similar market exists for the subject company as exists for the guideline companies.

Ideal guideline companies are in the same business as the company being valued. However, if there is insufficient transaction evidence in the same business, it may be necessary to consider companies with an underlying similarity of relevant investment characteristics such as markets, products, growth, cyclical variability and other salient factors.

The guideline company method uses a group of public companies and/or privately held companies selected for their ability to provide valuation guidelines for the analyst. The most commonly used version of the guideline company method develops a price/earnings ratio with which to capitalize net income. By convention, analysts express the relationship between the market price of a stock and its historical earnings in the form of a ratio of the market price of earnings for the most recent twelve months, i.e., price/earnings (P/E) ratio. If the public company group is sufficiently homogeneous with respect to the companies selected, their recent performances, and the public market's

reaction to their performances, analysts typically calculate some form of average P/E ratio as representative of the group.

### **Selected Guideline Companies**

We researched guideline companies by first identifying the industry in which Childrens Clothing Store operates and, using the Standard Industrial Classification Code (SIC Codes) for the industry, we performed a search for a group of companies in a similar line of business as that of the subject company. We screened this group further through the use of key words and phrases that are unique to and describe the subject Company's product or operations and to eliminate those companies whose stock is very thinly traded. We also considered other possible companies mentioned by management or discovered in other research. In the end, further analysis of the remaining companies in terms of operating, financial, geographical, industry, and/or market characteristics to insure that the guideline companies are reasonable for inclusion in the guideline company group.

The screening process described above yielded a group of [insert total number of public companies] publicly traded companies for consideration as guideline companies. Of this group, there are [insert total number of comparable public companies] companies that are considered comparable to Childrens Clothing Store. See the appendix for the listing of the comparable companies. The PE ratios averaged 8.98x and the median was 9.26x . The selected PE ratio was 9.26x .

The screening process described above yielded an initial group of [insert total number of private companies] privately traded companies for consideration as guideline companies. Of this group, there are [insert total number of comparable private companies] companies that are considered comparable to Childrens Clothing Store. See the appendix for the listing of the comparable companies. The PE ratios averaged 8.81x and the median was 8.56x . The selected PE ratio was 8.56x .

The screening process described above yielded a group of [insert the total number of companies on the Analyst Guideline Company Schedule] publicly traded companies for consideration as guideline companies. Of this group, there are [insert the number of comparable companies on the Analyst Guideline Company Schedule] companies that are considered comparable to Childrens Clothing Store. See the appendix for the listing of the comparable companies. The PE ratios averaged 11.88x and the median was 12.89x . The selected PE ratio was 12.89x .

In addition to searching for publicly traded guideline companies, we searched the Pratt's Stats database for transactions involving privately held guideline companies. The Pratt's Stats database is a study of small business sales whereby relevant pricing information is collected from business brokers and transaction intermediaries on individual sales of



small businesses. The search parameters used in determining whether or not a particular transaction in the Pratt's Stats database was comparable to the subject Company were

Given these parameters, we found [insert the number of transactions in the Pratt's Stats grouping] transactions that meet the criteria for being included as guideline companies. The selected PE ratio was 7.50x .

We obtained data from Mercer Capital.

The P/E ratios averaged 0.00x and the median was 7.90x . The selected P/E ratio was 7.90x .

### **Adjustment to the Base Capitalization Factors (Fundamental Adjustment)**

In our opinion, there are certain *fundamental differences* between the Company and the public companies in the group. The necessity for and appropriateness of fundamental adjustments is often overlooked by valuation analysts. A discussion in a book about valuing banks (Valuing Financial Institutions by Z. Christopher Mercer), which is equally applicable to the valuation of other companies, makes the point quite clearly:

As with the valuation of other commercial enterprises using public comparable groups, it is necessary to make *fundamental adjustments* to market derived base capitalization rates in order to make a proper appraisal of the subject bank.

Fundamental adjustments are often necessary when valuing private businesses in relationship to groups of publicly traded guideline companies. These adjustments are necessary to account for basic differences between the valuation subject and the selected group of guideline companies. Fundamental adjustments can give negative (discounts) or positive (premiums) in relationship to the base guideline company multiples.

Several factors give rise to the need for fundamental adjustments, including:

1. *Size*. Public guideline companies are generally larger than the private companies most appraisers value;
2. *Growth*. Compared to public guideline companies, privately held companies' growth opportunities are relatively limited by their capital structure;
3. *Access to Capital Markets*. The ability to access the public capital markets to facilitate future growth is an often overlooked difference between public and private companies. Even for private companies of sufficient size and earning power to be attractive as public candidates, the markets typically discount their share prices in relationship to similar, existing public companies in the form of an IPO discount;
4. *Financial/Operating Strength*. Public companies tend to be better capitalized, have broader management and more depth of management;

5. *Key executive dependency.* Often, a privately held company's success is dependent upon a few (or one) key executives as opposed to the management depth of a typical public company.

Based upon the above factors, it is our opinion that a fundamental discount of approximately 1.80x should be applied to the base net earnings capitalization factor calculated using publicly traded guideline companies.

The magnitude of this fundamental discount is confirmed by an analysis using the Capital Asset Pricing Model. The CAPM derives an estimated base capitalization multiple (P/E) of 0.00x . The base P/E multiple of the guideline company group, when substituted into the CAPM model, suggests an expectation for future growth of -12.7%. We consider the long term internal growth potential for the Company to be about -12.7% per year. The analysis clearly affirms the appropriateness of the fundamental discount developed above.

After applying a fundamental discount of 22.8% to the base guideline company P/E of 7.90x , we develop an adjusted guideline company capitalization factor of 6.10x .

In addition to searching for publicly traded guideline companies, we searched the Midmarket Comps database for transactions involving privately held and publicly traded guideline companies. The Midmarket Comps database is a study of transactions involving publicly traded and privately held businesses with annual sales between \$1million and \$100 million. The study is compiled by World M&A Network. The search parameters used in determining whether or not a particular transaction in the Midmarket database was comparable to the subject Company were

Given these parameters, we found [insert the number of companies in the grouping] transactions that meet the criteria for being included as guideline companies. The PE ratios averaged 7.68x and the median was 7.68x . The selected PE ratio was 7.68x .

### **Estimate of Earnings Stream**

The analysis presented below represents the calculation of the ongoing economic benefit stream. It depicts the calculation of the earnings or net income after tax benefit stream.



## Calculation of the Earnings or Net Income After Tax Benefit Stream

	2003	2002	2001	2000	1999
Earning Power Based on Pretax Income					
Adjusted Pretax Income	586,000	390,000	226,000	233,000	164,000
Weight on Pretax Income	5	4	3	2	1
<b>Ongoing Pretax Income</b>	<b>386,533</b>				
Earning Power Based on Margin Analysis					
Adjusted Revenue	5,966,000	5,194,000	3,970,000	2,935,000	2,100,000
Weight on Adjusted Revenue	5	4	3	2	1
Ongoing Revenue	<b>4,699,067</b>				
Adjusted Pretax Income Margin	9.8%	7.5%	5.7%	7.9%	7.8%
Weight Applied to Adjusted Margin	5	4	3	2	1
Ongoing Margin	<b>8.0%</b>				
<b>Ongoing Margin Analysis Pretax Income</b>	<b>375,600</b>				
<b>Ongoing Benefit Stream</b>	<b>381,067</b>				
Estimated State Income Taxes	10.0%	38,107			
Income Before Federal Taxes		342,960			
Federal Taxes		116,606			
<b>Ongoing Net Income</b>	<b>226,353</b>				
<b>SELECTED ONGOING NET INCOME</b>	<b>226,400</b>				

The weighting above was performed because

The margin analysis helps to capture the effects of small anomalies and abnormal occurrences and will smooth the original weighting. Sustainable revenues and margins are estimated in the context of

Taxes were calculated as \$38,107 for the state and \$116,606 for federal. The ongoing benefit stream was reduced by these outflows.

The ongoing earnings was calculated as \$226,353 and the selected earnings was rounded as \$226,400 .

### **Application of Minority Interest Discount**

A minority interest discount is a reduction to the initial indicated value due to a lack of control prerogatives such as declaring dividends, liquidating the company, going public, issuing or buying stock, directing management, setting management's salaries, etc. In our opinion, a minority interest discount of 37.3% is appropriate because

### **Application of Marketability Discount**

In our opinion, a discount of 25.0% is required for lack of marketability. The discount reflects an expectation for the lack of a secondary market in which to negotiate a quick sale.

Appendix E contains further information on the lack of a marketability discount.

### **Application of Excess or Non-Operating Assets**

Excess or Non-operating assets represent the value of resources the company has control of but are not required to operate the business. Examples would be excess cash on hand, real estate or other securities. In our judgment, excess and non-operating that need to be added back and are part of the value total \$124,051 .

### **Indicated Value Calculation**

Each of the market PE were weighted. The following schedule presents the conclusions of value using the market data PE ratio method. As calculated, the indicated fair market value of the \$1,046,547 is which has been rounded to \$1,046,500 .

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## Indicated Value Calculation

	Mid-Market Data	Pratt's™ Stats Data	Mercer Capital Data	Public Guideline Data	Private Guideline Data	Analyst Data
After Tax Earnings	226,400	226,400	226,400	226,400	226,400	226,400
Multiple	7.68x	7.50x	6.10x	9.26x	8.56x	12.89x
Subtotal	1,739,666	1,698,000	1,380,285	2,096,296	1,936,978	2,919,051
Minority Interest Discount	37.3%	37.3%	37.3%	37.3%	37.3%	37.3%
Subtotal	1,090,771	1,064,646	865,439	1,314,378	1,214,485	1,830,245
Marketability Discount	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Operating Value	818,078	798,485	649,079	985,783	910,864	1,372,684
Excess/Non-Operating Assets	124,051	124,051	124,051	124,051	124,051	124,051
Ongoing Value	942,129	922,536	773,131	1,109,835	1,034,915	1,496,735
Weight Applied	1	1	1	1	1	1
<b>Indicated Value</b>	<b>1,046,547</b>					
<b>SELECTED VALUE</b>	<b>1,046,500</b>					

## Market Data Method – P/R

Guideline companies are companies that provide a reasonable basis for comparison to the relevant investment characteristics of a company being valued. Guideline companies are most often publicly traded companies, although they may be private, in the same or similar business as the subject of this valuation. Guideline companies are used as a basis to develop valuation conclusions with respect to a subject company under the presumption that a similar market exists for the subject company as exists for the guideline companies.

Ideal guideline companies are in the same business as the company being valued. However, if there is insufficient transaction evidence in the same business, it may be necessary to consider companies with an underlying similarity of relevant investment characteristics such as markets, products, growth, cyclical variability and other salient factors.

The guideline company method uses a group of public companies and/or privately held companies selected for their ability to provide valuation guidelines for the analyst. The most commonly used version of the guideline company method develops a price/earnings ratio with which to capitalize net income. By convention, analysts express the relationship between the market price of a stock and its historical revenues in the form of a ratio of the market price of revenues for the most recent twelve months, i.e., price/revenues (P/R) ratio. If the public company group is sufficiently homogeneous with respect to the companies selected, their recent performances, and the public market's reaction to their performances, analysts typically calculate some form of average P/R ratio as representative of the group.

### Selected Guideline Companies

We researched guideline companies by first identifying the industry in which Childrens Clothing Store operates and, using the Standard Industrial Classification Code (SIC Codes) for the industry, we performed a search for a group of companies in a similar line of business as that of the subject company. We screened this group further through the use of key words and phrases that are unique to and describe the subject Company's product or operations and to eliminate those companies whose stock is very thinly traded. We also considered other possible companies mentioned by management or discovered in other research. In the end, further analysis of the remaining companies in terms of operating, financial, geographical, industry, and/or market characteristics to insure that the guideline companies are reasonable for inclusion in the guideline company group.

The screening process described above yielded a group of [insert total number of public companies] publicly traded companies for consideration as guideline companies. Of this group, there are [insert total number of comparable public companies] companies that are considered comparable to Childrens Clothing Store. See the appendix for the listing of

the comparable companies. The P/R ratios averaged 0.53x and the median was 0.50x . The selected P/R ratio was 0.50x .

The screening process described above yielded an initial group of [insert the total number of private companies] privately traded companies for consideration as guideline companies. Of this group, there are [insert the total number of comparable private companies] companies that are considered comparable to Childrens Clothing Store. See the appendix for the listing of the comparable companies. The P/R ratios averaged 0.45x and the median was 0.48x . The selected P/R ratio was 0.48x .

The screening process described above yielded a group of [insert the total number of companies on the analyst schedule] publicly traded companies for consideration as guideline companies. Of this group, there are [insert the number of companies considered in the grouping] companies that are considered comparable to Childrens Clothing Store. See the appendix for the listing of the comparable companies. The P/R ratios averaged 0.93x and the median was 0.97x . The selected P/R ratio was 0.97x .

In addition to searching for guideline companies as listed above, we searched the Bizcomps database for transactions involving privately held guideline companies. The Bizcomps database is a study of small business sales whereby relevant pricing information is collected from business brokers and transaction intermediaries on individual sales of small businesses. The search parameters used in determining whether or not a particular transaction in the Bizcomps database was comparable to the subject Company were

Given these parameters, we found [insert the number of transactions in the grouping] transactions that meet the criteria for being included as guideline companies. The P/R ratios averaged 0.12x and the median was 0.06x . The selected P/R ratio was 0.06x .

We searched the Pratt's Stats database for transactions involving privately held guideline companies. The Pratt's Stats database is a study of small business sales whereby relevant pricing information is collected from business brokers and transaction intermediaries on individual sales of small businesses. The search parameters used in determining whether or not a particular transaction in the Pratt's Stats database was comparable to the subject Company were

Given these parameters, we found [insert the number of transactions in the grouping] transactions that meet the criteria for being included as guideline companies. The selected P/R ratio was 0.40x .

We obtained data from Mercer Capital.

The P/R ratios averaged 0.00x and the median was 0.40x . The selected P/R ratio was 0.40x .

In addition to searching for publicly traded guideline companies, we searched the IBA database for transactions involving privately held guideline companies. The IBA database is a study of small business sales whereby relevant pricing information is collected from business brokers and transaction intermediaries on individual sales of small businesses. The search parameters used in determining whether or not a particular transaction in the IBA database was comparable to the subject Company were

Given these parameters, we found [insert the number of transactions in the grouping] transactions that meet the criteria for being included as guideline companies. The selected P/R ratio was 0.40x .

In addition to searching for publicly traded guideline companies, we searched the Midmarket Comps database for transactions involving privately held and publicly traded guideline companies. The Midmarket Comps database is a study of transactions involving publicly traded and privately held businesses with annual sales between \$1million and \$100 million. The study is compiled by World M&A Network. The search parameters used in determining whether or not a particular transaction in the Midmarket database was comparable to the subject Company were

Given these parameters, we found [insert the number of transactions in the grouping] transactions that meet the criteria for being included as guideline companies. The P/R ratios averaged 0.62x and the median was 0.33x . The selected P/R ratio was 0.33x .

### **Estimate of Revenues Stream**

The analysis presented below represents the calculation of the ongoing economic benefit stream. It depicts the calculation of the revenues benefit stream.

# BVMPro

## Calculation of the Revenues Benefit Stream

	2003	2002	2001	2000	1999
Adjusted Revenue	5,966,000	5,194,000	3,970,000	2,935,000	2,100,000
Weight on Adjusted Revenue	5	4	3	2	1
<b>Ongoing Adjusted Revenue</b>	<b><u>4,699,067</u></b>				
<b>SELECTED REVENUE BASE</b>	<b><u>4,699,100</u></b>				



The weighting above was performed because

The ongoing revenue was calculated as \$4,699,067 and the selected revenue was rounded as \$4,699,100 .

### **Application of Minority Interest Discount**

A minority interest discount is a reduction to the initial indicated value due to a lack of control prerogatives such as declaring dividends, liquidating the company, going public, issuing or buying stock, directing management, setting management's salaries, etc. In our opinion, a minority interest discount of 37.3% is appropriate because

### **Application of Marketability Discount**

In our opinion, a discount of 25.0% is required for lack of marketability. The discount reflects an expectation for the lack of a secondary market in which to negotiate a quick sale.

Appendix E contains further information on the lack of a marketability discount.

### **Application of Excess or Non-Operating Assets**

Excess or Non-operating assets represent the value of resources the company has control of but are not required to operate the business. Examples would be excess cash on hand, real estate or other securities. In our judgment, excess and non-operating that need to be added back and are part of the value total \$124,051 .

### **Indicated Value Calculation**

Each of the market P/R were weighted. The following schedule presents the conclusions of value using the market data P/R ratio method. As calculated, the indicated fair market value of the \$1,192,250 is which has been rounded to \$1,192,200 .

# BVMPro

## Indicated Value Calculation

	Mid-Market Data	BIZCOMPS Data	Pratt's™ Stats Data	IBA Data	Mercer Capital Data	Public Guideline Data	Private Guideline Data	Analyst Data
Revenue	4,699,100	4,699,100	4,699,100	4,699,100	4,699,100	4,699,100	4,699,100	4,699,100
Multiple	0.33x	0.06x	0.40x	0.40x	0.40x	0.50x	0.48x	0.97x
Subtotal	1,569,506	295,372	1,879,640	1,879,640	1,879,640	2,362,676	2,233,523	4,544,030
Adjusted Net Operating Assets		1,814,201		(285,799)				
Subtotal	1,569,506	2,109,573	1,879,640	1,593,841	1,879,640	2,362,676	2,233,523	4,544,030
Minority Interest Discount	37.3%	37.3%	37.3%	37.3%	37.3%	37.3%	37.3%	37.3%
Subtotal	984,080	1,322,702	1,178,534	999,338	1,178,534	1,481,398	1,400,419	2,849,107
Marketability Discount	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Operating Value	738,060	992,027	883,901	749,504	883,901	1,111,048	1,050,314	2,136,830
Excess/Non-Operating Assets	124,051	124,051	124,051	124,051	124,051	124,051	124,051	124,051
Ongoing Value	862,111	1,116,078	1,007,952	873,555	1,007,952	1,235,100	1,174,366	2,260,881
Weight Applied	1	1	1	1	1	1	1	1
<b>Indicated Value</b>	<b>1,192,250</b>							
<b>SELECTED VALUE</b>	<b>1,192,200</b>							

## Market Data Method – P/A

Guideline companies are companies that provide a reasonable basis for comparison to the relevant investment characteristics of a company being valued. Guideline companies are most often publicly traded companies, although they may be private, in the same or similar business as the subject of this valuation. Guideline companies are used as a basis to develop valuation conclusions with respect to a subject company under the presumption that a similar market exists for the subject company as exists for the guideline companies.

Ideal guideline companies are in the same business as the company being valued. However, if there is insufficient transaction evidence in the same business, it may be necessary to consider companies with an underlying similarity of relevant investment characteristics such as markets, products, growth, cyclical variability and other salient factors.

The guideline company method uses a group of public companies and/or privately held companies selected for their ability to provide valuation guidelines for the analyst. The most commonly used version of the guideline company method develops a price/earnings ratio with which to capitalize net income. By convention, analysts express the relationship between the market price of a stock and its historical assets in the form of a ratio of the market price of assets, i.e., price/assets (P/A) ratio. If the public company group is sufficiently homogeneous with respect to the companies selected, their recent performances, and the public market's reaction to their performances, analysts typically calculate some form of average P/E ratio as representative of the group.

### Selected Guideline Companies

We researched guideline companies by first identifying the industry in which Childrens Clothing Store operates and, using the Standard Industrial Classification Code (SIC Codes) for the industry, we performed a search for a group of companies in a similar line of business as that of the subject company. We screened this group further through the use of key words and phrases that are unique to and describe the subject Company's product or operations and to eliminate those companies whose stock is very thinly traded. We also considered other possible companies mentioned by management or discovered in other research. In the end, further analysis of the remaining companies in terms of operating, financial, geographical, industry, and/or market characteristics to insure that the guideline companies are reasonable for inclusion in the guideline company group.

The screening process described above yielded a group of [insert total number of public companies] publicly traded companies for consideration as guideline companies. Of this group, there are [insert total number of comparable public companies] companies that are considered comparable to Childrens Clothing Store. See the appendix for the listing of the comparable companies. The P/A ratios averaged 1.34x and the median was 1.32x . The selected P/A ratio was 1.32x .

The screening process described above yielded an initial group of [insert the total number of private companies] privately traded companies for consideration as guideline companies. Of this group, there are [insert the number of private companies considered in the grouping] companies that are considered comparable to Childrens Clothing Store. See the appendix for the listing of the comparable companies. The P/A ratios averaged 1.56x and the median was 1.54x . The selected P/A ratio was 1.54x .

The screening process described above yielded a group of [insert the total number of companies on the analyst schedule] publicly traded companies for consideration as guideline companies. Of this group, there are [insert the number of companies considered in the grouping] companies that are considered comparable to Childrens Clothing Store. See the appendix for the listing of the comparable companies. The P/A ratios averaged 1.04x and the median was 1.13x . The selected P/A ratio was 1.13x .

In addition to searching for publicly traded guideline companies, we searched the Midmarket Comps database for transactions involving privately held and publicly traded guideline companies. The Midmarket Comps database is a study of transactions involving publicly traded and privately held businesses with annual sales between \$1million and \$100 million. The study is compiled by World M&A Network. The search parameters used in determining whether or not a particular transaction in the Midmarket database was comparable to the subject Company were

Given these parameters, we found [insert the number of transactions in the grouping] transactions that meet the criteria for being included as guideline companies. The P/A ratios averaged 1.81x and the median was 0.76x . The selected P/A ratio was 0.76x .

### **Estimate of Assets**

The analysis presented below represents the calculation of the historical assets base.

# BVMPro

## Calculation of the Historical Assets Base

	2003	2002	2001	2000	1999
Historic Total Assets	3,095,000	2,600,000	2,219,000	1,886,000	1,550,000
Adjustment	0	0	0	0	0
Adjusted Historic Total Assets	3,095,000	2,600,000	2,219,000	1,886,000	1,550,000
Weight on Historic Total Assets	5	4	3	2	1
<b>Ongoing Historic Total Assets</b>	<b><u>2,523,600</u></b>				
<b>SELECTED TOTAL ASSETS BASE</b>	<b><u>2,523,600</u></b>				

The assets were adjusted because

The weighting above was performed because

The assets was calculated as \$2,523,600 and the selected assets was rounded as \$2,523,600 .

### **Application of Minority Interest Discount**

A minority interest discount is a reduction to the initial indicated value due to a lack of control prerogatives such as declaring dividends, liquidating the company, going public, issuing or buying stock, directing management, setting management's salaries, etc. In our opinion, a minority interest discount of 37.3% is appropriate because

### **Application of Marketability Discount**

In our opinion, a discount of 25.0% is required for lack of marketability. The discount reflects an expectation for the lack of a secondary market in which to negotiate a quick sale.

Appendix E contains further information on the lack of a marketability discount.

### **Application of Excess or Non-Operating Assets**

Excess or Non-operating assets represent the value of resources the company has control of but are not required to operate the business. Examples would be excess cash on hand, real estate or other securities. In our judgment, excess and non-operating that need to be added back and are part of the value total \$124,051 .

### **Indicated Value Calculation**

Each of the market P/A were weighted. The following schedule presents the conclusions of value using the market data P/A ratio method. As calculated, the indicated fair market value of the 1,532,782 is which has been rounded to 1,532,800 .



	Mid-Market Data	Public Guideline Data	Private Guideline Data	Analyst Data
Assets	2,523,600	2,523,600	2,523,600	2,523,600
Multiple	0.76x	1.32x	1.54x	1.13x
Subtotal	1,917,629	3,320,526	3,887,708	2,856,961
Minority Interest Discount	37.3%	37.3%	37.3%	37.3%
Subtotal	1,202,353	2,081,970	2,437,593	1,791,315
Marketability Discount	25.0%	25.0%	25.0%	25.0%
Operating Value	901,765	1,561,478	1,828,195	1,343,486
Excess/Non-Operating Assets	124,051	124,051	124,051	124,051
Ongoing Value	1,025,817	1,685,529	1,952,246	1,467,538
Weight Applied	1	1	1	1
<b>Indicated Value</b>	<b>1,532,782</b>			
<b>SELECTED VALUE</b>	<b>1,532,800</b>			

## Market Data Method – P/B

Guideline companies are companies that provide a reasonable basis for comparison to the relevant investment characteristics of a company being valued. Guideline companies are most often publicly traded companies, although they may be private, in the same or similar business as the subject of this valuation. Guideline companies are used as a basis to develop valuation conclusions with respect to a subject company under the presumption that a similar market exists for the subject company as exists for the guideline companies.

Ideal guideline companies are in the same business as the company being valued. However, if there is insufficient transaction evidence in the same business, it may be necessary to consider companies with an underlying similarity of relevant investment characteristics such as markets, products, growth, cyclical variability and other salient factors.

The guideline company method uses a group of public companies and/or privately held companies selected for their ability to provide valuation guidelines for the analyst. The most commonly used version of the guideline company method develops a price/earnings ratio with which to capitalize net income. By convention, analysts express the relationship between the market price of a stock and its historical book value in the form of a ratio of the market price of book value, i.e., price/book (P/B) ratio. If the public company group is sufficiently homogeneous with respect to the companies selected, their recent performances, and the public market's reaction to their performances, analysts typically calculate some form of average P/B ratio as representative of the group.

### Selected Guideline Companies

We researched guideline companies by first identifying the industry in which Childrens Clothing Store operates and, using the Standard Industrial Classification Code (SIC



Codes) for the industry, we performed a search for a group of companies in a similar line of business as that of the subject company. we screened this group further through the use of key words and phrases that are unique to and describe the subject Company's product or operations and to eliminate those companies whose stock is very thinly traded. We also considered other possible companies mentioned by management or discovered in other research. In the end, further analysis of the remaining companies in terms of operating, financial, geographical, industry, and/or market characteristics to insure that the guideline companies are reasonable for inclusion in the guideline company group.

The screening process described above yielded a group of [insert total number of public companies] publicly traded companies for consideration as guideline companies. Of this group, there are [insert total number of comparable public companies] companies that are considered comparable to Childrens Clothing Store. See the appendix for the listing of the comparable companies. The P/B ratios averaged 4.14x and the median was 4.00x . The selected P/B ratio was 4.00x .

The screening process described above yielded an initial group of [insert the total number of private companies] privately traded companies for consideration as guideline companies. Of this group, there are [insert the number of companies considered in the grouping] companies that are considered comparable to Childrens Clothing Store. See the appendix for the listing of the comparable companies. The P/B ratios averaged 4.40x and the median was 4.43x . The selected P/B ratio was 4.43x .

The screening process described above yielded a group of [insert the total number of companies on the analyst schedule] publicly traded companies for consideration as guideline companies. Of this group, there are [insert the number of public companies considered in the grouping] companies that are considered comparable to Childrens Clothing Store. See the appendix for the listing of the comparable companies. The P/B ratios averaged 5.14x and the median was 5.80x . The selected P/B ratio was 5.80x .

We obtained data from Mercer Capital.

The P/R ratios averaged 0.00x and the median was 0.65x . The selected P/R ratio was 0.65x .

In addition to searching for publicly traded guideline companies, we searched the Midmarket Comps database for transactions involving privately held and publicly traded guideline companies. The Midmarket Comps database is a study of transactions involving publicly traded and privately held businesses with annual sales between \$1million and \$100 million. The study is compiled by World M&A Network. The search parameters used in determining whether or not a particular transaction in the Midmarket database was comparable to the subject Company were

Given these parameters, we found [insert the number of transactions in the grouping] transactions that meet the criteria for being included as guideline companies. The P/B ratios averaged 1.79x and the median was 1.79x . The selected P/B ratio was 1.79x .

### **Estimate of Book Value**

The analysis presented below represents the calculation of the historical book value.

BVMPro

# BVMPro

## Calculation of the Historical Book Value

	2003	2002	2001	2000	1999
Historic Book Value	1,445,000	1,125,000	905,000	705,000	615,000
Adjustment	0	0	0	0	0
Adjusted Book Value	1,445,000	1,125,000	905,000	705,000	615,000
Weight on Historic Book Value	5	4	3	2	1
<b>Ongoing Historic Book Value</b>	<b><u>1,097,667</u></b>				
<b>SELECTED BOOK VALUE BASE</b>	<b><u>1,097,700</u></b>				

The book values were adjusted because

The weighting above was performed because

The book value was calculated as \$1,097,667 and the selected book value was rounded as \$1,097,700 .

### **Application of Minority Interest Discount**

A minority interest discount is a reduction to the initial indicated value due to a lack of control prerogatives such as declaring dividends, liquidating the company, going public, issuing or buying stock, directing management, setting management's salaries, etc. In our opinion, a minority interest discount of 37.3% is appropriate because

### **Application of Marketability Discount**

In our opinion, a discount of 25.0% is required for lack of marketability. The discount reflects an expectation for the lack of a secondary market in which to negotiate a quick sale.

Appendix E contains further information on the lack of a marketability discount.

### **Application of Excess or Non-Operating Assets**

Excess or Non-operating assets represent the value of resources the company has control of but are not required to operate the business. Examples would be excess cash on hand, real estate or other securities. In our judgment, excess and non-operating that need to be added back and are part of the value total \$124,051 .

### **Indicated Value Calculation**

Each of the market PB ratios were weighted. The following schedule presents the conclusions of value using the market data PB ratio method. As calculated, the indicated fair market value of the \$1,844,318 is which has been rounded to \$1,844,300 .

# BVMPro

## Indicated Value Calculation

	Mid-Market Data	Mercer Capital Data	Public Guideline Data	Private Guideline Data	Analyst Data
Book Value	1,097,700	1,097,700	1,097,700	1,097,700	1,097,700
Multiple	1.79x	0.65x	4.00x	4.43x	5.80x
Subtotal	1,960,178	713,505	4,390,800	4,857,638	6,368,855
Minority Interest Discount	37.3%	37.3%	37.3%	37.3%	37.3%
Subtotal	1,229,032	447,368	2,753,032	3,045,739	3,993,272
Marketability Discount	25.0%	25.0%	25.0%	25.0%	25.0%
Operating Value	921,774	335,526	2,064,774	2,284,304	2,994,954
Excess/Non-Operating Assets	124,051	124,051	124,051	124,051	124,051
Ongoing Value	1,045,825	459,577	2,188,825	2,408,356	3,119,006
Weight Applied	1	1	1	1	1
<b>Indicated Value</b>	<b>1,844,318</b>				
<b>SELECTED VALUE</b>	<b>1,844,300</b>				

## Market Data Method – P/Cash Flow

Guideline companies are companies that provide a reasonable basis for comparison to the relevant investment characteristics of a company being valued. Guideline companies are most often publicly traded companies, although they may be private, in the same or similar business as the subject of this valuation. Guideline companies are used as a basis to develop valuation conclusions with respect to a subject company under the presumption that a similar market exists for the subject company as exists for the guideline companies.

Ideal guideline companies are in the same business as the company being valued. However, if there is insufficient transaction evidence in the same business, it may be necessary to consider companies with an underlying similarity of relevant investment characteristics such as markets, products, growth, cyclical variability and other salient factors.

The guideline company method uses a group of public companies and/or privately held companies selected for their ability to provide valuation guidelines for the analyst. The most commonly used version of the guideline company method develops a price/earnings ratio with which to capitalize net income. By convention, analysts express the relationship between the market price of a stock and its historical cash flow in the form of a ratio of the market price of cash flow for the most recent twelve months, i.e., price/cash flow (P/Cash Flow) ratio. If the public company group is sufficiently homogeneous with respect to the companies selected, their recent performances, and the public market's reaction to their performances, analysts typically calculate some form of average P//Cash Flow ratio as representative of the group.

### Selected Guideline Companies

We researched guideline companies by first identifying the industry in which Childrens Clothing Store operates and, using the Standard Industrial Classification Code (SIC Codes) for the industry, we performed a search for a group of companies in a similar line of business as that of the subject company. We screened this group further through the use of key words and phrases that are unique to and describe the subject Company's product or operations and to eliminate those companies whose stock is very thinly traded. We also considered other possible companies mentioned by management or discovered in other research. In the end, further analysis of the remaining companies in terms of operating, financial, geographical, industry, and/or market characteristics to insure that the guideline companies are reasonable for inclusion in the guideline company group.

The screening process described above yielded a group of [insert total number of public companies] publicly traded companies for consideration as guideline companies. Of this group, there are [insert total number of comparable public companies] companies that are considered comparable to Childrens Clothing Store. See the appendix for the listing of



the comparable companies. The P/Cash Flow ratios averaged 11.01x and the median was 10.87x . The selected P/Cash Flow ratio was 10.87x

The screening process described above yielded an initial group of [insert the total number of private companies] privately traded companies for consideration as guideline companies. Of this group, there are [insert the number of companies considered in the grouping] companies that are considered comparable to Childrens Clothing Store. See the appendix for the listing of the comparable companies. The P/Cash Flow ratios averaged 10.46x and the median was 10.10x . The selected P/Cash Flow ratio was 10.10x .

The screening process described above yielded a group of [insert the total number of companies on the analyst schedule] publicly traded companies for consideration as guideline companies. Of this group, there are [insert the number of companies considered in the grouping] companies that are considered comparable to Childrens Clothing Store. See the appendix for the listing of the comparable companies. The P/Cash Flow ratios averaged 11.69x and the median was 12.09x . The selected P/Cash Flow ratio was 12.09x .

In addition to searching for guideline companies as listed above, we searched the Bizcomps database for transactions involving privately held guideline companies. The Bizcomps database is a study of small business sales whereby relevant pricing information is collected from business brokers and transaction intermediaries on individual sales of small businesses. The search parameters used in determining whether or not a particular transaction in the Bizcomps database was comparable to the subject Company were

Given these parameters, we found [insert the number of transactions in the grouping] transactions that meet the criteria for being included as guideline companies. The P/Cash Flow ratios averaged 0.58x and the median was 0.45x . The selected P/Cash Flow ratio was 0.45x .

In addition to searching for publicly traded guideline companies, we searched the Pratt's Stats database for transactions involving privately held guideline companies. The Pratt's Stats database is a study of small business sales whereby relevant pricing information is collected from business brokers and transaction intermediaries on individual sales of small businesses. The search parameters used in determining whether or not a particular transaction in the Pratt's Stats database was comparable to the subject Company were

Given these parameters, we found [insert the number of transactions in the grouping] transactions that meet the criteria for being included as guideline companies. The selected P/Cash Flow ratio was 5.87x .

In addition to searching for publicly traded guideline companies, we searched the IBA database for transactions involving privately held guideline companies. The IBA database is a study of small business sales whereby relevant pricing information is collected from business brokers and transaction intermediaries on individual sales of small businesses. The search parameters used in determining whether or not a particular transaction in the IBA database was comparable to the subject Company were

Given these parameters, we found [insert the number of transactions in the grouping] transactions that meet the criteria for being included as guideline companies. The selected P/Cash Flow ratio was 0.50x .

In addition to searching for publicly traded guideline companies, we searched the Midmarket Comps database for transactions involving privately held and publicly traded guideline companies. The Midmarket Comps database is a study of transactions involving publicly traded and privately held businesses with annual sales between \$1million and \$100 million. The study is compiled by World M&A Network. The search parameters used in determining whether or not a particular transaction in the Midmarket database was comparable to the subject Company were

Given these parameters, we found [insert the number of transactions in the grouping] transactions that meet the criteria for being included as guideline companies. The P/Cash Flow ratios averaged 0.00x and the median was 12.09x . The selected P/Cash Flow ratio was 12.09x .

### **Estimate of Cash Flow Stream**

The analysis presented below represents the calculation of the ongoing economic benefit stream. It depicts the calculation of the cash flow benefit stream.

# BVMPro

## Calculation of the Cash Flow Benefit Stream

	2003	2002	2001	2000	1999
Earning Power Based On Gross Cash Flow					
Adjusted After Tax Income	351,600	250,000	160,000	174,000	113,000
Add Depreciation/Amortization	180,000	156,000	90,000	66,000	50,000
Other Non-Cash Adjustments	0	0	0	0	0
Cash Flow	531,600	406,000	250,000	240,000	163,000
Weight on Cash Flow	5	4	3	2	1
<b>Ongoing Cash Flow</b>	<b>378,333</b>				
Earning Power Based Margin Analysis					
Adjusted Revenue	5,966,000	5,194,000	3,970,000	2,935,000	2,100,000
Weight on Adjusted Revenue	5	4	3	2	1
<b>Ongoing Revenue</b>	<b>4,699,067</b>				
Adjusted Cash Flow Margin	8.9%	7.8%	6.3%	8.2%	7.8%
Weight Applied to Adjusted Margin	5	4	3	2	1
<b>Ongoing Cash Flow Margin</b>	<b>7.9%</b>				
<b>Ongoing Cash Flow Margin Analysis</b>	<b>372,251</b>				
<b>Ongoing Gross Cash Flow</b>	<b>375,292</b>				
<b>SELECTED ONGOING CASH FLOW</b>	<b>375,300</b>				

The cash flows were adjusted because

The weighting above was performed because

The margin analysis helps to capture the effects of anomalies and one time occurrences and will smooth the original weighting. Sustainable revenues and margins are estimated in the context of

The historical cash flow was calculated as \$375,292 and the selected cash flow was rounded as \$375,300 .

The schedule below represents the seller's discretionary earnings as calculated by Bizcomps.

# BVMPro

## Seller's Discretionary Earnings as Calculated by Bizcomps

	2003	2002	2001	2000	1999
Adjusted Debt Free Pretax Income	806,000	640,000	436,000	423,000	356,000
Officers' Compensation	1,121,000	854,000	532,000	385,000	248,000
Depreciation/Amortization	180,000	156,000	90,000	66,000	50,000
Seller's Discretionary Earnings	2,107,000	1,650,000	1,058,000	874,000	654,000
Weight on SDE	5	4	3	2	1
Ongoing Seller's Discretionary Earnings	<b>1,514,067</b>				
<b>SELECTED ONGOING SDE BASE</b>	<b>1,514,100</b>				

The weighting above was performed because

The schedule below represents the seller's discretionary earnings as calculated by IBA.

**BVM***Pro*



# BVMPro

## Seller's Discretionary Earnings as Calculated by IBA

	2003	2002	2001	2000	1999
Adjusted Debt Free Pretax Income	806,000	640,000	436,000	423,000	356,000
Officers' Compensation	1,121,000	854,000	532,000	385,000	248,000
Seller's Discretionary Earnings	1,927,000	1,494,000	968,000	808,000	604,000
Weight on SDE	5	4	3	2	1
<b>Ongoing Seller's Discretionary Earnings</b>	<b>1,382,333</b>				
<b>SELECTED ONGOING SDE BASE</b>	<b>1,382,300</b>				

The weighting above was performed because

### **Application of Minority Interest Discount**

A minority interest discount is a reduction to the initial indicated value due to a lack of control prerogatives such as declaring dividends, liquidating the company, going public, issuing or buying stock, directing management, setting management's salaries, etc. In our opinion, a minority interest discount of 37.3% is appropriate because

### **Application of Marketability Discount**

In our opinion, a discount of 25.0% is required for lack of marketability. The discount reflects an expectation for the lack of a secondary market in which to negotiate a quick sale.

Appendix E contains further information on the lack of a marketability discount.

### **Application of Excess or Non-Operating Assets**

Excess or Non-operating assets represent the value of resources the company has control of but are not required to operate the business. Examples would be excess cash on hand, real estate or other securities. In our judgment, excess and non-operating that need to be added back and are part of the value total \$124,051 .

### **Indicated Value Calculation**

Each of the market P/Cash Flow ratios were weighted. The following schedule presents the conclusions of value using the market data P/Cash Flow ratio method.

# BVMPro

## Indicated Value Calculation

	Mid-Market Data	BIZCOMPS Data	Pratt's™ Stats Data	IBA Data	Public Guideline Data	Private Guideline Data	Analyst Data
Cash Flow/Discretionary Earnings	375,300	1,514,100	375,300	1,382,300	375,300	375,300	375,300
Multiple	5.87x	0.45x	5.87x	0.50x	10.87x	10.10x	12.09x
Subtotal	2,203,011	679,800	2,203,011	691,150	4,079,348	3,792,094	4,536,439
Adjusted Net Operating Assets		1,814,201		(285,799)			
Subtotal	2,203,011	2,494,001	2,203,011	405,351	4,079,348	3,792,094	4,536,439
Minority Interest Discount	37.3%	37.3%	37.3%	37.3%	37.3%	37.3%	37.3%
Subtotal	1,381,288	1,563,739	1,381,288	254,155	2,557,751	2,377,643	2,844,347
Marketability Discount	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Operating Value	1,035,966	1,172,804	1,035,966	190,616	1,918,313	1,783,232	2,133,260
Excess/Non-Operating Assets	124,051	124,051	124,051	124,051	124,051	124,051	124,051
Ongoing Value	1,160,017	1,296,855	1,160,017	314,668	2,042,365	1,907,284	2,257,312
Weight Applied	1	1	1	1	1	1	1
<b>Indicated Value</b>	<b>1,448,360</b>						
<b>SELECTED VALUE</b>	<b>1,448,400</b>						

As calculated, the indicated fair market value of the \$1,448,360 is which has been rounded to \$1,448,400 .

## Market Data Method – P/EBIT

Guideline companies are companies that provide a reasonable basis for comparison to the relevant investment characteristics of a company being valued. Guideline companies are most often publicly traded companies, although they may be private, in the same or similar business as the subject of this valuation. Guideline companies are used as a basis to develop valuation conclusions with respect to a subject company under the presumption that a similar market exists for the subject company as exists for the guideline companies.

Ideal guideline companies are in the same business as the company being valued. However, if there is insufficient transaction evidence in the same business, it may be necessary to consider companies with an underlying similarity of relevant investment characteristics such as markets, products, growth, cyclical variability and other salient factors.

The guideline company method uses a group of public companies and/or privately held companies selected for their ability to provide valuation guidelines for the analyst. The most commonly used version of the guideline company method develops a price/earnings ratio with which to capitalize net income. By convention, analysts express the relationship between the market price of a stock and its historical earnings before interest and taxes in the form of a ratio of the market price of earnings before interest and taxes for the most recent twelve months, i.e., price/EBIT (P/EBIT) ratio. If the public company group is sufficiently homogeneous with respect to the companies selected, their recent performances, and the public market's reaction to their performances, analysts typically calculate some form of average P/EBIT ratio as representative of the group.

### Selected Guideline Companies

We researched guideline companies by first identifying the industry in which Childrens Clothing Store operates and, using the Standard Industrial Classification Code (SIC Codes) for the industry, we performed a search for a group of companies in a similar line of business as that of the subject company. We screened this group further through the use of key words and phrases that are unique to and describe the subject Company's product or operations and to eliminate those companies whose stock is very thinly traded. We also considered other possible companies mentioned by management or discovered in other research. In the end, further analysis of the remaining companies in terms of operating, financial, geographical, industry, and/or market characteristics to insure that the guideline companies are reasonable for inclusion in the guideline company group.

The screening process described above yielded a group of [insert total number of public companies] publicly traded companies for consideration as guideline companies. Of this

group, there are [insert total number of comparable public companies] companies that are considered comparable to Childrens Clothing Store. See the appendix for the listing of the comparable companies. The P/EBIT ratios averaged 6.07x and the median was 6.04x . The selected P/EBIT ratio was 6.04x .

We obtained data from Mercer Capital.

The P/EBIT ratios averaged 0.00x and the median was 3.45x . The selected P/R ratio was 3.45x .

### **Estimate of Earnings Before Interest and Taxes Stream**

The analysis presented below represents the calculation of the ongoing economic benefit stream. It depicts the calculation of the earnings before interest and taxes benefit stream.

## Calculation of the Earnings Before Interest and Taxes Benefit Stream

	2003	2002	2001	2000	1999
Earning Power Based on EBIT					
Adjusted Pretax Income	586,000	390,000	226,000	233,000	164,000
Add Interest Expense	220,000	250,000	210,000	190,000	192,000
EBIT	806,000	640,000	436,000	423,000	356,000
Weight on EBIT	5	4	3	2	1
<b>Ongoing EBIT Indication</b>	<b>606,667</b>				
Earning Power Based Margin Analysis					
Adjusted Revenue	5,966,000	5,194,000	3,970,000	2,935,000	2,100,000
Weight on Adjusted Revenue	5	4	3	2	1
Ongoing Revenue	4,699,067				
Adjusted EBIT Margin	13.5%	12.3%	11.0%	14.4%	17.0%
Weight Applied to Adjusted Margin	5	4	3	2	1
Ongoing EBIT Margin	13.0%				
<b>Ongoing EBIT Margin</b>	<b>612,636</b>				
<b>Ongoing EBIT</b>	<b>609,652</b>				
<b>SELECTED ONGOING EBIT INCOME</b>	<b>609,700</b>				



The weighting above was performed because

The margin analysis helps to capture the effects of small anomalies and abnormal occurrences and will smooth the original weighting. Sustainable revenues and margins are estimated in the context of

The ongoing EBIT was calculated as 609,652 and the selected EBIT was rounded as 609,700 .

### **Application of Minority Interest Discount**

A minority interest discount is a reduction to the initial indicated value due to a lack of control prerogatives such as declaring dividends, liquidating the company, going public, issuing or buying stock, directing management, setting management's salaries, etc. In our opinion, a minority interest discount of 37.3% is appropriate because

### **Application of Marketability Discount**

In our opinion, a discount of 25.0% is required for lack of marketability. The discount reflects an expectation for the lack of a secondary market in which to negotiate a quick sale.

Appendix E contains further information on the lack of a marketability discount.

### **Application of Excess or Non-Operating Assets**

Excess or Non-operating assets represent the value of resources the company has control of but are not required to operate the business. Examples would be excess cash on hand, real estate or other securities. In our judgment, excess and non-operating that need to be added back and are part of the value total 124,051

### **Indicated Value Calculation**

Each of the market P/EBIT ratio calculations was weighted. The following schedule presents the conclusions of value using the market data P/EBIT ratio method. As calculated, the indicated fair market value of the \$1,485,035 is which has been rounded to \$1,485,000 .

	Mercer Capital Data	Analyst Data
EBIT	609,700	609,700
Multiple	3.45x	6.04x
Subtotal	2,103,465	3,684,874
Minority Interest Discount	37.3%	37.3%
Subtotal	1,318,873	2,310,416
Marketability Discount	25.0%	25.0%
Operating Value	989,154	1,732,812
Excess/Non-Operating Assets	124,051	124,051
Ongoing Value	1,113,206	1,856,864
Weight Applied	1	1
<b>Indicated Value</b>	<b>1,485,035</b>	
<b>SELECTED VALUE</b>	<b>1,485,000</b>	

## Market Data Method – P/EBITDA

Guideline companies are companies that provide a reasonable basis for comparison to the relevant investment characteristics of a company being valued. Guideline companies are most often publicly traded companies, although they may be private, in the same or similar business as the subject of this valuation. Guideline companies are used as a basis to develop valuation conclusions with respect to a subject company under the presumption that a similar market exists for the subject company as exists for the guideline companies.

Ideal guideline companies are in the same business as the company being valued. However, if there is insufficient transaction evidence in the same business, it may be necessary to consider companies with an underlying similarity of relevant investment characteristics such as markets, products, growth, cyclical variability and other salient factors.

The guideline company method uses a group of public companies and/or privately held companies selected for their ability to provide valuation guidelines for the analyst. The most commonly used version of the guideline company method develops a price/earnings ratio with which to capitalize net income. By convention, analysts express the relationship between the market price of a stock and its historical earnings before interest, taxes, depreciation and amortization in the form of a ratio of the market price of earnings for the most recent twelve months, i.e., price/earnings before interest, taxes, depreciation and amortization (P/EBITDA) ratio. If the public company group is sufficiently homogeneous with respect to the companies selected, their recent performances, and the public market's reaction to their performances, analysts typically calculate some form of average P/EBITDA ratio as representative of the group.

## **Selected Guideline Companies**

We researched guideline companies by first identifying the industry in which Childrens Clothing Store operates and, using the Standard Industrial Classification Code (SIC Codes) for the industry, we performed a search for a group of companies in a similar line of business as that of the subject company. We screened this group further through the use of key words and phrases that are unique to and describe the subject Company's product or operations and to eliminate those companies whose stock is very thinly traded. We also considered other possible companies mentioned by management or discovered in other research. In the end, further analysis of the remaining companies in terms of operating, financial, geographical, industry, and/or market characteristics to insure that the guideline companies are reasonable for inclusion in the guideline company group.

The screening process described above yielded a group of [insert total number of public companies] publicly traded companies for consideration as guideline companies. Of this group, there are [insert total number of comparable public companies] companies that are considered comparable to Childrens Clothing Store. See the appendix for the listing of the comparable companies. The P/EBITDA ratios averaged 3.18x and the median was 3.12x . The selected P/EBITDA ratio was 3.12x .

## **Estimate of EBITDA Benefit Stream**

The analysis presented below represents the calculation of the ongoing economic benefit stream. It depicts the calculation of the earnings before interest, taxes, depreciation and amortization (EBITDA) benefit stream.

# BVMPro

## Calculation of EBITDA Benefit Stream

	2003	2002	2001	2000	1999
Earning Power Based on EBITDA					
Adjusted Pretax Income	586,000	390,000	226,000	233,000	164,000
Add Interest Expense	220,000	250,000	210,000	190,000	192,000
Add Depreciation/Amortization	180,000	156,000	90,000	66,000	50,000
EBITDA	986,000	796,000	526,000	489,000	406,000
Weight on EBITDA	5	4	3	2	1
<b>Ongoing EBITDA</b>	<b>738,400</b>				
Earning Power Based Margin Analysis					
Adjusted Revenue	5,966,000	5,194,000	3,970,000	2,935,000	2,100,000
Weight on Adjusted Revenue	5	4	3	2	1
Ongoing Revenue	<b>4,699,067</b>				
Adjusted EBITDA Margin	16.5%	15.3%	13.2%	16.7%	19.3%
Weight Applied to Adjusted Margin	5	4	3	2	1
Ongoing EBITDA Margin	<b>15.8%</b>				
<b>Ongoing EBITDA Margin Analysis</b>	<b>740,384</b>				
<b>Ongoing EBITDA</b>	<b>739,392</b>				
<b>SELECTED ONGOING EBITDA INCOME</b>	<b>739,400</b>				

The weighting above was performed because

The margin analysis helps to capture the effects of small anomalies and abnormal occurrences and will smooth the original weighting. Sustainable revenues and margins are estimated in the context of

The ongoing EBITDA was calculated as \$739,392 and the selected EBITDA was rounded as \$739,400 .

### **Application of Minority Interest Discount**

A minority interest discount is a reduction to the initial indicated value due to a lack of control prerogatives such as declaring dividends, liquidating the company, going public, issuing or buying stock, directing management, setting management's salaries, etc. In our opinion, a minority interest discount of 37.3% is appropriate because

### **Application of Marketability Discount**

In our opinion, a discount of 25.0% is required for lack of marketability. The discount reflects an expectation for the lack of a secondary market in which to negotiate a quick sale.

Appendix E contains further information on the lack of a marketability discount.

### **Application of Excess or Non-Operating Assets**

Excess or Non-operating assets represent the value of resources the company has control of but are not required to operate the business. Examples would be excess cash on hand, real estate or other securities. In our judgment, excess and non-operating that need to be added back and are part of the value total 124,051 .

### **Indicated Value Calculation**

Each of the market P/EBITDA were weighted. The following schedule presents the conclusions of value using the market data P/EBITDA ratio method. As calculated, the indicated fair market value of the \$6,719,448 is which has been rounded to \$6,719,400 .

	Mercer Capital Data	Analyst Data
EBITDA	4,699,100	4,699,100
Multiple	2.85x	3.12x
Subtotal	13,392,435	14,658,160
Minority Interest Discount	37.3%	37.3%
Subtotal	8,397,057	9,190,667
Marketability Discount	25.0%	25.0%
Operating Value	6,297,793	6,893,000
Excess/Non-Operating Assets	124,051	124,051
Ongoing Value	6,421,844	7,017,051
Weight Applied	1	1
<b>Indicated Value</b>	<b>6,719,448</b>	
<b>SELECTED VALUE</b>	<b>6,719,400</b>	

## Industry Data Method – P/E

Using multiples derived from compilations of industry pricing statistics a market approach may be used to estimate the fair market value of a company when the company can be shown to be representative of the market. By convention, analysts express the relationship between the market price of a stock and its historical earnings in the form of a ratio of the market price of earnings for the most recent twelve months, i.e., price/earnings (P/E) ratio. Using the industry pricing statistic against the company's earnings the fair market value can be estimated.

The company is representative of the industry in these ways.

One source of industry pricing ratios used in the analysis comes from *Mergerstat Review* (published by Houlihan, Howard, Lokey and Zukin). For over 30 years, Mergerstat has compiled statistics on publicly announced mergers, acquisitions and divestitures. The P/E ratio is based on the sellers last 12 months of earnings or the latest financial statement if it was a private company. The industry from which the P/E was taken is Retail and the P/E ratio from Mergerstat Review is 22.30x .

One source of industry pricing ratios used the analysis comes from Ibbotson and Associates' *Capital Cost Quarterly (CCQ)*. CCQ screens and analyzes publicly traded companies into industries and then presents data that is representative of the industry and a P/E is developed. The P/E ratio for SIC 0 from CCQ is 9.85x .



Other studies have been performed by

These studies resulted in an average P/E ratio of 9.83x and a median ratio of 9.85x . The selected ratio is 9.85x .

### **Estimate of Earnings Stream**

The analysis presented below represents the calculation of the ongoing economic benefit stream. It depicts the calculation of the earnings or net income after tax benefit stream.

## Calculation of the Earnings or Net Income After Tax Benefit Stream

	2003	2002	2001	2000	1999
Earning Power Based on Pretax Income					
Adjusted Pretax Income	586,000	390,000	226,000	233,000	164,000
Weight on Pretax Income	5	4	3	2	1
<b>Ongoing Pretax Income</b>	<b>386,533</b>				
Earning Power Based on Margin Analysis					
Adjusted Revenue	5,966,000	5,194,000	3,970,000	2,935,000	2,100,000
Weight on Adjusted Revenue	5	4	3	2	1
Ongoing Revenue	<b>4,699,067</b>				
Adjusted Pretax Income Margin	9.8%	7.5%	5.7%	7.9%	7.8%
Weight Applied to Adjusted Margin	5	4	3	2	1
Ongoing Margin	<b>8.0%</b>				
<b>Ongoing Margin Analysis Pretax Income</b>	<b>375,600</b>				
<b>Ongoing Benefit Stream</b>	<b>381,067</b>				
Estimated State Income Taxes	10.0%	38,107			
Income Before Federal Taxes		342,960			
Federal Taxes		116,606			
<b>Ongoing Net Income</b>		<b>226,353</b>			
<b>SELECTED ONGOING NET INCOME</b>		<b>226,400</b>			

The weighting above was performed because

The margin analysis helps to capture the effects of small anomalies and abnormal occurrences and will smooth the original weighting. Sustainable revenues and margins are estimated in the context of

Taxes were calculated as \$38,107 for the state and \$116,606 for federal. The ongoing benefit stream was reduced by these outflows.

The ongoing earnings was calculated as \$226,353 and the selected earnings was rounded as \$226,400 .

### **Application of Minority Interest Discount**

A minority interest discount is a reduction to the initial indicated value due to a lack of control prerogatives such as declaring dividends, liquidating the company, going public, issuing or buying stock, directing management, setting management's salaries, etc. In our opinion, a minority interest discount of 37.3% is appropriate because

### **Application of Marketability Discount**

In our opinion, a discount of 25.0% is required for lack of marketability. The discount reflects an expectation for the lack of a secondary market in which to negotiate a quick sale.

Appendix E contains further information on the lack of a marketability discount.

### **Application of Excess or Non-Operating Assets**

Excess or Non-operating assets represent the value of resources the company has control of but are not required to operate the business. Examples would be excess cash on hand, real estate or other securities. In our judgment, excess and non-operating that need to be added back and are part of the value total \$124,051 .

### **Indicated Value Calculation**

Each of the industry P/E were weighted. The following schedule presents the conclusions of value using the industry data P/E ratio method. As calculated, the indicated fair market value of the \$1,614,556 is which has been rounded to \$1,614,600 .

	MergerStat PE Data	CCQ Data	Industry Analyst's Data
After Tax Earnings	226,400	226,400	226,400
Multiple	22.30x	9.85x	9.85x
Subtotal	5,048,720	2,230,040	2,230,040
Minority Interest Discount	37.3%	37.3%	37.3%
Subtotal	3,165,547	1,398,235	1,398,235
Marketability Discount	25.0%	25.0%	25.0%
Operating Value	2,374,161	1,048,676	1,048,676
Excess/Non-Operating Assets	124,051	124,051	124,051
Ongoing Value	2,498,212	1,172,728	1,172,728
Weight Applied	1	1	1
<b>Indicated Value</b>	<b>1,614,556</b>		
<b>SELECTED VALUE</b>	<b>1,614,600</b>		

## Industry Data Method – P/R

Using multiples derived from compilations of industry pricing statistics a market approach may be used to estimate the fair market value of a company when the company can be shown to be representative of the market. By convention, analysts express the relationship between the market price of a stock and its historical revenues in the form of a ratio of the market price of revenues for the most recent twelve months, i.e., price/revenues (P/R) ratio. Using the industry pricing statistic against the company's earnings the fair market value can be estimated.

The company is representative of the industry in these ways.

One source of industry pricing ratios used the analysis comes from Ibbotson and Associates' *Capital Cost Quarterly (CCQ)*. CCQ screens and analyzes publicly traded companies into industries and then presents data that is representative of the industry and a P/R is developed. The P/R ratio for SIC 0 from CCQ is 0.30x .

Other studies have been performed by

These studies resulted in an average P/R ratio of 0.55x and a median ratio of 0.65x . The selected ratio is 0.65x

### Estimate of Revenue Stream

The analysis presented below represents the calculation of the ongoing economic benefit stream. It depicts the calculation of the revenue benefit stream.

# BVMPro

## Calculation of the Revenue Benefit Stream

	2003	2002	2001	2000	1999
Adjusted Revenue	5,966,000	5,194,000	3,970,000	2,935,000	2,100,000
Weight on Adjusted Revenue	5	4	3	2	1
<b>Ongoing Adjusted Revenue</b>	<b><u>4,699,067</u></b>				
<b>SELECTED REVENUE BASE</b>	<b><u>4,699,100</u></b>				

The weighting above was performed because

The revenue was calculated as \$4,699,067 and the selected revenue was rounded as \$4,699,100 .

### **Application of Minority Interest Discount**

A minority interest discount is a reduction to the initial indicated value due to a lack of control prerogatives such as declaring dividends, liquidating the company, going public, issuing or buying stock, directing management, setting management's salaries, etc. In our opinion, a minority interest discount of 37.3% is appropriate because

### **Application of Marketability Discount**

In our opinion, a discount of 25.0% is required for lack of marketability. The discount reflects an expectation for the lack of a secondary market in which to negotiate a quick sale.

Appendix E contains further information on the lack of a marketability discount.

### **Application of Excess or Non-Operating Assets**

Excess or Non-operating assets represent the value of resources the company has control of but are not required to operate the business. Examples would be excess cash on hand, real estate or other securities. In our judgment, excess and non-operating that need to be added back and are part of the value total \$124,051 .

### **Indicated Value Calculation**

Each of the industry P/R were weighted. The following schedule presents the conclusions of value using the industry data P/R ratio method. As calculated, the indicated fair market value of the \$4,699,100 is which has been rounded to \$4,699,100 .

	CCQ Data	Industry Analyst's Data
Revenue	4,699,100	4,699,100
Multiple	0.30x	0.65x
Subtotal	1,409,730	3,054,415
Minority Interest Discount	37.3%	37.3%
Subtotal	883,901	1,915,118
Marketability Discount	25.0%	25.0%
Operating Value	662,926	1,436,339
Excess/Non-Operating Assets	124,051	124,051
Ongoing Value	786,977	1,560,390
Weight Applied	1	1
<b>Indicated Value</b>	<b>1,173,684</b>	
<b>SELECTED VALUE</b>	<b>1,173,700</b>	

## Industry Data Method – P/Cash Flow

Using multiples derived from compilations of industry pricing statistics a market approach may be used to estimate the fair market value of a company when the company can be shown to be representative of the market. By convention, analysts express the relationship between the market price of a stock and its historical earnings in the form of a ratio of the market price of cash flows for the most recent twelve months, i.e., price/cash flows (P/Cash Flow) ratio. Using the industry pricing statistic against the company's earnings the fair market value can be estimated.

The company is representative of the industry in these ways.

Other studies have been performed by

These studies resulted in an average P/Cash Flow ratio of 0.55x and a median ratio of 0.65x . The selected ratio is 0.65x .

### Estimate of Cash Flow Stream

The analysis presented below represents the calculation of the ongoing economic benefit stream. It depicts the calculation of the cash flows benefit stream.



# BVMPro

## Calculation of the Cash Flows Benefit Stream

	2003	2002	2001	2000	1999
Earning Power Based On Gross Cash Flow					
Adjusted After Tax Income	351,600	250,000	160,000	174,000	113,000
Add Depreciation/Amortization	180,000	156,000	90,000	66,000	50,000
Other Non-Cash Adjustments	0	0	0	0	0
Cash Flow	531,600	406,000	250,000	240,000	163,000
Weight on Cash Flow	5	4	3	2	1
<b>Ongoing Cash Flow</b>	<b>378,333</b>				
Earning Power Based Margin Analysis					
Adjusted Revenue	5,966,000	5,194,000	3,970,000	2,935,000	2,100,000
Weight on Adjusted Revenue	5	4	3	2	1
Adjusted Cash Flow Margin	8.9%	7.8%	6.3%	8.2%	7.8%
Weight Applied to Adjusted Margin	5	4	3	2	1
<b>Ongoing Cash Flow Margin Analysis</b>	<b>372,251</b>				
<b>Ongoing Gross Cash Flow</b>	<b>375,292</b>				
<b>SELECTED ONGOING CASH FLOW</b>	<b>375,300</b>				

The weighting above was performed because

The margin analysis helps to capture the effects of small anomalies and abnormal occurrences and will smooth the original weighting. Sustainable revenues and margins are estimated in the context of

The ongoing cash flows was calculated as \$375,292 and the selected cash flows was rounded as \$375,300 .

### **Application of Minority Interest Discount**

A minority interest discount is a reduction to the initial indicated value due to a lack of control prerogatives such as declaring dividends, liquidating the company, going public, issuing or buying stock, directing management, setting management's salaries, etc. In our opinion, a minority interest discount of 37.3% is appropriate because

### **Application of Marketability Discount**

In our opinion, a discount of 25.0% is required for lack of marketability. The discount reflects an expectation for the lack of a secondary market in which to negotiate a quick sale.

Appendix E contains further information on the lack of a marketability discount.

### **Application of Excess or Non-Operating Assets**

Excess or Non-operating assets represent the value of resources the company has control of but are not required to operate the business. Examples would be excess cash on hand, real estate or other securities. In our judgment, excess and non-operating that need to be added back and are part of the value total \$124,051 .

### **Indicated Value Calculation**

Each of the industry P/Cash Flow were weighted. The following schedule presents the conclusions of value using the industry data P/Cash Flow ratio method. As calculated, the indicated fair market value of the \$1,173,684 is which has been rounded to \$1,173,700 .

	Industry Analyst's Data
Cash Flow	375,300
Multiple	5.25x
Subtotal	1,970,325
Minority Interest Discount	37.3%
Subtotal	1,235,394
Marketability Discount	25.0%
Operating Value	926,545
Excess/Non-Operating Assets	124,051
<b>Indicated Value</b>	<b>1,050,597</b>
<b>SELECTED VALUE</b>	<b>1,050,600</b>

## Industry Data Method – P/B

Using multiples derived from compilations of industry pricing statistics a market approach may be used to estimate the fair market value of a company when the company can be shown to be representative of the market. By convention, analysts express the relationship between the market price of a stock and its historical book value in the form of a ratio of the market price of earnings for the most recent twelve months, i.e., price/book (P/B) ratio. Using the industry pricing statistic against the company's earnings the fair market value can be estimated.

The company is representative of the industry in these ways.

One source of industry pricing ratios used the analysis comes from Ibbotson and Associates' *Capital Cost Quarterly (CCQ)*. CCQ screens and analyzes publicly traded companies into industries and then presents data that is representative of the industry and a P/B is developed. The P/B ratio for SIC 0 from CCQ is 0.90x .

Other studies have been performed by

These studies resulted in an average P/B ratio of 1.60x and a median ratio of 1.60x . The selected ratio is 1.60x

### Estimate of Book Value

The analysis presented below represents the calculation of the ongoing economic benefit stream. It depicts the calculation of the book value base.

# BVMPro

## Calculation of the Book Value Base

	2003	2002	2001	2000	1999
Historic Book Value	1,445,000	1,125,000	905,000	705,000	615,000
Adjustment	0	0	0	0	0
Adjusted Book Value	1,445,000	1,125,000	905,000	705,000	615,000
Weight on Historic Book Value	5	4	3	2	1
<b>Ongoing Historic Book Value</b>	<b><u>1,097,667</u></b>				
<b>SELECTED BOOK VALUE BASE</b>	<b><u>1,097,700</u></b>				

The book values were adjusted because

The weighting above was performed because

The book value was calculated as \$1,097,667 and the selected book value was rounded as \$1,097,700 .

### **Application of Minority Interest Discount**

A minority interest discount is a reduction to the initial indicated value due to a lack of control prerogatives such as declaring dividends, liquidating the company, going public, issuing or buying stock, directing management, setting management's salaries, etc. In our opinion, a minority interest discount of 37.3% is appropriate because

### **Application of Marketability Discount**

In our opinion, a discount of 25.0% is required for lack of marketability. The discount reflects an expectation for the lack of a secondary market in which to negotiate a quick sale.

Appendix E contains further information on the lack of a marketability discount.

### **Application of Excess or Non-Operating Assets**

Excess or Non-operating assets represent the value of resources the company has control of but are not required to operate the business. Examples would be excess cash on hand, real estate or other securities. In our judgment, excess and non-operating that need to be added back and are part of the value total \$124,051 .

### **Indicated Value Calculation**

Each of the industry P/B were weighted. The following schedule presents the conclusions of value using the industry data P/B ratio method. As calculated, the indicated fair market value of the 846,722 is which has been rounded to 846,700 .

	CCQ Data	Industry Analyst's Data
Book Value	1,097,700	1,097,700
Multiple	0.90x	1.60x
Subtotal	987,930	1,756,320
Minority Interest Discount	37.3%	37.3%
Subtotal	619,432	1,101,213
Marketability Discount	25.0%	25.0%
Operating Value	464,574	825,909
Excess/Non-Operating Assets	124,051	124,051
Ongoing Value	588,626	949,961
Weight Applied	2	5
<b>Indicated Value</b>	<b>846,722</b>	
<b>SELECTED VALUE</b>	<b>846,700</b>	

Custom Method

# CONCLUSION OF VALUE

In the schedule below, we have assigned weights to the values indicated by the various valuation methods. The weights are intended to reflect our opinion of the relative importance or reliability of the methods when determining fair market value

Weights are assigned as follows:

Valuation Indication by Method	Indicated Value	Weight
Book Value Method	1,445,000	1
Adjusted Book Value Method - Going Concern	963,000	1
Adjusted Book Value Method - Liquidation	63,000	1
Capitalization of Earnings Method	758,000	1
Discounted Cash Flow Method - Summary Projections	966,000	1
Discounted Cash Flow Method - Detailed Projections	2,143,000	1
Capitalization of Excess Earnings Method	1,901,000	1
Market Data Method - Price to Earnings	1,046,500	1
Market Data Method - Price to Revenues	1,192,200	1
Market Data Method - Price to Assets	1,532,800	1
Market Data Method - Price to Book Value	1,844,300	1
Market Data Method - Price to Cash Flow/Discretionary Earnings	1,448,400	1
Market Data Method - Price to EBIT	1,485,000	1
Market Data Method - Price to EBITDA	6,719,400	1
Industry Data Method - Price to Earnings	1,614,600	1
Industry Data Method - Price to Revenues	1,173,700	1
Industry Data Method - Price to Cash Flow	1,050,600	1
Industry Data Method - Price to Book Value	846,700	1
Subject Company Transactions Method	1,199,000	1
Custom Method #1	0	1
Custom Method #2	0	1
<b>Calculated Conclusion of Value</b>	<b><u>1,399,629</u></b>	

## Indicated Fair Market Value

As calculated in the following schedule, the indicated fair market value of the Childrens Clothing Store is \$1,399,629 which has been rounded to \$1,399,600 .



Valuation Indication by Method	Indicated Value	Weight
Book Value Method	1,445,000	1
Adjusted Book Value Method - Going Concern	963,000	1
Adjusted Book Value Method - Liquidation	63,000	1
Capitalization of Earnings Method	758,000	1
Discounted Cash Flow Method - Summary Projections	966,000	1
Discounted Cash Flow Method - Detailed Projections	2,143,000	1
Capitalization of Excess Earnings Method	1,901,000	1
Market Data Method - Price to Earnings	1,046,500	1
Market Data Method - Price to Revenues	1,192,200	1
Market Data Method - Price to Assets	1,532,800	1
Market Data Method - Price to Book Value	1,844,300	1
Market Data Method - Price to Cash Flow/Discretionary Earnings	1,448,400	1
Market Data Method - Price to EBIT	1,485,000	1
Market Data Method - Price to EBITDA	6,719,400	1
Industry Data Method - Price to Earnings	1,614,600	1
Industry Data Method - Price to Revenues	1,173,700	1
Industry Data Method - Price to Cash Flow	1,050,600	1
Industry Data Method - Price to Book Value	846,700	1
Subject Company Transactions Method	1,199,000	1
Custom Method #1	0	1
Custom Method #2	0	1
<b>Calculated Conclusion of Value</b>	<b>1,399,629</b>	
<b>SELECTED CONCLUSION OF VALUE</b>	<b>1,399,600</b>	

## OPINION

Therefore, based upon the facts and circumstances of the valuation and subject to the limitations in both conditions and scope listed in this report, our opinion of the resultant fair market value of Childrens Clothing Store on a [enter the basis] as of December 31, 2003 is:

**BVMPro**  
\$ 1,399,600  
=====

# TEST OF REASONABLENESS

To test the reasonableness of our opinion as to the fair market value of Childrens Clothing Store, we performed a proof of valuation analysis. This analysis includes assumptions regarding the cash down payment, the terms of the purchase notes, and the Company's projected cash flows.

The Justification of Purchase technique assesses whether the subject company could “pay for itself” if market debt financing criteria were applied against the opinion of value. The indicators of a successful Justification of Purchase technique include: 1) whether cash flow is sufficient to provide reasonable compensation to the hypothetical purchaser, 2) whether acquisition debt is fully amortized over a reasonable time frame, and 3) whether the hypothetical purchaser earns a reasonable return on the cash down payment.

The assumptions regarding the terms of the hypothetical purchase are presented in the following schedule. Based upon our review of the justification of purchase test we deem this value to be reasonable because a hypothetical buyer could support the purchase with the hypothetical cash flows.

## Terms of the Hypothetical Purchase

		Appraised Value		1,399,600	
Source of Purchase Funds	Percentage	Amount	Terms (mos.)	Interest	Monthly Payment
Required Cash from Buyer	20.0%	279,920			
Financial Institution Financing	80.0%	1,119,680	120	9.0%	14,184
		0			0
		0			0
<b>Total</b>	<b>100.0%</b>	<b>1,399,600</b>			<b>14,184</b>

# APPENDIX A: VALUATION CERTIFICATION AND SIGNATURE OF THE ANALYST

We certify to the best of our knowledge:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting condition, and are our unbiased professional analyses opinion and conclusion.
3. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
4. We have no present or prospective interest in the property that is the subject of the s report andwe have no personal interest or bias with respect to the parties involved.
5. Our compensation is not contingent an any action or event resulting from the analyses, opinion, or conclusions in or the use of this report.
6. Our analyses, opinion,, and conclusion were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
7. No one provided signification professional assistance to the person signing this report.

Signature of the Analyst:

Mr/Ms. Joe Appraiser

Senior Partner

XYZ Appraisal Firm, LLC

## APPENDIX B: LIMITING CONDITIONS

Preparation of this report involved the review of substantial documentation with respect to the Company, the industry and the national economy. Information reviewed relative to the Company is summarized in Appendix C. Sources of information related to the industry and the national economy are cited specifically at appropriate sections of the report.

In conjunction with the preparation of this report, Joe Appraiser of Joe Appraiser CPA visited with management of Childrens Clothing Store. This visit, together with other conversations with management, provided important perspective to our understanding of the information reviewed and analyzed in the preparation of this valuation opinion.

In all cases, we have relied upon the referenced information without independent verification. This report is, therefore, dependent upon the information provided. A material change in critical information relied upon in this report would be cause for a reassessment to determine the effect, if any, upon our conclusion.

Users of this business valuation report should be aware that business valuations are based on future earnings potential that may or may not materialize. Therefore, the actual results achieved during the projection period will vary from the projections utilized in this valuation, and the variations may be material.

Some assumptions invariably will not materialize, and unanticipated events and circumstances may occur. Therefore, the actual performance in any areas forecasted/projected will vary from the forecast/projection, and the variations may be material. Joe Appraiser CPA will not express any form of assurance on the likelihood of achieving the forecast/projection or on the reasonableness of the used assumptions. Any such forecast/projection is presented as part of the appraisal and is not intended to be used separately.

The value premise(s) cited in this report are fundamental to the value opinions rendered herein, and we reserve the right to reconsider such premise(s) should subsequent or additional information be discovered, although no such obligation exists.

We have relied upon the representations of the owners, management and other third parties concerning the value and useful condition of all equipment, real estate, investments used in the business, and any other assets or liabilities except as specifically stated to the contrary in this report. We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances, or that Childrens Clothing Store has good title to all assets.

The estimate of value included in this report assumes that Childrens Clothing Store will maintain the character and integrity of the company through any sale, reorganization or reduction of any owner's/manager's participation in the existing activities of the company.

Since neither Childrens Clothing Store management nor advisors have advised us otherwise, we assume that there is full compliance with all applicable federal, state, and local laws and regulations unless the lack of compliance is stated, defined, and considered in the appraisal report.

Public information, purchased private information and industry statistical information are from sources we deem to be reliable; however, we make no representation as to the accuracy or completeness of such information, and have accepted the information without further verification.

This report and its related calculations were prepared using various software applications potentially including Microsoft Word and Microsoft Excel, ValuSource Pro, and/or various Internet-related software, third-party data (as indicated) and information.

We assume no responsibility for the legal description or matters including legal or title considerations. Title to the subject assets, properties, or business interests is assumed to be good and marketable as represented by owners, management and advisors of Childrens Clothing Store unless otherwise stated.

We assume no hidden or unapparent conditions regarding the subject assets, properties or business interests.

Unless otherwise stated in this report, we did not observe, and we have no knowledge of, the existence of hazardous materials with regard to the subject assets, properties, or business interests. However, we are not qualified to detect such substances. We assume no responsibility for such conditions or for any expertise required to discover them.

No opinion, counsel or interpretation is intended in matters that require legal or other appropriate professional advice. It is assumed that such opinions, counsel or interpretations have been or will be obtained from the appropriate professional sources.

The analyses, opinions, and conclusions presented in this report apply to this engagement only and may not be used out of the context presented herein. This report is valid only for the effective date(s) specified and only for the purpose(s) specified herein.

Although we have exerted considerable diligence and applied our best efforts in constructing this document, immaterial anomalies, if any, may arise. Even so, we are confident that our overall conclusion would still fall within a materially consistent conclusion.

While the client has not informed Childrens Clothing Store of any intent to do so, any third parties to whom this report is shown may be assured that this report, while performed in the employ of the client, was materially prepared on a non-advocacy basis. Any third persons, however, are cautioned that Joe Appraiser CPA has no duty to you and, therefore, no warranty is expressed or implied. Nothing in this report is intended to replace your independent sole judgment, due diligence, or decision to seek professional legal, accounting, or valuation counsel.

This report has been prepared solely for the use of the party or parties named and specifically for the purposes set out therein. In accordance with normal practice, we hereby disclaim liability to any other person. Any other person should not rely upon the information and conclusions reached nor should any statement in this report be used for any other purpose without written consent from Childrens Clothing Store.

The statements and opinions given in this report are given in good faith and in the belief that such statements are not false or misleading. In preparing this report we have relied upon information believed to be reliable and accurate provided by the owners,



management and advisors of Childrens Clothing Store and other sources. We have no reason to believe that any material facts have been withheld from us, nor do we warrant that our investigation has revealed all of the matters in which an audit or more extensive examination might disclose.

This valuation reflects facts and conditions existing at the date of this valuation. Subsequent events have not been considered, and we have no obligation to update our report for such events and conditions.

Joe Appraiser CPA does not purport to be a guarantor of value. Valuation of closely held companies is an imprecise science, with value being a question of fact, and reasonable people can differ in their estimates of value. Joe Appraiser CPA, however, performed conceptually sound and commonly accepted methods and procedures of valuation in determining the estimate of value included in this report. Joe Appraiser CPA is not liable for any use, reliance, financial applications, report distribution or other utilization of any kind, by any party not having written authorization from Joe Appraiser CPA.

The appraised estimate of fair market value in this report is based on the definition applied throughout such report. An actual transaction in the shares may be completed at a value higher, lower or equal to the value rendered herein. We make no guarantee of any kind with regard to the likely or ultimate amount that may result in any future transaction.

The opinion(s) offered in this report do not constitute an offer to buy or sell the shares.

The valuation analyst, by reason of performing this valuation and preparing this report, is not to be required to give expert testimony nor to be in attendance in court or at any government, professional or regulatory hearing, including IRS matters with reference to the matters contained herein, unless prior written arrangements have been made with Joe Appraiser CPA regarding such additional engagement as to the timing, fee arrangements, and nature of the services required.

None of the partners or employees of Joe Appraiser CPA have any present or contemplated future interest in the property being valued, any personal interest with respect to the parties involved, or any other interest that might prevent us from performing an unbiased valuation. We were compensation is not contingent on an action or event resulting from the analysis, opinions, or conclusions in, or the use of, this report.

Possession of this report does not carry with it the right of publication. It may not be used for any purpose by any person other than the client to whom it is addressed without our written consent and, in any event, only with proper written qualifications and only in its entirety.

Neither all nor any part of the contents of this report shall be disseminated to the public through advertising, public relations, news, sales, or other media without our prior written consent and approval.

Liability of Joe Appraiser CPA and its partners and employees for errors and omissions, if any, in this work will be limited to the amount of its compensation for the work performed in this assignment.

This report is further subject to any other contingencies, assumptions, and limiting conditions that may be set out elsewhere within this report.



## APPENDIX C: QUALIFICATIONS OF APPRAISER

**BVM***Pro*

## APPENDIX D: SOURCES OF INFORMATION

The following list is an example of the sources of information

- Onsite visit to Colorado Springs, Co

- Interviews with the following persons

  - President

  - Chief Financial Officer

  - Sales Lead

  - Family Members

- Analysis of the Unaudited statements

- Relevant company documents

  - Contracts

  - Life insurance policy

  - Valuation reports dated

- Research of the overall economic conditions

  - NER

  - Other sources

- Research of the industry outlook

  - List sources

- Analysis of the current and future earnings capacity of <<Company Name>>

This information was accepted without further verification. See Appendix B for a complete list of the assumptions and limitations to which this valuation report is subject to.

# APPENDIX E: MARKETABILITY DISCOUNT

Marketability relates to the liquidity of an investment relative to a comparable and actively traded alternative. In essence, impairment of liquidity increases an investor's expected rate of return. As a result, the market clearing price of a nonmarketable security is discounted relative to the price of its marketable counterpart. The discount for lack of marketability is stated as a percentage of a marketable value.

The valuation of share of stock in closely held corporations typically warrants a discount for lack of marketability. Many factors affect the liquidity of an investment. Among them are the following:

1. Number of shareholders;
2. Size of the block of stock being valued;
3. Restrictions on its sale by agreement or law;
4. The absence of registration; and,
5. The anticipated dividend flow attributable to the investment.

When attempting to quantify these factors that influence liquidity into an appropriate discount for lack of marketability, it is necessary to consider the following factors:

**1. The holding period.** Without an active market, an investor must hold for an uncertain length of time until a liquidity event occurs. In general, longer holding periods without liquidity imply higher discounts for lack of marketability. An investor should reasonably characterize exit timing along a probability distribution. Although subjective, the relative probabilities of exit dates are reasonably related to the following:

- a. Historical ownership policies (insiders, outsiders, family, investors, etc.);
- b. Buy/sell or other shareholder agreements;
- c. Management/ownership succession (age, health, competence, emerging liquidity needs);
- d. Business plans and likely exit strategies of the controlling owner(s); and ,
- e. Emerging attractiveness for equity offering or acquisition.

**2. Required holding period return.** To overcome the unattractiveness of the lack of liquidity, an investor in such securities expects a premium return in excess of that provided by liquid alternatives. Investment features that impair marketability will exact higher expected rates of return which imply higher discounts for lack of marketability. Unattractive features of a lack of liquid security could include the following:

- a. Absence, inadequacy of or inability to pay dividends;
- b. Subjective uncertainties related to the duration of the expected holding period and to achieving a favorable exit date valuation;
- c. Restrictive shareholder agreements; and,
- d. Various other features that increase uncertainty of cash flows.

**3. Growth in underlying value during the holding period.** If an investment is appreciating, that growth will provide a portion of the realized return during the holding period. Growth and marketability discounts are negatively correlated. As expected capital appreciation increases, discounts for lack of marketability decrease. Growth potential should be evaluated in the context of management's business plan, historical growth, and external factors such as emerging industry conditions and market valuations.

**4. Expected cash flow distributions during the holding period.** Holding period returns are also provided by interim cash flows (in addition to capital appreciation). As with growth, holding period cash distributions and discounts for lack of marketability are negatively correlated. Holding period cash flows (dividends, etc.) should be evaluated in the context of historical dividend policy, ability to distribute and the cash needs implied by the business plan.

## Empirical Studies

Guidance as to the proper level of the discount can also be found in examining studies which have approached the question from several different perspectives.

One approach is to analyze the differences in prices between publicly traded securities and those of restricted stocks of the same companies. Since a "lettered" stock is identical to the traded stock in all respects except marketability, the difference in price highlights the marketability discount. Among the more prominent studies are the following:

1. "Discounts Involved in Purchases of Common Stock," in US 92nd Congress, 1st Session, House, Institutional Investor Study Report of the Securities and Exchange Commission (Washington, DC: US Government Printing Office, March 10, 1971, 5:2444-2456, Document No. 92-64, Part 5);
2. A study of closed end investment funds (Milton Gelman, "An Economist-Financial Analyst's Approach to Valuing Stock of A Closely Held Company," *Journal of Taxation* (June 1972), p. 354);
3. A study of prices paid for restricted stocks (Robert E. Maroney, "Most Courts Overvalue Closely Held Stocks," *Taxes*, March 1973, pp. 144-54);
4. A study of prices paid for restricted stocks (J. Michael Maher, "Discounts for Lack of Marketability for Closely Held Business Interests," *Taxes*, September 1976, pp. 562-71; and,
5. A more recent study of restricted stocks (William L. Silber, "Discounts on Restricted Stock: The Impact of Illiquidity on Stock Prices," *Financial Analysts Journal*, July/August 1991, pp. 62-64.)

All of these studies identified median or average discounts in the range of 30-40% for prices of non-marketable stocks in comparison to marketable shares which were otherwise deemed to be comparable. The SEC Institutional Investor study reflected a mean discount of 25.8% while the remainder had average discounts in the range of 33-35%.

A second approach is to analyze the relationship between the prices of companies whose shares were initially offered to the public (IPO) and the prices at which their shares traded privately within a five month period immediately preceding the public offering. A series of studies conducted by John D. Emory at Robert W. Baird & Co., Inc. indicate median and mean lack of marketability discounts of 40% to 45% (see Emory, John D., “The Value of Marketability as Illustrated in Initial Public Offerings of Common Stock, February 1992 through July 1993,” *Business Valuation Review*, December 1993, pp. 3-5).

The objective of the Emory studies is to relate the prices at which private transactions took place before an IPO and the price at which the stock was subsequently offered to the public, in order to objectively gauge the value of marketability. The majority of the companies in the survey reflected discounts exceeding 30%. The highest discounts indicated in the sample were 82% and 94%.

The implication of the studies is clear: presumably arm’s length transactions taking place within a short time of the actual IPOs occur at substantial discounts to the ultimate public offering price. These studies support both the validity and magnitude of marketability discounts in general, and particularly for companies that are not public offering candidates and for which the prospects for shareholder liquidity may be remote.

## Court Decisions

Further guidance for marketability discounts can be found in various court decisions. These decisions provide insight into the discounts allowed in various circumstances. We look at evidence from court decisions, not to cite as direct evidence in the instant case, but to review how courts have previously interpreted the objective evidence presented. In addition, we look to court cases for general guidance concerning the nature of evidence deemed acceptable in previous decisions.

A survey performed by Thomas Solberg (Thomas A. Solberg, “Valuing Restricted Securities: What Factors Do the Courts and the Service Look For,” *Journal of Taxation*, September 1979, pp. 150-54) of fifteen cases indicated a mean discount of 37.4%. A similar study by Phillip Moore (Phillip W. Moore, “Valuation Revisited,” *Trusts & Estates*, February 1987, pp. 40-52), which analyzed fourteen cases by the U.S. Tax Court from 1969 through 1982, indicated wide variations in the decisions but with a trend toward allowing higher discounts.

In “Estate of Berg” (61 TCM 1991-279), the Tax Court relied upon an expert’s analysis of specific factors that influenced the magnitude of a minority interest discount (20%) and a marketability discount (10%). The expert’s specificity appeared to be persuasive to the court. Other experts in the Berg case were admonished by the court for presenting discount analyses that were “exceedingly general and lacking in specific analysis of the subject interest.”

In “Estate of Jung” (101 TIC. No.28), the Tax Court allowed a 35% discount for lack of marketability for a 21% interest in Jung Corp., a manufacturer and distributor of elastic textile goods. Jung’s revenues (\$68 million) and profits (\$3.1 million) had been growing

for several years, a dividend was being paid, and there was a reasonable knowledge that the company could be an attractive acquisition candidate. Of particular note is that the court relied upon several of the empirical studies cited above.

The various studies indicate that a marketability discount in the range of 35%-40% is near the mean. The court cases are increasingly referring to objective data, but the courts are asking for data and analysis that relate to the specific cases in question, not mere averages. It is important to note that the actual range of discounts can be very wide with the top end of the range at 70% or more, depending on the features and circumstances of the subject company.



## APPENDIX F: GLOSSARY

This Glossary was developed jointly by representatives of the American Institute of CPAs, the American Society of Appraisers, the Canadian Institute of Business Valuers, the Institute of Business Appraisers, and the National Association of Certified Valuation Analysts.

**Adjusted Book Value** - the value that results after one or more asset(s) or liability amounts are added, deleted, or changed from their respective financial statement amounts.

**Appraisal** - See Valuation.

**Appraisal Approach** - See Valuation Approach.

**Appraisal Date** - See Valuation Date.

**Appraisal Method** - See Valuation Method.

**Appraisal Procedure** - See Valuation Procedure.

**Asset (Asset-Based) Approach** - a general way of determining a value indication of a business, business ownership interest, or security by using one or more methods based on the value of the assets of that business net of liabilities.

**Benefit Stream** - any level of income, cash flow, or earnings generated by an asset, group of assets, or business enterprise. When the term is used, it should be supplemented by a definition of exactly what it means in the given valuation context.

**Beta** - a measure of systematic risk of a security; the tendency of a security's returns to correlate with swings in the broad market.

**Blockage Discount** - an amount or percentage deducted from the current market price of a publicly traded security to reflect the decrease in the per share value of a block of those securities that is of a size that could not be sold in a reasonable period of time given normal trading volume.

**Business** - see Business Enterprise.

**Business Enterprise** - a commercial, industrial, service, or investment entity, or a combination thereof, pursuing an economic activity.

**Business Valuation** - the act or process of determining the value of a business enterprise or ownership interest therein.

**Capital Asset Pricing Model (CAPM)** - a model in which the cost of capital for any security or portfolio of securities equals a risk free rate plus a risk premium that is proportionate to the systematic risk of the security or portfolio.

**Capitalization** - a conversion of a single period stream of benefits into value.

**Capitalization Factor** - any multiple or divisor used to convert anticipated benefits into value.



**Capitalization Rate** - any divisor (usually expressed as a percentage) used to convert anticipated benefits into value.

**Capital Structure** - the composition of the invested capital of a business enterprise; the mix of debt and equity financing.

**Cash Flow** - cash that is generated over a period of time by an asset, group of assets, or business enterprise. It may be used in a general sense to encompass various levels of specifically defined cash flows. When the term is used, it should be supplemented by a qualifier (for example, “discretionary” or “operating”) and a definition of exactly what it means in the given valuation context.

**Control** - the power to direct the management and policies of a business enterprise.

**Control Premium** - an amount (expressed in either dollar or percentage form) by which the pro rata value (calculated, in proportion value) of a controlling interest exceeds the pro rata value of a noncontrolling interest in a business enterprise, that reflects the power of control.

**Cost Approach** - a general way of estimating a value indication of an individual asset by quantifying the amount of money that would be required to replace the future service capability of that asset.

**Cost of Capital** - the expected rate of return (discount rate) that the market requires in order to attract funds to a particular investment.

**Discount** - a reduction in value or the act of reducing value.

**Discount for Lack of Control** - an amount or percentage deducted from the pro rata share of value of one hundred percent (100%) of an equity interest in a business to reflect the absence of some or all of the powers of control.

**Discount for Lack of Marketability** - an amount or percentage deducted from the value of an ownership interest to reflect the relative absence of marketability.

**Discount Rate** - a rate of return (cost of capital) used to convert a monetary sum, payable or receivable in the future, into present value.

**Economic Life** - the period of time over which property may generate economic benefits.

**Effective Date** - See Valuation Date.

**Enterprise** - See Business Enterprise.

**Equity Net Cash Flows** - those cash flows available to pay out to equity holders (in the form of dividends) after funding operations of the business enterprise, making necessary capital investments, and reflecting increases or decreases in debt financing.

**Equity Risk Premium** - a rate of return in addition to a risk free rate to compensate for investing in equity instruments because they have a higher degree of probable risk than risk free instruments (a component of the cost of equity capital or equity discount rate).

**Excess Earnings** - that amount of anticipated benefits that exceeds a fair rate of return on the value of a selected asset base (often net tangible assets) used to generate those anticipated benefits.

**Excess Earnings Method** - a specific way of determining a value indication of a business, business ownership interest, or security determined as the sum of the value of the assets obtained by capitalizing excess earnings and the value of the selected asset base. Also frequently used to value intangible assets. See Excess Earnings.

**Fair Market Value** - the price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm's length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts. {NOTE: In Canada, the term "price" should be replaced with the term "highest price".}

**Forced Liquidation Value** - liquidation value at which the asset or assets are sold as quickly as possible, such as at an auction.

**Going Concern** - an ongoing operating business enterprise.

**Going Concern Value** - the value of a business enterprise that is expected to continue to operate into the future. The intangible elements of Going Concern Value result from factors such as having a trained work force, an operational plant, and the necessary licenses, systems, and procedures in place.

**Goodwill** - that intangible asset arising as a result of name, reputation, customer loyalty, location, products, and similar factors not separately identified.

**Goodwill Value** - the value attributable to goodwill.

**Income (Income-Based) Approach** - a general way of determining a value indication of a business, business ownership interest, security, or intangible asset using one or more methods that convert anticipated benefits into a present single amount.

**Intangible Assets** - nonphysical assets (such as franchises, trademarks, patents, copyrights, goodwill, equities, mineral rights, securities and contracts as distinguished from physical assets) that grant rights, privileges, and have economic benefits for the owner.

**Invested Capital** - the sum of equity and debt in a business enterprise. Debt is typically long term liabilities or the sum of short term interest bearing debt and long term liabilities. When the term is used, it should be supplemented by a definition of exactly what it means in the given valuation context.

**Invested Capital Net Cash Flows** - those cash flows available to pay out to equity holders (in the form of dividends) and debt investors (in the form of principal and interest) after funding operations of the business enterprise and making necessary capital investments.

**Investment Risk** - the degree of uncertainty as to the realization of expected returns.

**Investment Value** - the value to a particular investor based on individual investment requirements and expectations. {NOTE: In Canada, the term used is "Value to the Owner."}

**Key Person Discount** - an amount or percentage deducted from the value of an ownership interest to reflect the reduction in value resulting from the actual or potential loss of a key person in a business enterprise.

**Levered Beta** - the beta reflecting a capital structure that includes debt.

**Liquidity** - the ability to quickly convert property to cash or pay a liability.

**Liquidation Value** - the net amount that can be realized if the business is terminated and the assets are sold piecemeal. Liquidation can be either “orderly” or “forced”.

**Majority Control** - the degree of control provided by a majority position.

**Majority Interest** - an ownership interest greater than fifty percent (50%) of the voting interest in a business enterprise.

**Market (Market-Based) Approach** - a general way of determining a value indication of a business, business ownership interest, security, or intangible asset by using one or more methods that compare the subject to similar businesses, business ownership interests, securities, or intangible assets that have been sold.

**Marketability** - the ability to quickly convert property to cash at minimal cost.

**Marketability Discount** - See Discount for Lack of Marketability.

**Minority Discount** - a discount for lack of control applicable to a minority interest.

**Minority Interest** - an ownership interest less than fifty percent (50%) of the voting interest in a business enterprise.

**Net Book Value** - with respect to a business enterprise, the difference between total assets (net of accumulated depreciation, depletion, and amortization) and total liabilities of a business enterprise as they appear on the balance sheet (synonymous with Shareholder's Equity); with respect to an intangible asset, the capitalized cost of an intangible asset less accumulated amortization as it appears on the accounting books of the business enterprise.

**Net Cash Flow** - a form of cash flow. When the term is used, it should be supplemented by a qualifier (for example, “Equity” or “Invested Capital”) and a definition of exactly what it means in the given valuation context.

**Net Tangible Asset Value** - the value of the business enterprise's tangible assets (excluding excess assets and nonoperating assets) minus the value of its liabilities. {NOTE: In Canada, tangible assets also include identifiable intangible assets.}

**Nonoperating Assets** - assets not necessary to ongoing operations of the business enterprise. {NOTE: In Canada, the term used is “Redundant Assets.”}

**Orderly Liquidation Value** - liquidation value at which the asset or assets are sold over a reasonable period of time to maximize proceeds received.

**Premise of Value** - an assumption regarding the most likely set of transactional circumstances that may be applicable to the subject valuation; e.g. going concern, liquidation.

**Portfolio Discount** - an amount or percentage that may be deducted from the value of a business enterprise to reflect the fact that it owns dissimilar operations or assets that may not fit well together.

**Rate of Return** - an amount of income (loss) and/or change in value realized or anticipated on an investment, expressed as a percentage of that investment.

**Redundant Assets** - {NOTE: In Canada, see “Nonoperating Assets.”}

**Report Date** - the date conclusions are transmitted to the client.

**Replacement Cost New** - the current cost of a similar new property having the nearest equivalent utility to the property being valued.

**Reproduction Cost New** - the current cost of an identical new property.

**Residual Value** - the prospective value as of the end of the discrete projection period in a discounted benefit streams model.

**Risk Free Rate** - the rate of return available in the market on an investment free of default risk.

**Risk Premium** - a rate of return in addition to a risk free rate to compensate the investor for accepting risk.

**Rule of Thumb** - a mathematical relationship between or among variables based on experience, observation, hearsay, or a combination of these, usually applicable to a specific industry.

**Special Interest Purchasers** - acquirers who believe they can enjoy post-acquisition economies of scale, synergy, or strategic advantages by combining the acquired business interest with their own.

**Standard of Value** - the identification of the type of value being utilized in a specific engagement; e.g. fair market value, fair value, investment value.

**Sustaining Capital Reinvestment** - the periodic capital outlay required to maintain operations at existing levels, net of the tax shield available from such outlays.

**Systematic Risk** - the risk that is common to all risky securities and cannot be eliminated through diversification. When using the capital asset pricing model, systematic risk is measured by beta.

**Terminal Value** - See Residual Value.

**Unlevered Beta** - the beta reflecting a capital structure without debt.

**The Risk Management Association** – Formerly known as Robert Morris Associates .

**Unsystematic Risk** - the portion of total risk specific to an individual security that can be avoided through diversification.

**Valuation** - the act or process of determining the value of a business, business ownership interest, security, or intangible asset.

**Valuation Approach** - a general way of determining a value indication of a business, business ownership interest, security, or intangible asset using one or more valuation methods.

**Valuation Date** - the specific point in time as of which the valuator's opinion of value applies (also referred to as "Effective Date" or "Appraisal Date").

**Valuation Method** - within approaches, a specific way to determine value.

**Valuation Procedure** - the act, manner, and technique of performing the steps of an appraisal method.

**Valuation Ratio** - a fraction in which a value or price serves as the numerator and financial, operating, or physical data serve as the denominator.

**Value to the Owner** - {NOTE: In Canada, see Investment Value.}

**Weighted Average Cost of Capital (WACC)** - the cost of capital (discount rate) determined by the weighted average at market value of the cost of all financing sources in the business enterprise's capital structure.



## EXHIBITS

# BVM*Pro*

Childrens Clothing Store  
Report Writer Data  
12/31/2003

Report Writer Data Page

The data requested on this schedule is used in the report writer.

Report date: 6/7/2005

Singular / Pural Plural(We,Our)

Premise of value: non-marketable minority interest

Standard of Value fair market value

Governing Standard

Purpose



Childrens Clothing Store  
Appraiser Data  
12/31/2003

**APPRAISER'S INFORMATION**

Name Joe Appraiser  
Company Joe Appraiser CPA  
Address 12345 Street Address

City, State & Zip Colorado Springs, CO 12345

**LETTER INFORMATION**

**LETTER INFORMATION**

Report address to: Mr. Attorney

Address 12345 Street Address

City, State & Zip New York, NY 12345

**SUBJECT BUSINESS INFORMATION**

State of Incorporation CO  
Incorporation Date 12/1/1955  
Number of Shareholders 5  
Number Shares Issued 5,000  
Number Shares Being Valued 4,000  
% Business Being Valued 80%

Memo; N/A

Childrens Clothing Store  
Business Profile  
12/31/2003

Business Name Childrens Clothing Store

Business Address 12345 Street Name

SIC/NAICS Code 5641

SIC/NAICS Description Childrens Clothing

Purpose of Valuation Sale of Assets

Valuation Date 12/31/2003

Type of Financial Statements Unaudited

Type of Sale Asset

Type of Entity Corporation

Memo: N/A

BVMPro

Childrens Clothing Store  
Ownership  
12/31/2003

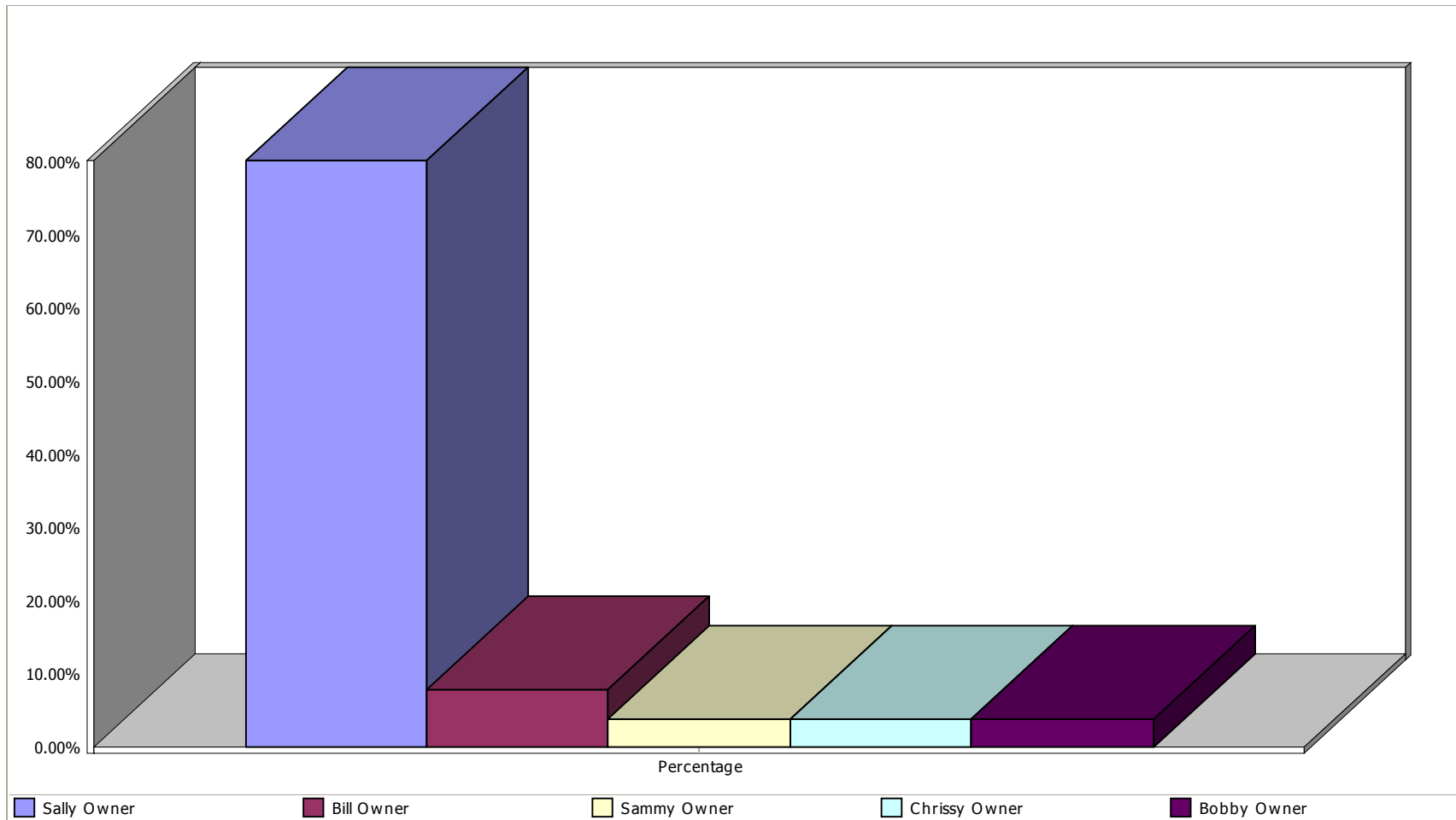
Name	Common Percentage Owned	Common Shares Owned	Nonvoting Shares Owned
Sally Owner	80%	4,000	
Bill Owner	8%	400	
Sammy Owner	4%	200	
Chrissy Owner	4%	200	
Bobby Owner	4%	200	

<b>Totals</b>	<u><b>100%</b></u>	<u><b>5,000</b></u>	<u><b>0</b></u>
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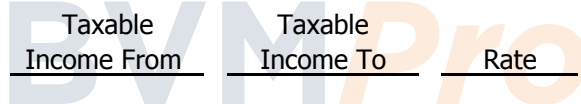
Memo: N/A

Childrens Clothing Store  
Ownership Chart  
12/31/2003

BVMPPro



Childrens Clothing Store  
Federal Tax Table  
12/31/2003



<u>Taxable Income From</u>	<u>Taxable Income To</u>	<u>Rate</u>
0	50,000	15.0%
50,001	75,000	25.0%
75,001	100,000	34.0%
100,001	335,000	39.0%
335,001	10,000,000	34.0%
10,000,001	15,000,000	35.0%
15,000,001	15,263,158	38.0%
15,263,159	500,000,000	35.0%

Childrens Clothing Store  
Detailed Historic Balance Sheets  
12/31/2003

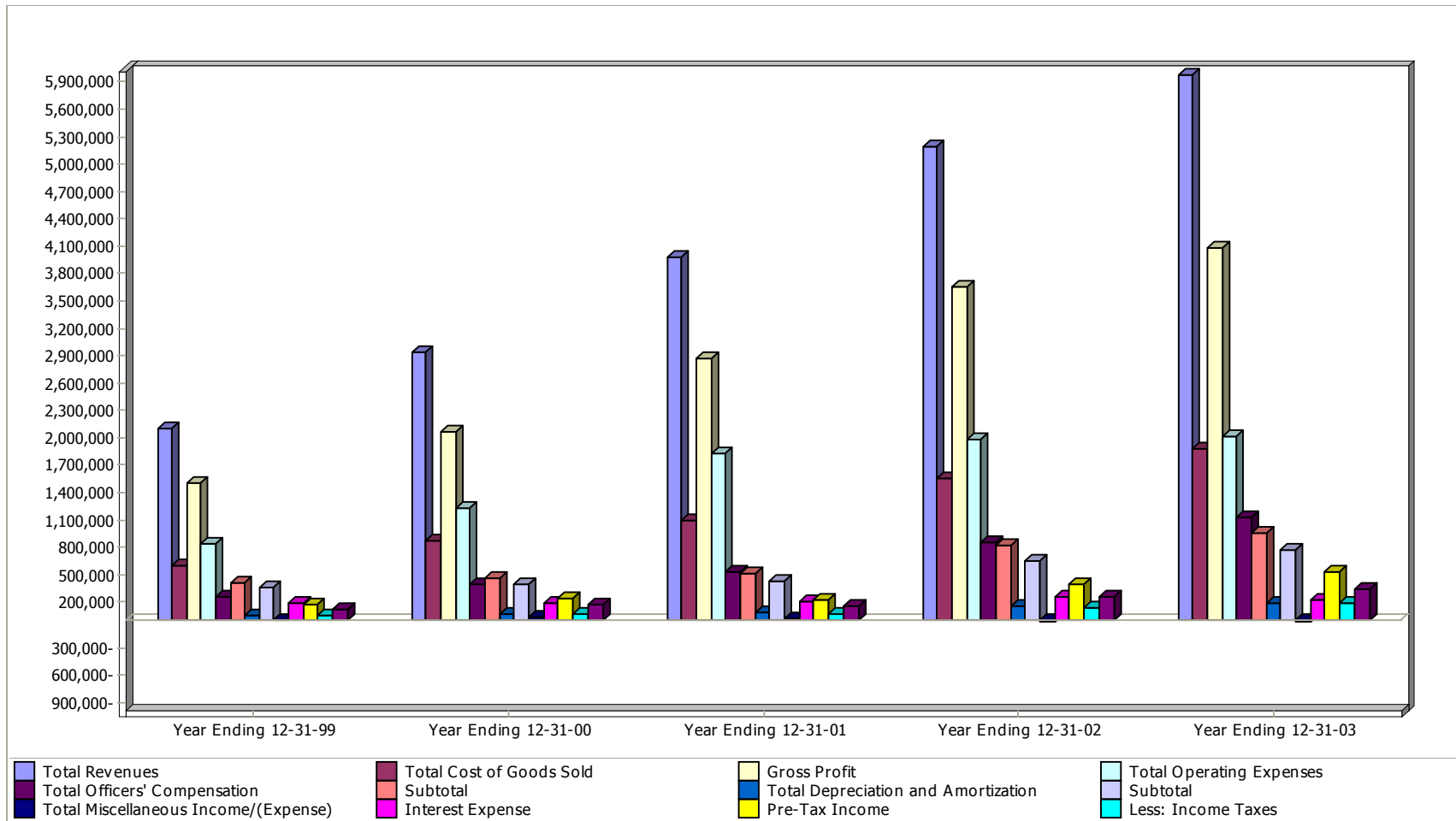
	Year Ended 12-31-03	Year Ended 12-31-02	Year Ended 12-31-01	Year Ended 12-31-00	Year Ended 12-31-99	Growth Rate 1999-2003	Growth Rate 2002-2003	Average of 1999-2003	Median of 1999-2003	Min of 1999-2003	Max of 1999-2003
<b>Assets:</b>											
Current Assets											
Cash											
Checking	549,000	387,000	465,000	356,000	229,000	24.4%	41.9%	397,200	387,000	229,000	549,000
Savings	0	0	0	0	0	NA	NA	0	0	0	0
Marketable Securities	0	0	0	0	0	NA	NA	0	0	0	0
Other	0	0	0	0	0	NA	NA	0	0	0	0
Total Cash	549,000	387,000	465,000	356,000	229,000	24.4%	41.9%	397,200	387,000	229,000	549,000
Accounts Receivable	140,000	55,000	66,000	50,000	40,000	36.8%	154.5%	70,200	55,000	40,000	140,000
Inventory											
Raw Materials	840,000	490,000	440,000	373,000	270,000	32.8%	71.4%	482,600	440,000	270,000	840,000
Work in Progress	0	0	0	0	0	NA	NA	0	0	0	0
Finished Goods	0	0	0	0	0	NA	NA	0	0	0	0
Total Inventory	840,000	490,000	440,000	373,000	270,000	32.8%	71.4%	482,600	440,000	270,000	840,000
Other Current Assets	80,000	75,000	52,000	38,000	40,000	18.9%	6.7%	57,000	52,000	38,000	80,000
Total Current Assets	1,609,000	1,007,000	1,023,000	817,000	579,000	29.1%	59.8%	1,007,000	1,007,000	579,000	1,609,000
Fixed Assets - Net											
Fixed Assets - Cost											
Machinery & Equipment	230,000	190,000	165,000	145,000	145,000	12.2%	21.1%	175,000	165,000	145,000	230,000
Vehicles	860,000	865,000	676,000	559,000	400,000	21.1%	-0.6%	672,000	676,000	400,000	865,000
Leasehold Improvements	904,000	780,000	530,000	530,000	530,000	14.3%	15.9%	654,800	530,000	530,000	904,000
Total Fixed Assets - Cost	1,994,000	1,835,000	1,371,000	1,234,000	1,075,000	16.7%	8.7%	1,501,800	1,371,000	1,075,000	1,994,000
Accumulated Depreciation											
Machinery & Equipment	-45,000	-35,000	-25,000	-15,000	-9,000	49.5%	28.6%	-25,800	-25,000	-45,000	-9,000
Vehicles	-200,000	-150,000	-95,000	-80,000	-60,000	35.1%	33.3%	-117,000	-95,000	-200,000	-60,000
Leasehold Improvements	-411,000	-301,000	-220,000	-160,000	-120,000	36.0%	36.5%	-242,400	-220,000	-411,000	-120,000
Total Accumulated Depreciation	-656,000	-486,000	-340,000	-255,000	-189,000	36.5%	35.0%	-385,200	-340,000	-656,000	-189,000
Total Fixed Assets - Net	1,338,000	1,349,000	1,031,000	979,000	886,000	10.9%	-0.8%	1,116,600	1,031,000	886,000	1,349,000
Other Assets											
Intangible Assets - Net											
Intangible Assets - Cost											
Intangible Asset	100,000	100,000	100,000	0	0	NA	0%	60,000	100,000	0	100,000
Total Intangible Assets - Cost	100,000	100,000	100,000	0	0	NA	0%	60,000	100,000	0	100,000
Accumulated Amortization											
Accumulated Amortization Intangible Asset	-25,000	-15,000	-5,000	0	0	NA	66.7%	-9,000	-5,000	-25,000	0
Total Accumulated Amortization	-25,000	-15,000	-5,000	0	0	NA	66.7%	-9,000	-5,000	-25,000	0
Total Intangible Assets - Net	75,000	85,000	95,000	0	0	NA	-11.8%	51,000	75,000	0	95,000
Other Non-Current Assets											
Other Assets	43,000	45,000	40,000	60,000	55,000	-6.0%	-4.4%	48,600	45,000	40,000	60,000
Non-Operating Assets	30,000	114,000	30,000	30,000	30,000	0%	-73.7%	46,800	30,000	30,000	114,000
Total Other Non-Current Assets	73,000	159,000	70,000	90,000	85,000	-3.7%	-54.1%	95,400	85,000	70,000	159,000
Total Other Assets	148,000	244,000	165,000	90,000	85,000	14.9%	-39.3%	146,400	148,000	85,000	244,000
Total Assets:	3,095,000	2,600,000	2,219,000	1,886,000	1,550,000	18.9%	19.0%	2,270,000	2,219,000	1,550,000	3,095,000
<b>Liabilities and Equity:</b>											
Liabilities											
Current Liabilities											
Accounts Payable	74,000	75,000	60,000	55,000	45,000	13.2%	-1.3%	61,800	60,000	45,000	75,000
Short Term Notes Payable	33,000	27,000	18,000	25,000	25,000	7.2%	22.2%	25,600	25,000	18,000	33,000
Current Portion - LTD	28,000	26,000	16,000	14,000	12,000	23.6%	7.7%	19,200	16,000	12,000	28,000
Other Current Liabilities	74,000	77,000	57,000	45,000	44,000	13.9%	-3.9%	59,400	57,000	44,000	77,000
Total Current Liabilities	209,000	205,000	151,000	139,000	126,000	13.5%	2.0%	166,000	151,000	126,000	209,000
Long-Term Liabilities											
Long Term Notes Payable	1,370,000	1,200,000	1,110,000	980,000	750,000	16.3%	14.2%	1,082,000	1,110,000	750,000	1,370,000
Total Long Term Notes Payable	1,370,000	1,200,000	1,110,000	980,000	750,000	16.3%	14.2%	1,082,000	1,110,000	750,000	1,370,000
Total Long-Term Liabilities	1,370,000	1,200,000	1,110,000	980,000	750,000	16.3%	14.2%	1,082,000	1,110,000	750,000	1,370,000
Other Liabilities											
Other Liabilities	25,000	27,000	20,000	22,000	21,000	4.5%	-7.4%	23,000	22,000	20,000	27,000
Deferred Income Taxes	34,000	31,000	21,000	28,000	26,000	6.9%	9.7%	28,000	28,000	21,000	34,000
Non-Operating Liabilities	12,000	12,000	12,000	12,000	12,000	0%	0%	12,000	12,000	12,000	12,000
Total Other Liabilities	71,000	70,000	53,000	62,000	59,000	4.7%	1.4%	63,000	62,000	53,000	71,000
Total Liabilities	1,650,000	1,475,000	1,314,000	1,181,000	935,000	15.3%	11.9%	1,311,000	1,314,000	935,000	1,650,000
Equity											
Common Stock	200,000	200,000	200,000	200,000	200,000	0%	0%	200,000	200,000	200,000	200,000
Add'l Paid-In Capital	0	0	0	0	0	NA	NA	0	0	0	0
Retained Earnings	1,145,000	825,000	605,000	505,000	415,000	28.9%	38.8%	699,000	605,000	415,000	1,145,000
Preferred Stock	100,000	100,000	100,000	0	0	NA	0%	60,000	100,000	0	100,000
Treasury Stock	0	0	0	0	0	NA	NA	0	0	0	0
Total Equity	1,445,000	1,125,000	905,000	705,000	615,000	23.8%	28.4%	959,000	905,000	615,000	1,445,000
Total Liabilities and Equity:	3,095,000	2,600,000	2,219,000	1,886,000	1,550,000	18.9%	19.0%	2,270,000	2,219,000	1,550,000	3,095,000

Childrens Clothing Store  
Detailed Historic Income Statements  
12/31/2003

	Year Ending 12-31-03	Year Ending 12-31-02	Year Ending 12-31-01	Year Ending 12-31-00	Year Ending 12-31-99	Growth Rate 1999-2003	Growth Rate 2002-2003	Average of 1999-2003	Median of 1999-2003	Min of 1999-2003	Max of 1999-2003
<b>Revenues</b>											
Sales	4,500,000	4,394,000	3,380,000	2,600,000	2,000,000	22.5%	2.4%	3,374,800	3,380,000	2,000,000	4,500,000
Revenue	1,345,000	650,000	500,000	210,000	0	NA	106.9%	541,000	500,000	0	1,345,000
Miscellaneous Income	121,000	150,000	90,000	125,000	100,000	4.9%	-19.3%	117,200	121,000	90,000	150,000
Total Revenues	5,966,000	5,194,000	3,970,000	2,935,000	2,100,000	29.8%	14.9%	4,033,000	3,970,000	2,100,000	5,966,000
<b>Cost of Goods Sold</b>											
Raw Materials Consumed	1,000,000	900,000	700,000	600,000	500,000	18.9%	11.1%	740,000	700,000	500,000	1,000,000
Direct Labor	800,000	600,000	370,000	250,000	90,000	72.7%	33.3%	422,000	370,000	90,000	800,000
Overhead	80,000	50,000	30,000	25,000	10,000	68.2%	60.0%	39,000	30,000	10,000	80,000
COGS Depreciation	0	0	0	0	0	NA	NA	0	0	0	0
Total Cost of Goods Sold	1,880,000	1,550,000	1,100,000	875,000	600,000	33.0%	21.3%	1,201,000	1,100,000	600,000	1,880,000
Gross Profit	4,086,000	3,644,000	2,870,000	2,060,000	1,500,000	28.5%	12.1%	2,832,000	2,870,000	1,500,000	4,086,000
<b>Operating Expenses</b>											
Accounting	15,000	15,000	10,000	10,000	5,000	31.6%	0%	11,000	10,000	5,000	15,000
Advertising	400,000	364,000	272,000	180,000	100,000	41.4%	9.9%	263,200	272,000	100,000	400,000
Automobiles	80,000	75,000	65,000	50,000	20,000	41.4%	6.7%	58,000	65,000	20,000	80,000
Bad Debts	17,000	15,000	14,000	13,000	5,000	35.8%	13.3%	12,800	14,000	5,000	17,000
Contributions	10,000	10,000	10,000	10,000	5,000	18.9%	0%	9,000	10,000	5,000	10,000
Employee Benefits	1,000	1,000	1,000	1,000	1,000	0%	0%	1,000	1,000	1,000	1,000
Insurance	50,000	50,000	45,000	45,000	25,000	18.9%	0%	43,000	45,000	25,000	50,000
Legal	30,000	30,000	25,000	25,000	15,000	18.9%	0%	25,000	25,000	15,000	30,000
Miscellaneous	5,000	4,000	3,000	2,000	0	NA	25.0%	2,800	3,000	0	5,000
Office	50,000	50,000	50,000	5,000	40,000	5.7%	0%	39,000	50,000	5,000	50,000
Payroll Taxes	70,000	60,000	45,000	40,000	30,000	23.6%	16.7%	49,000	45,000	30,000	70,000
Rent	180,000	165,000	140,000	125,000	50,000	37.7%	9.1%	132,000	140,000	50,000	180,000
Repairs & Maintenance	15,000	12,000	10,000	8,000	0	NA	25.0%	9,000	10,000	0	15,000
Salaries	30,000	20,000	15,000	10,000	0	NA	50.0%	15,000	15,000	0	30,000
Utilities	325,000	275,000	250,000	150,000	50,000	59.7%	18.2%	210,000	250,000	50,000	325,000
Wages	740,000	834,000	870,000	548,000	492,000	10.7%	-11.3%	696,800	740,000	492,000	870,000
Total Operating Expenses	2,018,000	1,980,000	1,825,000	1,222,000	838,000	24.6%	1.9%	1,576,600	1,825,000	838,000	2,018,000
<b>Officers' Compensation</b>											
Salaries	900,000	700,000	500,000	350,000	220,000	42.2%	28.6%	534,000	500,000	220,000	900,000
Bonuses	221,000	154,000	32,000	35,000	28,000	67.6%	43.5%	94,000	35,000	28,000	221,000
Total Officers' Compensation	1,121,000	854,000	532,000	385,000	248,000	45.8%	31.3%	628,000	532,000	248,000	1,121,000
Subtotal	947,000	810,000	513,000	453,000	414,000	23.0%	16.9%	627,400	513,000	414,000	947,000
<b>Depreciation and Amortization</b>											
Depreciation	170,000	146,000	85,000	66,000	50,000	35.8%	16.4%	103,400	85,000	50,000	170,000
Amortization	10,000	10,000	5,000	0	0	NA	0%	5,000	5,000	0	10,000
Total Depreciation and Amortization	180,000	156,000	90,000	66,000	50,000	37.7%	15.4%	108,400	90,000	50,000	180,000
Subtotal	767,000	654,000	423,000	387,000	364,000	20.5%	17.3%	519,000	423,000	364,000	767,000
<b>Miscellaneous Income/(Expense)</b>											
Interest Income	18,000	14,000	11,000	9,000	15,000	4.7%	28.6%	13,400	14,000	9,000	18,000
Gain/Loss on Sale of Fixed Assets	0	0	0	0	0	NA	NA	0	0	0	0
Other Income	0	0	2,000	27,000	0	NA	NA	5,800	0	0	27,000
Other Expense	-34,000	-28,000	0	0	-23,000	10.3%	21.4%	-17,000	-23,000	-34,000	0
Total Miscellaneous Income/(Expense)	-16,000	-14,000	13,000	36,000	-8,000	18.9%	14.3%	2,200	-8,000	-16,000	36,000
Interest Expense	220,000	250,000	210,000	190,000	192,000	3.5%	-12.0%	212,400	210,000	190,000	250,000
Pre-Tax Income	531,000	390,000	226,000	233,000	164,000	34.1%	36.2%	308,800	233,000	164,000	531,000
Less: Income Taxes	186,000	140,000	66,000	59,000	51,000	38.2%	32.9%	100,400	66,000	51,000	186,000
<b>Net Income/(Loss)</b>	<b>345,000</b>	<b>250,000</b>	<b>160,000</b>	<b>174,000</b>	<b>113,000</b>	<b>32.2%</b>	<b>38.0%</b>	<b>208,400</b>	<b>174,000</b>	<b>113,000</b>	<b>345,000</b>



Childrens Clothing Store  
Detailed Income Statements Chart  
12/31/2003



Childrens Clothing Store  
Historic Cash Flow Statements  
12/31/2003

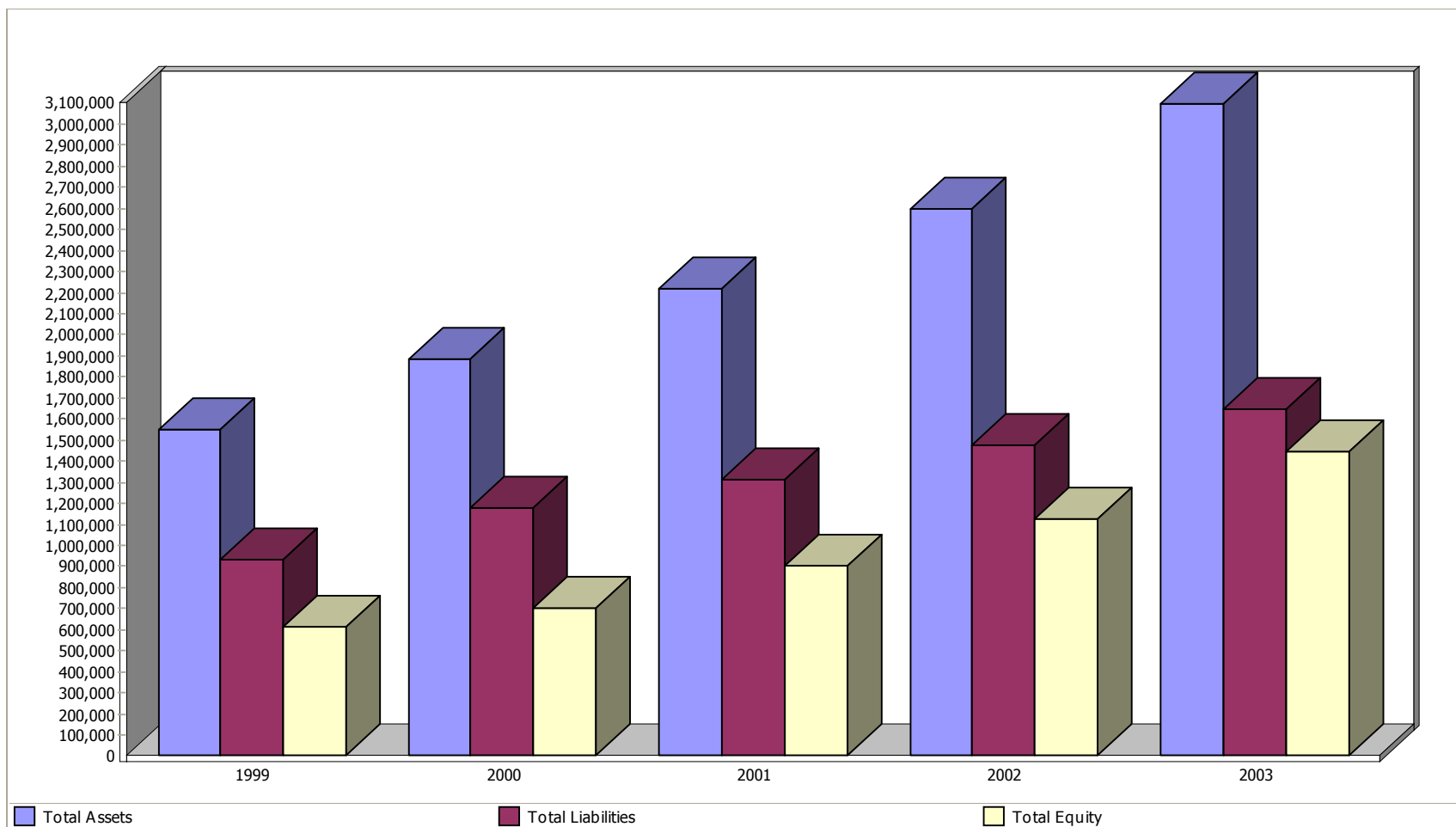
	Year Ended 12-31-03	Year Ended 12-31-02	Year Ended 12-31-01	Year Ended 12-31-00
<b>Increase/(Decrease) in Cash</b>				
<b>Cash Provided by (Used for) Operations:</b>				
Net Income/(Loss)	345,000	250,000	160,000	174,000
COGS Depreciation	0	0	0	0
Depreciation	170,000	146,000	85,000	66,000
Amortization	10,000	10,000	5,000	0
Gain/Loss on Sale of Fixed Assets	0	0	0	0
(Increase)/Decrease in Accounts Receivable	-85,000	11,000	-16,000	-10,000
(Increase)/Decrease in Inventory	-350,000	-50,000	-67,000	-103,000
(Increase)/Decrease in Other Current Assets	-5,000	-23,000	-14,000	2,000
(Increase)/Decrease in Other Non-Current Assets	86,000	-89,000	20,000	-5,000
Increase/(Decrease) in Current Liabilities	2,000	44,000	10,000	11,000
Increase/(Decrease) in Long-Term Liabilities	0	0	0	0
Increase/(Decrease) in Other Liabilities	1,000	17,000	-9,000	3,000
Total Cash Provided by (Used for) Operations:	174,000	316,000	174,000	138,000
<b>Cash Provided by (Used for) Investing Activities:</b>				
Net (Additions to)/Disposal of Fixed Assets - Net	-159,000	-464,000	-137,000	-159,000
Net (Additions to)/Disposal of Intangible Assets - Net	0	0	-100,000	0
Total Cash Provided by (Used for) Investing Activities:	-159,000	-464,000	-237,000	-159,000
<b>Cash Provided by (Used for) Financing Activities:</b>				
Net Additions to/(Reductions in) Long Term Notes Payable	172,000	100,000	132,000	232,000
Net Investment in/(Distribution of) Common Stock	0	0	0	0
Net Investment in/(Distribution of) Add'l Paid-In Capital	0	0	0	0
Net Investment in/(Distribution of) Retained Earnings	-25,000	-30,000	-60,000	-84,000
Net Investment in/(Distribution of) Preferred Stock	0	0	100,000	0
Net Investment in/(Distribution of) Treasury Stock	0	0	0	0
Total Cash Provided by (Used for) Financing Activities:	147,000	70,000	172,000	148,000
Total Increase/(Decrease) in Cash	162,000	-78,000	109,000	127,000
<b>Cash Balance at Beginning of Year</b>	<b>387,000</b>	<b>465,000</b>	<b>356,000</b>	<b>229,000</b>
<b>Cash Balance at End of Year</b>	<b>549,000</b>	<b>387,000</b>	<b>465,000</b>	<b>356,000</b>

Childrens Clothing Store  
Summary Historic Balance Sheets  
12/31/2003

	2003	2002	2001	2000	1999
<b>ASSETS</b>					
Cash	549,000	387,000	465,000	356,000	229,000
Accounts Receivable	140,000	55,000	66,000	50,000	40,000
Inventory	840,000	490,000	440,000	373,000	270,000
Other Current Assets	80,000	75,000	52,000	38,000	40,000
Total Current Assets	1,609,000	1,007,000	1,023,000	817,000	579,000
Fixed Assets	1,338,000	1,349,000	1,031,000	979,000	886,000
Net Intangible	75,000	85,000	95,000	0	0
Other Non-Current	43,000	45,000	40,000	60,000	55,000
Non-Operating Assets	30,000	114,000	30,000	30,000	30,000
<b>Total Assets</b>	<b>3,095,000</b>	<b>2,600,000</b>	<b>2,219,000</b>	<b>1,886,000</b>	<b>1,550,000</b>
<b>LIABILITIES &amp; EQUITY</b>					
Accounts Payable	74,000	75,000	60,000	55,000	45,000
Short Term Notes Payable	33,000	27,000	18,000	25,000	25,000
Current Portion of LT Debt	28,000	26,000	16,000	14,000	12,000
Other Current Liabilities	74,000	77,000	57,000	45,000	44,000
Total Current Liabilities	209,000	205,000	151,000	139,000	126,000
Long Term Debt	1,370,000	1,200,000	1,110,000	980,000	750,000
Other Non-Current Liabilities	59,000	58,000	41,000	50,000	47,000
Non-Operating Liabilities	12,000	12,000	12,000	12,000	12,000
Total Liabilities	1,650,000	1,475,000	1,314,000	1,181,000	935,000
Total Equity	1,445,000	1,125,000	905,000	705,000	615,000
<b>Total Liabilities &amp; Equity</b>	<b>3,095,000</b>	<b>2,600,000</b>	<b>2,219,000</b>	<b>1,886,000</b>	<b>1,550,000</b>

Memo: N/A

Childrens Clothing Store  
Summary Historic Balance Sheets Chart  
12/31/2003

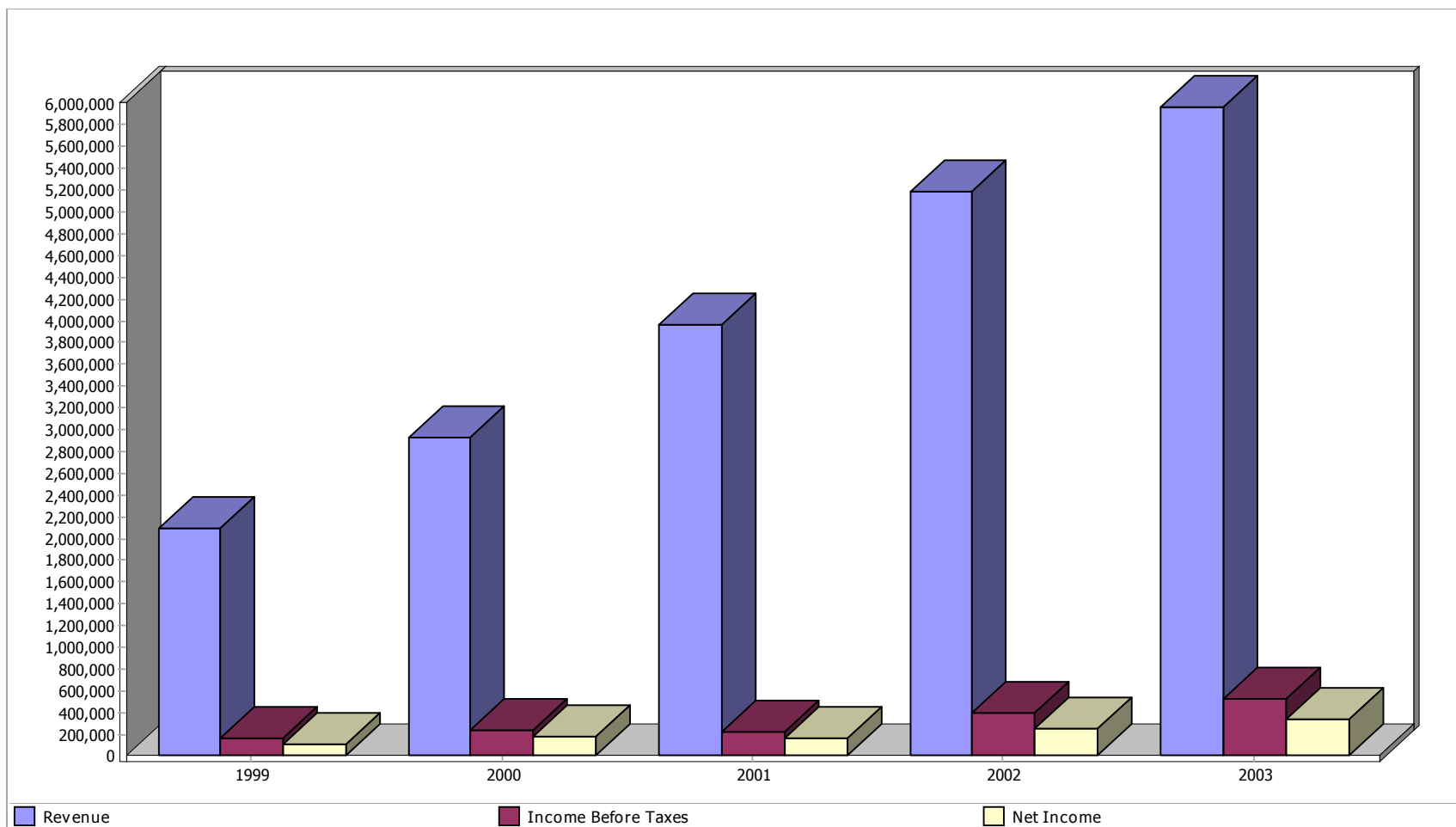


Childrens Clothing Store  
Summary Historic Income Statements  
12/31/2003

	2003	2002	2001	2000	1999
Revenue	5,966,000	5,194,000	3,970,000	2,935,000	2,100,000
Cost of Goods Sold	1,880,000	1,550,000	1,100,000	875,000	600,000
Gross Profit	4,086,000	3,644,000	2,870,000	2,060,000	1,500,000
Operating Expenses	2,018,000	1,980,000	1,825,000	1,222,000	838,000
Officers' Compensation	1,121,000	854,000	532,000	385,000	248,000
Depreciation/Amortization	180,000	156,000	90,000	66,000	50,000
Interest Expense	220,000	250,000	210,000	190,000	192,000
Operating Profit	547,000	404,000	213,000	197,000	172,000
Other Income/(Expense)	(16,000)	(14,000)	13,000	36,000	(8,000)
Income Before Taxes	531,000	390,000	226,000	233,000	164,000
Income Taxes	186,000	140,000	66,000	59,000	51,000
<b>Net Income</b>	<b>345,000</b>	<b>250,000</b>	<b>160,000</b>	<b>174,000</b>	<b>113,000</b>

Memo: N/A

Childrens Clothing Store  
Summary Historic Income Statements Chart  
12/31/2003



Childrens Clothing Store  
Detailed Going Concern Balance Sheet Adjustments  
12/31/2003

	UnAdj. Year Ended 12-31-99	GAAP Adj. Year Ended 12-31-99	Val. Adj. Year Ended 12-31-99	Adjusted Year Ended 12-31-99
<b>Assets:</b>				
Current Assets				
Cash				
Checking	229,000	0	0	229,000
Savings	0	0	0	0
Marketable Securities	0	0	0	0
Other	0	0	0	0
Total Cash	229,000	0	0	229,000
Accounts Receivable	40,000	0	0	40,000
Inventory				
Raw Materials	270,000	0	0	270,000
Work in Progress	0	0	0	0
Finished Goods	0	0	0	0
Total Inventory	270,000	0	0	270,000
Other Current Assets	40,000	0	0	40,000
Total Current Assets	579,000	0	0	579,000
Fixed Assets - Net				
Fixed Assets - Cost				
Machinery & Equipment	145,000	0	0	145,000
Vehicles	400,000	0	0	400,000
Leasehold Improvements	530,000	0	0	530,000
Total Fixed Assets - Cost	1,075,000	0	0	1,075,000
Accumulated Depreciation				
Machinery & Equipment	-9,000	0	0	-9,000
Vehicles	-60,000	0	0	-60,000
Leasehold Improvements	-120,000	0	0	-120,000
Total Accumulated Depreciation	-189,000	0	0	-189,000
Total Fixed Assets - Net	886,000	0	0	886,000
Other Assets				
Intangible Assets - Net				
Intangible Assets - Cost				
Intangible Asset	0	0	0	0
Total Intangible Assets - Cost	0	0	0	0
Accumulated Amortization				
Accumulated Amortization Intangible Asset	0	0	0	0
Total Accumulated Amortization	0	0	0	0
Total Intangible Assets - Net	0	0	0	0
Other Non-Current Assets				
Other Assets	55,000	0	0	55,000
Non-Operating Assets	30,000	0	0	30,000
Total Other Non-Current Assets	85,000	0	0	85,000
Total Other Assets	85,000	0	0	85,000
Total Assets:	1,550,000	0	0	1,550,000
<b>Liabilities and Equity:</b>				
Liabilities				
Current Liabilities				
Accounts Payable	45,000	0	0	45,000
Short Term Notes Payable	25,000	0	0	25,000
Current Portion - LTD	12,000	0	0	12,000
Other Current Liabilities	44,000	0	0	44,000
Total Current Liabilities	126,000	0	0	126,000
Long-Term Liabilities				
Long Term Notes Payable				
Long Term Notes Payable	750,000	0	0	750,000
Total Long Term Notes Payable	750,000	0	0	750,000
Total Long-Term Liabilities	750,000	0	0	750,000
Other Liabilities				
Other Liabilities	21,000	0	0	21,000
Deferred Income Taxes	26,000	0	0	26,000
Non-Operating Liabilities	12,000	0	0	12,000
Total Other Liabilities	59,000	0	0	59,000
Total Liabilities	935,000	0	0	935,000
Equity				
Common Stock	200,000	0	0	200,000
Add'l Paid-In Capital	0	0	0	0
Retained Earnings	415,000	0	0	415,000
Preferred Stock	0	0	0	0
Treasury Stock	0	0	0	0
Total Equity	615,000	0	0	615,000
Total Liabilities and Equity:	1,550,000	0	0	1,550,000



Childrens Clothing Store  
Detailed Going Concern Balance Sheet Adjustments  
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	UnAdj. Year Ended 12-31-00	GAAP Adj. Year Ended 12-31-00	Val. Adj. Year Ended 12-31-00	Adjusted Year Ended 12-31-00
<b>Assets:</b>				
Current Assets				
Cash				
Checking	356,000	0	0	356,000
Savings	0	0	0	0
Marketable Securities	0	0	0	0
Other	0	0	0	0
Total Cash	356,000	0	0	356,000
Accounts Receivable	50,000	0	0	50,000
Inventory				
Raw Materials	373,000	0	0	373,000
Work in Progress	0	0	0	0
Finished Goods	0	0	0	0
Total Inventory	373,000	0	0	373,000
Other Current Assets	38,000	0	0	38,000
Total Current Assets	817,000	0	0	817,000
Fixed Assets - Net				
Fixed Assets - Cost				
Machinery & Equipment	145,000	0	0	145,000
Vehicles	559,000	0	0	559,000
Leasehold Improvements	530,000	0	0	530,000
Total Fixed Assets - Cost	1,234,000	0	0	1,234,000
Accumulated Depreciation				
Machinery & Equipment	-15,000	0	0	-15,000
Vehicles	-80,000	0	0	-80,000
Leasehold Improvements	-160,000	0	0	-160,000
Total Accumulated Depreciation	-255,000	0	0	-255,000
Total Fixed Assets - Net	979,000	0	0	979,000
Other Assets				
Intangible Assets - Net				
Intangible Assets - Cost				
Intangible Asset	0	0	0	0
Total Intangible Assets - Cost	0	0	0	0
Accumulated Amortization				
Accumulated Amortization Intangible Asset	0	0	0	0
Total Accumulated Amortization	0	0	0	0
Total Intangible Assets - Net	0	0	0	0
Other Non-Current Assets				
Other Assets	60,000	0	0	60,000
Non-Operating Assets	30,000	0	0	30,000
Total Other Non-Current Assets	90,000	0	0	90,000
Total Other Assets	90,000	0	0	90,000
Total Assets:	1,886,000	0	0	1,886,000
<b>Liabilities and Equity:</b>				
Liabilities				
Current Liabilities				
Accounts Payable	55,000	0	0	55,000
Short Term Notes Payable	25,000	0	0	25,000
Current Portion - LTD	14,000	0	0	14,000
Other Current Liabilities	45,000	0	0	45,000
Total Current Liabilities	139,000	0	0	139,000
Long-Term Liabilities				
Long Term Notes Payable				
Long Term Notes Payable	980,000	0	0	980,000
Total Long Term Notes Payable	980,000	0	0	980,000
Total Long-Term Liabilities	980,000	0	0	980,000
Other Liabilities				
Other Liabilities	22,000	0	0	22,000
Deferred Income Taxes	28,000	0	0	28,000
Non-Operating Liabilities	12,000	0	0	12,000
Total Other Liabilities	62,000	0	0	62,000
Total Liabilities	1,181,000	0	0	1,181,000
Equity				
Common Stock	200,000	0	0	200,000
Add'l Paid-In Capital	0	0	0	0
Retained Earnings	505,000	0	0	505,000
Preferred Stock	0	0	0	0
Treasury Stock	0	0	0	0
Total Equity	705,000	0	0	705,000
Total Liabilities and Equity:	1,886,000	0	0	1,886,000

Childrens Clothing Store  
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	UnAdj. Year Ended 12-31-01	GAAP Adj. Year Ended 12-31-01	Val. Adj. Year Ended 12-31-01	Adjusted Year Ended 12-31-01
<b>Assets:</b>				
Current Assets				
Cash				
Checking	465,000	0	0	465,000
Savings	0	0	0	0
Marketable Securities	0	0	0	0
Other	0	0	0	0
Total Cash	465,000	0	0	465,000
Accounts Receivable	66,000	0	0	66,000
Inventory				
Raw Materials	440,000	0	0	440,000
Work in Progress	0	0	0	0
Finished Goods	0	0	0	0
Total Inventory	440,000	0	0	440,000
Other Current Assets	52,000	0	0	52,000
Total Current Assets	1,023,000	0	0	1,023,000
Fixed Assets - Net				
Fixed Assets - Cost				
Machinery & Equipment	165,000	0	0	165,000
Vehicles	676,000	0	0	676,000
Leasehold Improvements	530,000	0	0	530,000
Total Fixed Assets - Cost	1,371,000	0	0	1,371,000
Accumulated Depreciation				
Machinery & Equipment	-25,000	0	0	-25,000
Vehicles	-95,000	0	0	-95,000
Leasehold Improvements	-220,000	0	0	-220,000
Total Accumulated Depreciation	-340,000	0	0	-340,000
Total Fixed Assets - Net	1,031,000	0	0	1,031,000
Other Assets				
Intangible Assets - Net				
Intangible Assets - Cost				
Intangible Asset	100,000	0	0	100,000
Total Intangible Assets - Cost	100,000	0	0	100,000
Accumulated Amortization				
Accumulated Amortization Intangible Asset	-5,000	0	0	-5,000
Total Accumulated Amortization	-5,000	0	0	-5,000
Total Intangible Assets - Net	95,000	0	0	95,000
Other Non-Current Assets				
Other Assets	40,000	0	0	40,000
Non-Operating Assets	30,000	0	0	30,000
Total Other Non-Current Assets	70,000	0	0	70,000
Total Other Assets	165,000	0	0	165,000
Total Assets:	2,219,000	0	0	2,219,000
<b>Liabilities and Equity:</b>				
Liabilities				
Current Liabilities				
Accounts Payable	60,000	0	0	60,000
Short Term Notes Payable	18,000	0	0	18,000
Current Portion - LTD	16,000	0	0	16,000
Other Current Liabilities	57,000	0	0	57,000
Total Current Liabilities	151,000	0	0	151,000
Long-Term Liabilities				
Long Term Notes Payable				
Long Term Notes Payable	1,110,000	0	0	1,110,000
Total Long Term Notes Payable	1,110,000	0	0	1,110,000
Total Long-Term Liabilities	1,110,000	0	0	1,110,000
Other Liabilities				
Other Liabilities	20,000	0	0	20,000
Deferred Income Taxes	21,000	0	0	21,000
Non-Operating Liabilities	12,000	0	0	12,000
Total Other Liabilities	53,000	0	0	53,000
Total Liabilities	1,314,000	0	0	1,314,000
Equity				
Common Stock	200,000	0	0	200,000
Add'l Paid-In Capital	0	0	0	0
Retained Earnings	605,000	0	0	605,000
Preferred Stock	100,000	0	0	100,000
Treasury Stock	0	0	0	0
Total Equity	905,000	0	0	905,000
Total Liabilities and Equity:	2,219,000	0	0	2,219,000

Childrens Clothing Store  
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	UnAdj. Year Ended 12-31-02	GAAP Adj. Year Ended 12-31-02	Val. Adj. Year Ended 12-31-02	Adjusted Year Ended 12-31-02
<b>Assets:</b>				
Current Assets				
Cash				
Checking	387,000	0	0	387,000
Savings	0	0	0	0
Marketable Securities	0	0	0	0
Other	0	0	0	0
Total Cash	387,000	0	0	387,000
Accounts Receivable	55,000	0	0	55,000
Inventory				
Raw Materials	490,000	0	0	490,000
Work in Progress	0	0	0	0
Finished Goods	0	0	0	0
Total Inventory	490,000	0	0	490,000
Other Current Assets	75,000	0	0	75,000
Total Current Assets	1,007,000	0	0	1,007,000
Fixed Assets - Net				
Fixed Assets - Cost				
Machinery & Equipment	190,000	0	0	190,000
Vehicles	865,000	0	0	865,000
Leasehold Improvements	780,000	0	0	780,000
Total Fixed Assets - Cost	1,835,000	0	0	1,835,000
Accumulated Depreciation				
Machinery & Equipment	-35,000	0	0	-35,000
Vehicles	-150,000	0	0	-150,000
Leasehold Improvements	-301,000	0	0	-301,000
Total Accumulated Depreciation	-486,000	0	0	-486,000
Total Fixed Assets - Net	1,349,000	0	0	1,349,000
Other Assets				
Intangible Assets - Net				
Intangible Assets - Cost				
Intangible Asset	100,000	0	0	100,000
Total Intangible Assets - Cost	100,000	0	0	100,000
Accumulated Amortization				
Accumulated Amortization Intangible Asset	-15,000	0	0	-15,000
Total Accumulated Amortization	-15,000	0	0	-15,000
Total Intangible Assets - Net	85,000	0	0	85,000
Other Non-Current Assets				
Other Assets	45,000	0	0	45,000
Non-Operating Assets	114,000	0	0	114,000
Total Other Non-Current Assets	159,000	0	0	159,000
Total Other Assets	244,000	0	0	244,000
Total Assets:	2,600,000	0	0	2,600,000
<b>Liabilities and Equity:</b>				
Liabilities				
Current Liabilities				
Accounts Payable	75,000	0	0	75,000
Short Term Notes Payable	27,000	0	0	27,000
Current Portion - LTD	26,000	0	0	26,000
Other Current Liabilities	77,000	0	0	77,000
Total Current Liabilities	205,000	0	0	205,000
Long-Term Liabilities				
Long Term Notes Payable				
Long Term Notes Payable	1,200,000	0	0	1,200,000
Total Long Term Notes Payable	1,200,000	0	0	1,200,000
Total Long-Term Liabilities	1,200,000	0	0	1,200,000
Other Liabilities				
Other Liabilities	27,000	0	0	27,000
Deferred Income Taxes	31,000	0	0	31,000
Non-Operating Liabilities	12,000	0	0	12,000
Total Other Liabilities	70,000	0	0	70,000
Total Liabilities	1,475,000	0	0	1,475,000
Equity				
Common Stock	200,000	0	0	200,000
Add'l Paid-In Capital	0	0	0	0
Retained Earnings	825,000	0	0	825,000
Preferred Stock	100,000	0	0	100,000
Treasury Stock	0	0	0	0
Total Equity	1,125,000	0	0	1,125,000
Total Liabilities and Equity:	2,600,000	0	0	2,600,000

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Detailed Going Concern Balance Sheet Adjustments  
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	UnAdj. Year Ended 12-31-03	GAAP Adj. Year Ended 12-31-03	Val. Adj. Year Ended 12-31-03	Adjusted Year Ended 12-31-03
<b>Assets:</b>				
Current Assets				
Cash				
Checking (1,2)	549,000	0	-49,000	500,000
Savings	0	0	0	0
Marketable Securities	0	0	0	0
Other	0	0	0	0
Total Cash	549,000	0	-49,000	500,000
Accounts Receivable (3,4)	140,000	0	-40,000	100,000
Inventory				
Raw Materials (5,6)	840,000	0	-40,000	800,000
Work in Progress	0	0	0	0
Finished Goods	0	0	0	0
Total Inventory	840,000	0	-40,000	800,000
Other Current Assets	80,000	0	0	80,000
Total Current Assets	1,609,000	0	-129,000	1,480,000
Fixed Assets - Net				
Fixed Assets - Cost				
Machinery & Equipment (7)	230,000	0	70,000	300,000
Vehicles (8)	860,000	0	40,000	900,000
Leasehold Improvements (9)	904,000	0	-4,000	900,000
Total Fixed Assets - Cost	1,994,000	0	106,000	2,100,000
Accumulated Depreciation				
Machinery & Equipment (10)	-45,000	0	45,000	0
Vehicles (11)	-200,000	0	200,000	0
Leasehold Improvements (12)	-411,000	0	411,000	0
Total Accumulated Depreciation	-656,000	0	656,000	0
Total Fixed Assets - Net	1,338,000	0	762,000	2,100,000
Other Assets				
Intangible Assets - Net				
Intangible Assets - Cost				
Intangible Asset	100,000	0	0	100,000
Total Intangible Assets - Cost	100,000	0	0	100,000
Accumulated Amortization				
Accumulated Amortization Intangible Asset	-25,000	0	0	-25,000
Total Accumulated Amortization	-25,000	0	0	-25,000
Total Intangible Assets - Net	75,000	0	0	75,000
Other Non-Current Assets				
Other Assets	43,000	0	0	43,000
Non-Operating Assets	30,000	0	0	30,000
Total Other Non-Current Assets	73,000	0	0	73,000
Total Other Assets	148,000	0	0	148,000
Total Assets:	3,095,000	0	633,000	3,728,000
<b>Liabilities and Equity:</b>				
Liabilities				
Current Liabilities				
Accounts Payable	74,000	0	0	74,000
Short Term Notes Payable	33,000	0	0	33,000
Current Portion - LTD	28,000	0	0	28,000
Other Current Liabilities	74,000	0	0	74,000
Total Current Liabilities	209,000	0	0	209,000
Long-Term Liabilities				
Long Term Notes Payable				
Long Term Notes Payable	1,370,000	0	0	1,370,000
Total Long Term Notes Payable	1,370,000	0	0	1,370,000
Total Long-Term Liabilities	1,370,000	0	0	1,370,000
Other Liabilities				
Other Liabilities	25,000	0	0	25,000
Deferred Income Taxes	34,000	0	0	34,000
Non-Operating Liabilities	12,000	0	0	12,000
Total Other Liabilities	71,000	0	0	71,000
Total Liabilities	1,650,000	0	0	1,650,000
Equity				
Common Stock	200,000	0	0	200,000
Add'l Paid-In Capital	0	0	0	0
Retained Earnings	1,145,000	0	633,000	1,778,000
Preferred Stock	100,000	0	0	100,000
Treasury Stock	0	0	0	0
Total Equity	1,445,000	0	633,000	2,078,000
Total Liabilities and Equity:	3,095,000	0	633,000	3,728,000

- (1) Personal Account S/N/B Included  
(2) Reconciliation Error  
(5) This is a reason to adjust  
(6) This is another reason to adjust  
(3) Receivables were factored  
(4) Non collectable items  
(7) Adjust to market value  
(8) Adjust to market value  
(9) Adjust to market value  
(10) Remove depreciation  
(11) Remove depreciation  
(12) Remove depreciation

Childrens Clothing Store  
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	UnAdj. Year Ended 12-31-99	GAAP Adj. Year Ended 12-31-99	Val. Adj. Year Ended 12-31-99	Adjusted Year Ended 12-31-99
<b>Assets:</b>				
Current Assets				
Cash				
Checking	229,000	0	0	229,000
Savings	0	0	0	0
Marketable Securities	0	0	0	0
Other	0	0	0	0
Total Cash	229,000	0	0	229,000
Accounts Receivable	40,000	0	0	40,000
Inventory				
Raw Materials	270,000	0	0	270,000
Work in Progress	0	0	0	0
Finished Goods	0	0	0	0
Total Inventory	270,000	0	0	270,000
Other Current Assets	40,000	0	0	40,000
Total Current Assets	579,000	0	0	579,000
Fixed Assets - Net				
Fixed Assets - Cost				
Machinery & Equipment	145,000	0	0	145,000
Vehicles	400,000	0	0	400,000
Leasehold Improvements	530,000	0	0	530,000
Total Fixed Assets - Cost	1,075,000	0	0	1,075,000
Accumulated Depreciation				
Machinery & Equipment	-9,000	0	0	-9,000
Vehicles	-60,000	0	0	-60,000
Leasehold Improvements	-120,000	0	0	-120,000
Total Accumulated Depreciation	-189,000	0	0	-189,000
Total Fixed Assets - Net	886,000	0	0	886,000
Other Assets				
Intangible Assets - Net				
Intangible Assets - Cost				
Intangible Asset	0	0	0	0
Total Intangible Assets - Cost	0	0	0	0
Accumulated Amortization				
Accumulated Amortization Intangible Asset	0	0	0	0
Total Accumulated Amortization	0	0	0	0
Total Intangible Assets - Net	0	0	0	0
Other Non-Current Assets				
Other Assets	55,000	0	0	55,000
Non-Operating Assets	30,000	0	0	30,000
Total Other Non-Current Assets	85,000	0	0	85,000
Total Other Assets	85,000	0	0	85,000
Total Assets:	1,550,000	0	0	1,550,000
<b>Liabilities and Equity:</b>				
Liabilities				
Current Liabilities				
Accounts Payable	45,000	0	0	45,000
Short Term Notes Payable	25,000	0	0	25,000
Current Portion - LTD	12,000	0	0	12,000
Other Current Liabilities	44,000	0	0	44,000
Total Current Liabilities	126,000	0	0	126,000
Long-Term Liabilities				
Long Term Notes Payable				
Long Term Notes Payable	750,000	0	0	750,000
Total Long Term Notes Payable	750,000	0	0	750,000
Total Long-Term Liabilities	750,000	0	0	750,000
Other Liabilities				
Other Liabilities	21,000	0	0	21,000
Deferred Income Taxes	26,000	0	0	26,000
Non-Operating Liabilities	12,000	0	0	12,000
Total Other Liabilities	59,000	0	0	59,000
Total Liabilities	935,000	0	0	935,000
Equity				
Common Stock	200,000	0	0	200,000
Add'l Paid-In Capital	0	0	0	0
Retained Earnings	415,000	0	0	415,000
Preferred Stock	0	0	0	0
Treasury Stock	0	0	0	0
Total Equity	615,000	0	0	615,000
Total Liabilities and Equity:	1,550,000	0	0	1,550,000

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	UnAdj. Year Ended 12-31-00	GAAP Adj. Year Ended 12-31-00	Val. Adj. Year Ended 12-31-00	Adjusted Year Ended 12-31-00
<b>Assets:</b>				
Current Assets				
Cash				
Checking	356,000	0	0	356,000
Savings	0	0	0	0
Marketable Securities	0	0	0	0
Other	0	0	0	0
Total Cash	356,000	0	0	356,000
Accounts Receivable	50,000	0	0	50,000
Inventory				
Raw Materials	373,000	0	0	373,000
Work in Progress	0	0	0	0
Finished Goods	0	0	0	0
Total Inventory	373,000	0	0	373,000
Other Current Assets	38,000	0	0	38,000
Total Current Assets	817,000	0	0	817,000
Fixed Assets - Net				
Fixed Assets - Cost				
Machinery & Equipment	145,000	0	0	145,000
Vehicles	559,000	0	0	559,000
Leasehold Improvements	530,000	0	0	530,000
Total Fixed Assets - Cost	1,234,000	0	0	1,234,000
Accumulated Depreciation				
Machinery & Equipment	-15,000	0	0	-15,000
Vehicles	-80,000	0	0	-80,000
Leasehold Improvements	-160,000	0	0	-160,000
Total Accumulated Depreciation	-255,000	0	0	-255,000
Total Fixed Assets - Net	979,000	0	0	979,000
Other Assets				
Intangible Assets - Net				
Intangible Assets - Cost				
Intangible Asset	0	0	0	0
Total Intangible Assets - Cost	0	0	0	0
Accumulated Amortization				
Accumulated Amortization Intangible Asset	0	0	0	0
Total Accumulated Amortization	0	0	0	0
Total Intangible Assets - Net	0	0	0	0
Other Non-Current Assets				
Other Assets	60,000	0	0	60,000
Non-Operating Assets	30,000	0	0	30,000
Total Other Non-Current Assets	90,000	0	0	90,000
Total Other Assets	90,000	0	0	90,000
Total Assets:	1,886,000	0	0	1,886,000
<b>Liabilities and Equity:</b>				
Liabilities				
Current Liabilities				
Accounts Payable	55,000	0	0	55,000
Short Term Notes Payable	25,000	0	0	25,000
Current Portion - LTD	14,000	0	0	14,000
Other Current Liabilities	45,000	0	0	45,000
Total Current Liabilities	139,000	0	0	139,000
Long-Term Liabilities				
Long Term Notes Payable				
Long Term Notes Payable	980,000	0	0	980,000
Total Long Term Notes Payable	980,000	0	0	980,000
Total Long-Term Liabilities	980,000	0	0	980,000
Other Liabilities				
Other Liabilities	22,000	0	0	22,000
Deferred Income Taxes	28,000	0	0	28,000
Non-Operating Liabilities	12,000	0	0	12,000
Total Other Liabilities	62,000	0	0	62,000
Total Liabilities	1,181,000	0	0	1,181,000
Equity				
Common Stock	200,000	0	0	200,000
Add'l Paid-In Capital	0	0	0	0
Retained Earnings	505,000	0	0	505,000
Preferred Stock	0	0	0	0
Treasury Stock	0	0	0	0
Total Equity	705,000	0	0	705,000
Total Liabilities and Equity:	1,886,000	0	0	1,886,000



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	UnAdj. Year Ended 12-31-01	GAAP Adj. Year Ended 12-31-01	Val. Adj. Year Ended 12-31-01	Adjusted Year Ended 12-31-01
<b>Assets:</b>				
Current Assets				
Cash				
Checking	465,000	0	0	465,000
Savings	0	0	0	0
Marketable Securities	0	0	0	0
Other	0	0	0	0
Total Cash	465,000	0	0	465,000
Accounts Receivable	66,000	0	0	66,000
Inventory				
Raw Materials	440,000	0	0	440,000
Work in Progress	0	0	0	0
Finished Goods	0	0	0	0
Total Inventory	440,000	0	0	440,000
Other Current Assets	52,000	0	0	52,000
Total Current Assets	1,023,000	0	0	1,023,000
Fixed Assets - Net				
Fixed Assets - Cost				
Machinery & Equipment	165,000	0	0	165,000
Vehicles	676,000	0	0	676,000
Leasehold Improvements	530,000	0	0	530,000
Total Fixed Assets - Cost	1,371,000	0	0	1,371,000
Accumulated Depreciation				
Machinery & Equipment	-25,000	0	0	-25,000
Vehicles	-95,000	0	0	-95,000
Leasehold Improvements	-220,000	0	0	-220,000
Total Accumulated Depreciation	-340,000	0	0	-340,000
Total Fixed Assets - Net	1,031,000	0	0	1,031,000
Other Assets				
Intangible Assets - Net				
Intangible Assets - Cost				
Intangible Asset	100,000	0	0	100,000
Total Intangible Assets - Cost	100,000	0	0	100,000
Accumulated Amortization				
Accumulated Amortization Intangible Asset	-5,000	0	0	-5,000
Total Accumulated Amortization	-5,000	0	0	-5,000
Total Intangible Assets - Net	95,000	0	0	95,000
Other Non-Current Assets				
Other Assets	40,000	0	0	40,000
Non-Operating Assets	30,000	0	0	30,000
Total Other Non-Current Assets	70,000	0	0	70,000
Total Other Assets	165,000	0	0	165,000
Total Assets:	2,219,000	0	0	2,219,000
<b>Liabilities and Equity:</b>				
Liabilities				
Current Liabilities				
Accounts Payable	60,000	0	0	60,000
Short Term Notes Payable	18,000	0	0	18,000
Current Portion - LTD	16,000	0	0	16,000
Other Current Liabilities	57,000	0	0	57,000
Total Current Liabilities	151,000	0	0	151,000
Long-Term Liabilities				
Long Term Notes Payable				
Long Term Notes Payable	1,110,000	0	0	1,110,000
Total Long Term Notes Payable	1,110,000	0	0	1,110,000
Total Long-Term Liabilities	1,110,000	0	0	1,110,000
Other Liabilities				
Other Liabilities	20,000	0	0	20,000
Deferred Income Taxes	21,000	0	0	21,000
Non-Operating Liabilities	12,000	0	0	12,000
Total Other Liabilities	53,000	0	0	53,000
Total Liabilities	1,314,000	0	0	1,314,000
Equity				
Common Stock	200,000	0	0	200,000
Add'l Paid-In Capital	0	0	0	0
Retained Earnings	605,000	0	0	605,000
Preferred Stock	100,000	0	0	100,000
Treasury Stock	0	0	0	0
Total Equity	905,000	0	0	905,000
Total Liabilities and Equity:	2,219,000	0	0	2,219,000



Childrens Clothing Store  
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	UnAdj. Year Ended 12-31-02	GAAP Adj. Year Ended 12-31-02	Val. Adj. Year Ended 12-31-02	Adjusted Year Ended 12-31-02
<b>Assets:</b>				
Current Assets				
Cash				
Checking	387,000	0	0	387,000
Savings	0	0	0	0
Marketable Securities	0	0	0	0
Other	0	0	0	0
Total Cash	387,000	0	0	387,000
Accounts Receivable	55,000	0	0	55,000
Inventory				
Raw Materials	490,000	0	0	490,000
Work in Progress	0	0	0	0
Finished Goods	0	0	0	0
Total Inventory	490,000	0	0	490,000
Other Current Assets	75,000	0	0	75,000
Total Current Assets	1,007,000	0	0	1,007,000
Fixed Assets - Net				
Fixed Assets - Cost				
Machinery & Equipment	190,000	0	0	190,000
Vehicles	865,000	0	0	865,000
Leasehold Improvements	780,000	0	0	780,000
Total Fixed Assets - Cost	1,835,000	0	0	1,835,000
Accumulated Depreciation				
Machinery & Equipment	-35,000	0	0	-35,000
Vehicles	-150,000	0	0	-150,000
Leasehold Improvements	-301,000	0	0	-301,000
Total Accumulated Depreciation	-486,000	0	0	-486,000
Total Fixed Assets - Net	1,349,000	0	0	1,349,000
Other Assets				
Intangible Assets - Net				
Intangible Assets - Cost				
Intangible Asset	100,000	0	0	100,000
Total Intangible Assets - Cost	100,000	0	0	100,000
Accumulated Amortization				
Accumulated Amortization Intangible Asset	-15,000	0	0	-15,000
Total Accumulated Amortization	-15,000	0	0	-15,000
Total Intangible Assets - Net	85,000	0	0	85,000
Other Non-Current Assets				
Other Assets	45,000	0	0	45,000
Non-Operating Assets	114,000	0	0	114,000
Total Other Non-Current Assets	159,000	0	0	159,000
Total Other Assets	244,000	0	0	244,000
Total Assets:	2,600,000	0	0	2,600,000
<b>Liabilities and Equity:</b>				
Liabilities				
Current Liabilities				
Accounts Payable	75,000	0	0	75,000
Short Term Notes Payable	27,000	0	0	27,000
Current Portion - LTD	26,000	0	0	26,000
Other Current Liabilities	77,000	0	0	77,000
Total Current Liabilities	205,000	0	0	205,000
Long-Term Liabilities				
Long Term Notes Payable				
Long Term Notes Payable	1,200,000	0	0	1,200,000
Total Long Term Notes Payable	1,200,000	0	0	1,200,000
Total Long-Term Liabilities	1,200,000	0	0	1,200,000
Other Liabilities				
Other Liabilities	27,000	0	0	27,000
Deferred Income Taxes	31,000	0	0	31,000
Non-Operating Liabilities	12,000	0	0	12,000
Total Other Liabilities	70,000	0	0	70,000
Total Liabilities	1,475,000	0	0	1,475,000
Equity				
Common Stock	200,000	0	0	200,000
Add'l Paid-In Capital	0	0	0	0
Retained Earnings	825,000	0	0	825,000
Preferred Stock	100,000	0	0	100,000
Treasury Stock	0	0	0	0
Total Equity	1,125,000	0	0	1,125,000
Total Liabilities and Equity:	2,600,000	0	0	2,600,000

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	UnAdj. Year Ended 12-31-03	GAAP Adj. Year Ended 12-31-03	Val. Adj. Year Ended 12-31-03	Adjusted Year Ended 12-31-03
<b>Assets:</b>				
Current Assets				
Cash				
Checking	549,000	0	-549,000	0
Savings	0	0	0	0
Marketable Securities	0	0	0	0
Other	0	0	0	0
Total Cash	549,000	0	-549,000	0
Accounts Receivable	140,000	0	-140,000	0
Inventory				
Raw Materials	840,000	0	-420,000	420,000
Work in Progress	0	0	0	0
Finished Goods	0	0	0	0
Total Inventory	840,000	0	-420,000	420,000
Other Current Assets	80,000	0	0	80,000
Total Current Assets	1,609,000	0	-1,109,000	500,000
Fixed Assets - Net				
Fixed Assets - Cost				
Machinery & Equipment	230,000	0	-115,000	115,000
Vehicles	860,000	0	-430,000	430,000
Leasehold Improvements	904,000	0	-450,000	454,000
Total Fixed Assets - Cost	1,994,000	0	-995,000	999,000
Accumulated Depreciation				
Machinery & Equipment	-45,000	0	45,000	0
Vehicles	-200,000	0	200,000	0
Leasehold Improvements	-411,000	0	411,000	0
Total Accumulated Depreciation	-656,000	0	656,000	0
Total Fixed Assets - Net	1,338,000	0	-339,000	999,000
Other Assets				
Intangible Assets - Net				
Intangible Assets - Cost				
Intangible Asset	100,000	0	-100,000	0
Total Intangible Assets - Cost	100,000	0	-100,000	0
Accumulated Amortization				
Accumulated Amortization Intangible Asset	-25,000	0	25,000	0
Total Accumulated Amortization	-25,000	0	25,000	0
Total Intangible Assets - Net	75,000	0	-75,000	0
Other Non-Current Assets				
Other Assets	43,000	0	-21,500	21,500
Non-Operating Assets	30,000	0	-15,000	15,000
Total Other Non-Current Assets	73,000	0	-36,500	36,500
Total Other Assets	148,000	0	-111,500	36,500
Total Assets:	3,095,000	0	-1,559,500	1,535,500
<b>Liabilities and Equity:</b>				
Liabilities				
Current Liabilities				
Accounts Payable	74,000	0	-74,000	0
Short Term Notes Payable	33,000	0	-33,000	0
Current Portion - LTD	28,000	0	-28,000	0
Other Current Liabilities	74,000	0	-74,000	0
Total Current Liabilities	209,000	0	-209,000	0
Long-Term Liabilities				
Long Term Notes Payable				
Long Term Notes Payable	1,370,000	0	0	1,370,000
Total Long Term Notes Payable	1,370,000	0	0	1,370,000
Total Long-Term Liabilities	1,370,000	0	0	1,370,000
Other Liabilities				
Other Liabilities	25,000	0	-25,000	0
Deferred Income Taxes	34,000	0	-34,000	0
Non-Operating Liabilities	12,000	0	-12,000	0
Total Other Liabilities	71,000	0	-71,000	0
Total Liabilities	1,650,000	0	-280,000	1,370,000
Equity				
Common Stock	200,000	0	0	200,000
Add'l Paid-In Capital	0	0	0	0
Retained Earnings	1,145,000	0	-1,279,500	-134,500
Preferred Stock	100,000	0	0	100,000
Treasury Stock	0	0	0	0
Total Equity	1,445,000	0	-1,279,500	165,500
Total Liabilities and Equity:	3,095,000	0	-1,559,500	1,535,500

Childrens Clothing Store  
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	UnAdj. Year Ending 12-31-99	GAAP Adj. Year Ending 12-31-99	Val. Adj. Year Ending 12-31-99	Adjusted Year Ending 12-31-99
<b>Revenues</b>				
Sales	2,000,000	0	0	2,000,000
Revenue	0	0	0	0
Miscellaneous Income	100,000	0	0	100,000
Total Revenues	<u>2,100,000</u>	<u>0</u>	<u>0</u>	<u>2,100,000</u>
<b>Cost of Goods Sold</b>				
Raw Materials Consumed	500,000	0	0	500,000
Direct Labor	90,000	0	0	90,000
Overhead	10,000	0	0	10,000
COGS Depreciation	0	0	0	0
Total Cost of Goods Sold	<u>600,000</u>	<u>0</u>	<u>0</u>	<u>600,000</u>
Gross Profit	<u>1,500,000</u>	<u>0</u>	<u>0</u>	<u>1,500,000</u>
<b>Operating Expenses</b>				
Accounting	5,000	0	0	5,000
Advertising	100,000	0	0	100,000
Automobiles	20,000	0	0	20,000
Bad Debts	5,000	0	0	5,000
Contributions	5,000	0	0	5,000
Employee Benefits	1,000	0	0	1,000
Insurance	25,000	0	0	25,000
Legal	15,000	0	0	15,000
Miscellaneous	0	0	0	0
Office	40,000	0	0	40,000
Payroll Taxes	30,000	0	0	30,000
Rent	50,000	0	0	50,000
Repairs & Maintenance	0	0	0	0
Salaries	0	0	0	0
Utilities	50,000	0	0	50,000
Wages	492,000	0	0	492,000
Total Operating Expenses	<u>838,000</u>	<u>0</u>	<u>0</u>	<u>838,000</u>
<b>Officers' Compensation</b>				
Salaries	220,000	0	0	220,000
Bonuses	28,000	0	0	28,000
Total Officers' Compensation	<u>248,000</u>	<u>0</u>	<u>0</u>	<u>248,000</u>
Subtotal	<u>414,000</u>	<u>0</u>	<u>0</u>	<u>414,000</u>
<b>Depreciation and Amortization</b>				
Depreciation	50,000	0	0	50,000
Amortization	0	0	0	0
Total Depreciation and Amortization	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>50,000</u>
Subtotal	<u>364,000</u>	<u>0</u>	<u>0</u>	<u>364,000</u>
<b>Miscellaneous Income/(Expense)</b>				
Interest Income	15,000	0	0	15,000
Gain/Loss on Sale of Fixed Assets	0	0	0	0
Other Income	0	0	0	0
Other Expense	-23,000	0	0	-23,000
Total Miscellaneous Income/(Expense)	<u>-8,000</u>	<u>0</u>	<u>0</u>	<u>-8,000</u>
Interest Expense	192,000	0	0	192,000
Pre-Tax Income	<u>164,000</u>	<u>0</u>	<u>0</u>	<u>164,000</u>
Less: Income Taxes	<u>51,000</u>	<u>0</u>	<u>0</u>	<u>51,000</u>
<b>Net Income/(Loss)</b>	<u><b>113,000</b></u>	<u><b>0</b></u>	<u><b>0</b></u>	<u><b>113,000</b></u>

Childrens Clothing Store  
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	UnAdj. Year Ending 12-31-00	GAAP Adj. Year Ending 12-31-00	Val. Adj. Year Ending 12-31-00	Adjusted Year Ending 12-31-00
<b>Revenues</b>				
Sales	2,600,000	0	0	2,600,000
Revenue	210,000	0	0	210,000
Miscellaneous Income	125,000	0	0	125,000
Total Revenues	<u>2,935,000</u>	<u>0</u>	<u>0</u>	<u>2,935,000</u>
<b>Cost of Goods Sold</b>				
Raw Materials Consumed	600,000	0	0	600,000
Direct Labor	250,000	0	0	250,000
Overhead	25,000	0	0	25,000
COGS Depreciation	0	0	0	0
Total Cost of Goods Sold	<u>875,000</u>	<u>0</u>	<u>0</u>	<u>875,000</u>
Gross Profit	<u>2,060,000</u>	<u>0</u>	<u>0</u>	<u>2,060,000</u>
<b>Operating Expenses</b>				
Accounting	10,000	0	0	10,000
Advertising	180,000	0	0	180,000
Automobiles	50,000	0	0	50,000
Bad Debts	13,000	0	0	13,000
Contributions	10,000	0	0	10,000
Employee Benefits	1,000	0	0	1,000
Insurance	45,000	0	0	45,000
Legal	25,000	0	0	25,000
Miscellaneous	2,000	0	0	2,000
Office	5,000	0	0	5,000
Payroll Taxes	40,000	0	0	40,000
Rent	125,000	0	0	125,000
Repairs & Maintenance	8,000	0	0	8,000
Salaries	10,000	0	0	10,000
Utilities	150,000	0	0	150,000
Wages	548,000	0	0	548,000
Total Operating Expenses	<u>1,222,000</u>	<u>0</u>	<u>0</u>	<u>1,222,000</u>
<b>Officers' Compensation</b>				
Salaries	350,000	0	0	350,000
Bonuses	35,000	0	0	35,000
Total Officers' Compensation	<u>385,000</u>	<u>0</u>	<u>0</u>	<u>385,000</u>
Subtotal	<u>453,000</u>	<u>0</u>	<u>0</u>	<u>453,000</u>
<b>Depreciation and Amortization</b>				
Depreciation	66,000	0	0	66,000
Amortization	0	0	0	0
Total Depreciation and Amortization	<u>66,000</u>	<u>0</u>	<u>0</u>	<u>66,000</u>
Subtotal	<u>387,000</u>	<u>0</u>	<u>0</u>	<u>387,000</u>
<b>Miscellaneous Income/(Expense)</b>				
Interest Income	9,000	0	0	9,000
Gain/Loss on Sale of Fixed Assets	0	0	0	0
Other Income	27,000	0	0	27,000
Other Expense	0	0	0	0
Total Miscellaneous Income/(Expense)	<u>36,000</u>	<u>0</u>	<u>0</u>	<u>36,000</u>
Interest Expense	190,000	0	0	190,000
Pre-Tax Income	<u>233,000</u>	<u>0</u>	<u>0</u>	<u>233,000</u>
Less: Income Taxes	<u>59,000</u>	<u>0</u>	<u>0</u>	<u>59,000</u>
<b>Net Income/(Loss)</b>	<u><b>174,000</b></u>	<u><b>0</b></u>	<u><b>0</b></u>	<u><b>174,000</b></u>

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	UnAdj. Year Ending 12-31-01	GAAP Adj. Year Ending 12-31-01	Val. Adj. Year Ending 12-31-01	Adjusted Year Ending 12-31-01
<b>Revenues</b>				
Sales	3,380,000	0	0	3,380,000
Revenue	500,000	0	0	500,000
Miscellaneous Income	90,000	0	0	90,000
Total Revenues	<u>3,970,000</u>	<u>0</u>	<u>0</u>	<u>3,970,000</u>
<b>Cost of Goods Sold</b>				
Raw Materials Consumed	700,000	0	0	700,000
Direct Labor	370,000	0	0	370,000
Overhead	30,000	0	0	30,000
COGS Depreciation	0	0	0	0
Total Cost of Goods Sold	<u>1,100,000</u>	<u>0</u>	<u>0</u>	<u>1,100,000</u>
Gross Profit	<u>2,870,000</u>	<u>0</u>	<u>0</u>	<u>2,870,000</u>
<b>Operating Expenses</b>				
Accounting	10,000	0	0	10,000
Advertising	272,000	0	0	272,000
Automobiles	65,000	0	0	65,000
Bad Debts	14,000	0	0	14,000
Contributions	10,000	0	0	10,000
Employee Benefits	1,000	0	0	1,000
Insurance	45,000	0	0	45,000
Legal	25,000	0	0	25,000
Miscellaneous	3,000	0	0	3,000
Office	50,000	0	0	50,000
Payroll Taxes	45,000	0	0	45,000
Rent	140,000	0	0	140,000
Repairs & Maintenance	10,000	0	0	10,000
Salaries	15,000	0	0	15,000
Utilities	250,000	0	0	250,000
Wages	870,000	0	0	870,000
Total Operating Expenses	<u>1,825,000</u>	<u>0</u>	<u>0</u>	<u>1,825,000</u>
<b>Officers' Compensation</b>				
Salaries	500,000	0	0	500,000
Bonuses	32,000	0	0	32,000
Total Officers' Compensation	<u>532,000</u>	<u>0</u>	<u>0</u>	<u>532,000</u>
Subtotal	<u>513,000</u>	<u>0</u>	<u>0</u>	<u>513,000</u>
<b>Depreciation and Amortization</b>				
Depreciation	85,000	0	0	85,000
Amortization	5,000	0	0	5,000
Total Depreciation and Amortization	<u>90,000</u>	<u>0</u>	<u>0</u>	<u>90,000</u>
Subtotal	<u>423,000</u>	<u>0</u>	<u>0</u>	<u>423,000</u>
<b>Miscellaneous Income/(Expense)</b>				
Interest Income	11,000	0	0	11,000
Gain/Loss on Sale of Fixed Assets	0	0	0	0
Other Income	2,000	0	0	2,000
Other Expense	0	0	0	0
Total Miscellaneous Income/(Expense)	<u>13,000</u>	<u>0</u>	<u>0</u>	<u>13,000</u>
Interest Expense	210,000	0	0	210,000
Pre-Tax Income	<u>226,000</u>	<u>0</u>	<u>0</u>	<u>226,000</u>
Less: Income Taxes	<u>66,000</u>	<u>0</u>	<u>0</u>	<u>66,000</u>
<b>Net Income/(Loss)</b>	<u><b>160,000</b></u>	<u><b>0</b></u>	<u><b>0</b></u>	<u><b>160,000</b></u>

Childrens Clothing Store  
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	UnAdj. Year Ending 12-31-02	GAAP Adj. Year Ending 12-31-02	Val. Adj. Year Ending 12-31-02	Adjusted Year Ending 12-31-02
<b>Revenues</b>				
Sales	4,394,000	0	0	4,394,000
Revenue	650,000	0	0	650,000
Miscellaneous Income	150,000	0	0	150,000
Total Revenues	5,194,000	0	0	5,194,000
<b>Cost of Goods Sold</b>				
Raw Materials Consumed	900,000	0	0	900,000
Direct Labor	600,000	0	0	600,000
Overhead	50,000	0	0	50,000
COGS Depreciation	0	0	0	0
Total Cost of Goods Sold	1,550,000	0	0	1,550,000
Gross Profit	3,644,000	0	0	3,644,000
<b>Operating Expenses</b>				
Accounting	15,000	0	0	15,000
Advertising	364,000	0	0	364,000
Automobiles	75,000	0	0	75,000
Bad Debts	15,000	0	0	15,000
Contributions	10,000	0	0	10,000
Employee Benefits	1,000	0	0	1,000
Insurance	50,000	0	0	50,000
Legal	30,000	0	0	30,000
Miscellaneous	4,000	0	0	4,000
Office	50,000	0	0	50,000
Payroll Taxes	60,000	0	0	60,000
Rent	165,000	0	0	165,000
Repairs & Maintenance	12,000	0	0	12,000
Salaries	20,000	0	0	20,000
Utilities	275,000	0	0	275,000
Wages	834,000	0	0	834,000
Total Operating Expenses	1,980,000	0	0	1,980,000
<b>Officers' Compensation</b>				
Salaries	700,000	0	0	700,000
Bonuses	154,000	0	0	154,000
Total Officers' Compensation	854,000	0	0	854,000
Subtotal	810,000	0	0	810,000
<b>Depreciation and Amortization</b>				
Depreciation	146,000	0	0	146,000
Amortization	10,000	0	0	10,000
Total Depreciation and Amortization	156,000	0	0	156,000
Subtotal	654,000	0	0	654,000
<b>Miscellaneous Income/(Expense)</b>				
Interest Income	14,000	0	0	14,000
Gain/Loss on Sale of Fixed Assets	0	0	0	0
Other Income	0	0	0	0
Other Expense	-28,000	0	0	-28,000
Total Miscellaneous Income/(Expense)	-14,000	0	0	-14,000
Interest Expense	250,000	0	0	250,000
Pre-Tax Income	390,000	0	0	390,000
Less: Income Taxes	140,000	0	0	140,000
<b>Net Income/(Loss)</b>	<b>250,000</b>	<b>0</b>	<b>0</b>	<b>250,000</b>



Childrens Clothing Store  
Detailed Income Statement Adjustments  
12/31/2003

	UnAdj. Year Ending 12-31-03	GAAP Adj. Year Ending 12-31-03	Val. Adj. Year Ending 12-31-03	Adjusted Year Ending 12-31-03
<b>Revenues</b>				
Sales	4,500,000	0	0	4,500,000
Revenue	1,345,000	0	0	1,345,000
Miscellaneous Income	121,000	0	0	121,000
Total Revenues	5,966,000	0	0	5,966,000
<b>Cost of Goods Sold</b>				
Raw Materials Consumed	1,000,000	0	0	1,000,000
Direct Labor	800,000	0	0	800,000
Overhead	80,000	0	0	80,000
COGS Depreciation	0	0	0	0
Total Cost of Goods Sold	1,880,000	0	0	1,880,000
Gross Profit	4,086,000	0	0	4,086,000
<b>Operating Expenses</b>				
Accounting	15,000	0	0	15,000
Advertising (A,B)	400,000	0	-45,000	355,000
Automobiles	80,000	0	0	80,000
Bad Debts	17,000	0	0	17,000
Contributions (C)	10,000	0	-10,000	0
Employee Benefits	1,000	0	0	1,000
Insurance	50,000	0	0	50,000
Legal	30,000	0	0	30,000
Miscellaneous	5,000	0	0	5,000
Office	50,000	0	0	50,000
Payroll Taxes	70,000	0	0	70,000
Rent	180,000	0	0	180,000
Repairs & Maintenance	15,000	0	0	15,000
Salaries	30,000	0	0	30,000
Utilities	325,000	0	0	325,000
Wages	740,000	0	0	740,000
Total Operating Expenses	2,018,000	0	-55,000	1,963,000
<b>Officers' Compensation</b>				
Salaries	900,000	0	0	900,000
Bonuses	221,000	0	0	221,000
Total Officers' Compensation	1,121,000	0	0	1,121,000
Subtotal	947,000	0	55,000	1,002,000
<b>Depreciation and Amortization</b>				
Depreciation	170,000	0	0	170,000
Amortization	10,000	0	0	10,000
Total Depreciation and Amortization	180,000	0	0	180,000
Subtotal	767,000	0	55,000	822,000
<b>Miscellaneous Income/(Expense)</b>				
Interest Income	18,000	0	0	18,000
Gain/Loss on Sale of Fixed Assets	0	0	0	0
Other Income	0	0	0	0
Other Expense	-34,000	0	0	-34,000
Total Miscellaneous Income/(Expense)	-16,000	0	0	-16,000
Interest Expense	220,000	0	0	220,000
Pre-Tax Income	531,000	0	55,000	586,000
Less: Income Taxes (D)	186,000	0	48,400	234,400
<b>Net Income/(Loss)</b>	<b>345,000</b>	<b>0</b>	<b>6,600</b>	<b>351,600</b>

- (A) Insider contract  
(B) Excess expense  
(C) Contributions not necessary to operations  
(D) Tax Adjustments



Childrens Clothing Store  
Adjusted Net Income Reconciliation  
12/31/2003

	<b>Year Ending 12-31-03</b>	<b>Year Ending 12-31-02</b>	<b>Year Ending 12-31-01</b>	<b>Year Ending 12-31-00</b>	<b>Year Ending 12-31-99</b>
Historic Net Income	345,000	250,000	160,000	174,000	113,000
Advertising (A,B)	45,000	0	0	0	0
Contributions (C)	10,000	0	0	0	0
Less: Income Taxes (D)	-48,400	0	0	0	0
Adjusted Net Income	<u>351,600</u>	<u>250,000</u>	<u>160,000</u>	<u>174,000</u>	<u>113,000</u>

Year Ending 12-31-03

- (A) Insider contract
- (B) Excess expense
- (C) Contributions not necessary to operations
- (D) Tax Adjustments

Childrens Clothing Store  
Income Statement Working TB View  
12/31/2003

	UnAdj. Year Ending 12-31-99	GAAP Adj. Year Ending 12-31-99	Val. Adj. Year Ending 12-31-99	Adjusted Year Ending 12-31-99	Notes Notes
<b>Revenues</b>					
Sales	2,000,000	0	0	2,000,000	
Revenue	0	0	0	0	
Miscellaneous Income	100,000	0	0	100,000	
Total Revenues	2,100,000	0	0	2,100,000	
<b>Cost of Goods Sold</b>					
Raw Materials Consumed	500,000	0	0	500,000	
Direct Labor	90,000	0	0	90,000	
Overhead	10,000	0	0	10,000	
COGS Depreciation	0	0	0	0	
Total Cost of Goods Sold	600,000	0	0	600,000	
Gross Profit	1,500,000	0	0	1,500,000	
<b>Operating Expenses</b>					
Accounting	5,000	0	0	5,000	
Advertising	100,000	0	0	100,000	
Automobiles	20,000	0	0	20,000	
Bad Debts	5,000	0	0	5,000	
Contributions	5,000	0	0	5,000	
Employee Benefits	1,000	0	0	1,000	
Insurance	25,000	0	0	25,000	
Legal	15,000	0	0	15,000	
Miscellaneous	0	0	0	0	
Office	40,000	0	0	40,000	
Payroll Taxes	30,000	0	0	30,000	
Rent	50,000	0	0	50,000	
Repairs & Maintenance	0	0	0	0	
Salaries	0	0	0	0	
Utilities	50,000	0	0	50,000	
Wages	492,000	0	0	492,000	
Total Operating Expenses	838,000	0	0	838,000	
<b>Officers' Compensation</b>					
Salaries	220,000	0	0	220,000	
Bonuses	28,000	0	0	28,000	
Total Officers' Compensation	248,000	0	0	248,000	
Subtotal	414,000	0	0	414,000	
<b>Depreciation and Amortization</b>					
Depreciation	50,000	0	0	50,000	
Amortization	0	0	0	0	
Total Depreciation and Amortization	50,000	0	0	50,000	
Subtotal	364,000	0	0	364,000	
<b>Miscellaneous Income/(Expense)</b>					
Interest Income	15,000	0	0	15,000	
Gain/Loss on Sale of Fixed Assets	0	0	0	0	
Other Income	0	0	0	0	
Other Expense	-23,000	0	0	-23,000	
Total Miscellaneous Income/(Expense)	-8,000	0	0	-8,000	
Interest Expense	192,000	0	0	192,000	
Pre-Tax Income	164,000	0	0	164,000	
Less: Income Taxes	51,000	0	0	51,000	
<b>Net Income/(Loss)</b>	<b>113,000</b>	<b>0</b>	<b>0</b>	<b>113,000</b>	

Childrens Clothing Store  
Income Statement Working TB View  
12/31/2003

	UnAdj. <b>Year Ending 12-31-00</b>	GAAP Adj. <b>Year Ending 12-31-00</b>	Val. Adj. <b>Year Ending 12-31-00</b>	Adjusted <b>Year Ending 12-31-00</b>	Notes <b>Notes</b>
<b>Revenues</b>					
Sales	2,600,000	0	0	2,600,000	
Revenue	210,000	0	0	210,000	
Miscellaneous Income	125,000	0	0	125,000	
Total Revenues	2,935,000	0	0	2,935,000	
<b>Cost of Goods Sold</b>					
Raw Materials Consumed	600,000	0	0	600,000	
Direct Labor	250,000	0	0	250,000	
Overhead	25,000	0	0	25,000	
COGS Depreciation	0	0	0	0	
Total Cost of Goods Sold	875,000	0	0	875,000	
Gross Profit	2,060,000	0	0	2,060,000	
<b>Operating Expenses</b>					
Accounting	10,000	0	0	10,000	
Advertising	180,000	0	0	180,000	
Automobiles	50,000	0	0	50,000	
Bad Debts	13,000	0	0	13,000	
Contributions	10,000	0	0	10,000	
Employee Benefits	1,000	0	0	1,000	
Insurance	45,000	0	0	45,000	
Legal	25,000	0	0	25,000	
Miscellaneous	2,000	0	0	2,000	
Office	5,000	0	0	5,000	
Payroll Taxes	40,000	0	0	40,000	
Rent	125,000	0	0	125,000	
Repairs & Maintenance	8,000	0	0	8,000	
Salaries	10,000	0	0	10,000	
Utilities	150,000	0	0	150,000	
Wages	548,000	0	0	548,000	
Total Operating Expenses	1,222,000	0	0	1,222,000	
<b>Officers' Compensation</b>					
Salaries	350,000	0	0	350,000	
Bonuses	35,000	0	0	35,000	
Total Officers' Compensation	385,000	0	0	385,000	
Subtotal	453,000	0	0	453,000	
<b>Depreciation and Amortization</b>					
Depreciation	66,000	0	0	66,000	
Amortization	0	0	0	0	
Total Depreciation and Amortization	66,000	0	0	66,000	
Subtotal	387,000	0	0	387,000	
<b>Miscellaneous Income/(Expense)</b>					
Interest Income	9,000	0	0	9,000	
Gain/Loss on Sale of Fixed Assets	0	0	0	0	
Other Income	27,000	0	0	27,000	
Other Expense	0	0	0	0	
Total Miscellaneous Income/(Expense)	36,000	0	0	36,000	
Interest Expense	190,000	0	0	190,000	
Pre-Tax Income	233,000	0	0	233,000	
Less: Income Taxes	59,000	0	0	59,000	
<b>Net Income/(Loss)</b>	<b>174,000</b>	<b>0</b>	<b>0</b>	<b>174,000</b>	

Childrens Clothing Store  
Income Statement Working TB View  
12/31/2003

	UnAdj. Year Ending 12-31-01	GAAP Adj. Year Ending 12-31-01	Val. Adj. Year Ending 12-31-01	Adjusted Year Ending 12-31-01	Notes Notes
<b>Revenues</b>					
Sales	3,380,000	0	0	3,380,000	
Revenue	500,000	0	0	500,000	
Miscellaneous Income	90,000	0	0	90,000	
Total Revenues	3,970,000	0	0	3,970,000	
<b>Cost of Goods Sold</b>					
Raw Materials Consumed	700,000	0	0	700,000	
Direct Labor	370,000	0	0	370,000	
Overhead	30,000	0	0	30,000	
COGS Depreciation	0	0	0	0	
Total Cost of Goods Sold	1,100,000	0	0	1,100,000	
Gross Profit	2,870,000	0	0	2,870,000	
<b>Operating Expenses</b>					
Accounting	10,000	0	0	10,000	
Advertising	272,000	0	0	272,000	
Automobiles	65,000	0	0	65,000	
Bad Debts	14,000	0	0	14,000	
Contributions	10,000	0	0	10,000	
Employee Benefits	1,000	0	0	1,000	
Insurance	45,000	0	0	45,000	
Legal	25,000	0	0	25,000	
Miscellaneous	3,000	0	0	3,000	
Office	50,000	0	0	50,000	
Payroll Taxes	45,000	0	0	45,000	
Rent	140,000	0	0	140,000	
Repairs & Maintenance	10,000	0	0	10,000	
Salaries	15,000	0	0	15,000	
Utilities	250,000	0	0	250,000	
Wages	870,000	0	0	870,000	
Total Operating Expenses	1,825,000	0	0	1,825,000	
<b>Officers' Compensation</b>					
Salaries	500,000	0	0	500,000	
Bonuses	32,000	0	0	32,000	
Total Officers' Compensation	532,000	0	0	532,000	
Subtotal	513,000	0	0	513,000	
<b>Depreciation and Amortization</b>					
Depreciation	85,000	0	0	85,000	
Amortization	5,000	0	0	5,000	
Total Depreciation and Amortization	90,000	0	0	90,000	
Subtotal	423,000	0	0	423,000	
<b>Miscellaneous Income/(Expense)</b>					
Interest Income	11,000	0	0	11,000	
Gain/Loss on Sale of Fixed Assets	0	0	0	0	
Other Income	2,000	0	0	2,000	
Other Expense	0	0	0	0	
Total Miscellaneous Income/(Expense)	13,000	0	0	13,000	
Interest Expense	210,000	0	0	210,000	
Pre-Tax Income	226,000	0	0	226,000	
Less: Income Taxes	66,000	0	0	66,000	
<b>Net Income/(Loss)</b>	<b>160,000</b>	<b>0</b>	<b>0</b>	<b>160,000</b>	

Childrens Clothing Store  
Income Statement Working TB View  
12/31/2003

	UnAdj. <b>Year Ending 12-31-02</b>	GAAP Adj. <b>Year Ending 12-31-02</b>	Val. Adj. <b>Year Ending 12-31-02</b>	Adjusted <b>Year Ending 12-31-02</b>	Notes <b>Notes</b>
<b>Revenues</b>					
Sales	4,394,000	0	0	4,394,000	
Revenue	650,000	0	0	650,000	
Miscellaneous Income	150,000	0	0	150,000	
Total Revenues	5,194,000	0	0	5,194,000	
<b>Cost of Goods Sold</b>					
Raw Materials Consumed	900,000	0	0	900,000	
Direct Labor	600,000	0	0	600,000	
Overhead	50,000	0	0	50,000	
COGS Depreciation	0	0	0	0	
Total Cost of Goods Sold	1,550,000	0	0	1,550,000	
Gross Profit	3,644,000	0	0	3,644,000	
<b>Operating Expenses</b>					
Accounting	15,000	0	0	15,000	
Advertising	364,000	0	0	364,000	
Automobiles	75,000	0	0	75,000	
Bad Debts	15,000	0	0	15,000	
Contributions	10,000	0	0	10,000	
Employee Benefits	1,000	0	0	1,000	
Insurance	50,000	0	0	50,000	
Legal	30,000	0	0	30,000	
Miscellaneous	4,000	0	0	4,000	
Office	50,000	0	0	50,000	
Payroll Taxes	60,000	0	0	60,000	
Rent	165,000	0	0	165,000	
Repairs & Maintenance	12,000	0	0	12,000	
Salaries	20,000	0	0	20,000	
Utilities	275,000	0	0	275,000	
Wages	834,000	0	0	834,000	
Total Operating Expenses	1,980,000	0	0	1,980,000	
<b>Officers' Compensation</b>					
Salaries	700,000	0	0	700,000	
Bonuses	154,000	0	0	154,000	
Total Officers' Compensation	854,000	0	0	854,000	
Subtotal	810,000	0	0	810,000	
<b>Depreciation and Amortization</b>					
Depreciation	146,000	0	0	146,000	
Amortization	10,000	0	0	10,000	
Total Depreciation and Amortization	156,000	0	0	156,000	
Subtotal	654,000	0	0	654,000	
<b>Miscellaneous Income/(Expense)</b>					
Interest Income	14,000	0	0	14,000	
Gain/Loss on Sale of Fixed Assets	0	0	0	0	
Other Income	0	0	0	0	
Other Expense	-28,000	0	0	-28,000	
Total Miscellaneous Income/(Expense)	-14,000	0	0	-14,000	
Interest Expense	250,000	0	0	250,000	
Pre-Tax Income	390,000	0	0	390,000	
Less: Income Taxes	140,000	0	0	140,000	
<b>Net Income/(Loss)</b>	<b>250,000</b>	<b>0</b>	<b>0</b>	<b>250,000</b>	

Childrens Clothing Store  
Income Statement Working TB View  
12/31/2003

	UnAdj. Year Ending 12-31-03	GAAP Adj. Year Ending 12-31-03	Val. Adj. Year Ending 12-31-03	Adjusted Year Ending 12-31-03	Notes
					Notes
<b>Revenues</b>					
Sales	4,500,000	0	0	4,500,000	
Revenue	1,345,000	0	0	1,345,000	
Miscellaneous Income	121,000	0	0	121,000	
Total Revenues	5,966,000	0	0	5,966,000	
<b>Cost of Goods Sold</b>					
Raw Materials Consumed	1,000,000	0	0	1,000,000	
Direct Labor	800,000	0	0	800,000	
Overhead	80,000	0	0	80,000	
COGS Depreciation	0	0	0	0	
Total Cost of Goods Sold	1,880,000	0	0	1,880,000	
Gross Profit	4,086,000	0	0	4,086,000	
<b>Operating Expenses</b>					
Accounting	15,000	0	0	15,000	
Advertising	400,000				
		0	-40,000		Insider contract
		0	-5,000	355,000	Excess expense
Automobiles	80,000	0	0	80,000	
Bad Debts	17,000	0	0	17,000	
Contributions	10,000	0	-10,000	0	Contributions not necessary to operations
Employee Benefits	1,000	0	0	1,000	
Insurance	50,000	0	0	50,000	
Legal	30,000	0	0	30,000	
Miscellaneous	5,000	0	0	5,000	
Office	50,000	0	0	50,000	
Payroll Taxes	70,000	0	0	70,000	
Rent	180,000	0	0	180,000	
Repairs & Maintenance	15,000	0	0	15,000	
Salaries	30,000	0	0	30,000	
Utilities	325,000	0	0	325,000	
Wages	740,000	0	0	740,000	
Total Operating Expenses	2,018,000	0	-55,000	1,963,000	
<b>Officers' Compensation</b>					
Salaries	900,000	0	0	900,000	
Bonuses	221,000	0	0	221,000	
Total Officers' Compensation	1,121,000	0	0	1,121,000	
Subtotal	947,000	0	55,000	1,002,000	
<b>Depreciation and Amortization</b>					
Depreciation	170,000	0	0	170,000	
Amortization	10,000	0	0	10,000	
Total Depreciation and Amortization	180,000	0	0	180,000	
Subtotal	767,000	0	55,000	822,000	
<b>Miscellaneous Income/(Expense)</b>					
Interest Income	18,000	0	0	18,000	
Gain/Loss on Sale of Fixed Assets	0	0	0	0	
Other Income	0	0	0	0	
Other Expense	-34,000	0	0	-34,000	
Total Miscellaneous Income/(Expense)	-16,000	0	0	-16,000	
Interest Expense	220,000	0	0	220,000	
Pre-Tax Income	531,000	0	55,000	586,000	
Less: Income Taxes	186,000	0	48,400	234,400	Tax Adjustments
<b>Net Income/(Loss)</b>	<b>345,000</b>	<b>0</b>	<b>6,600</b>	<b>351,600</b>	



Childrens Clothing Store  
Going Concern BS Working TB View  
12/31/2003

	UnAdj. Year Ended 12-31-99	GAAP Adj. Year Ended 12-31-99	Val. Adj. Year Ended 12-31-99	Adjusted Year Ended 12-31-99	Notes
<b>Assets:</b>					
Current Assets					
Cash					
Checking	229,000	0	0	229,000	
Savings	0	0	0	0	
Marketable Securities	0	0	0	0	
Other	0	0	0	0	
Total Cash	229,000	0	0	229,000	
Accounts Receivable	40,000	0	0	40,000	
Inventory					
Raw Materials	270,000	0	0	270,000	
Work in Progress	0	0	0	0	
Finished Goods	0	0	0	0	
Total Inventory	270,000	0	0	270,000	
Other Current Assets	40,000	0	0	40,000	
Total Current Assets	579,000	0	0	579,000	
Fixed Assets - Net					
Fixed Assets - Cost					
Machinery & Equipment	145,000	0	0	145,000	
Vehicles	400,000	0	0	400,000	
Leasehold Improvements	530,000	0	0	530,000	
Total Fixed Assets - Cost	1,075,000	0	0	1,075,000	
Accumulated Depreciation					
Machinery & Equipment	-9,000	0	0	-9,000	
Vehicles	-60,000	0	0	-60,000	
Leasehold Improvements	-120,000	0	0	-120,000	
Total Accumulated Depreciation	-189,000	0	0	-189,000	
Total Fixed Assets - Net	886,000	0	0	886,000	
Other Assets					
Intangible Assets - Net					
Intangible Assets - Cost					
Intangible Asset	0	0	0	0	
Total Intangible Assets - Cost	0	0	0	0	
Accumulated Amortization					
Accumulated Amortization Intangible Asset	0	0	0	0	
Total Accumulated Amortization	0	0	0	0	
Total Intangible Assets - Net	0	0	0	0	
Other Non-Current Assets					
Other Assets	55,000	0	0	55,000	
Non-Operating Assets	30,000	0	0	30,000	
Total Other Non-Current Assets	85,000	0	0	85,000	
Total Other Assets	85,000	0	0	85,000	
Total Assets:	1,550,000	0	0	1,550,000	
<b>Liabilities and Equity:</b>					
Liabilities					
Current Liabilities					
Accounts Payable	45,000	0	0	45,000	
Short Term Notes Payable	25,000	0	0	25,000	
Current Portion - LTD	12,000	0	0	12,000	
Other Current Liabilities	44,000	0	0	44,000	
Total Current Liabilities	126,000	0	0	126,000	
Long-Term Liabilities					
Long Term Notes Payable					
Long Term Notes Payable	750,000	0	0	750,000	
Total Long Term Notes Payable	750,000	0	0	750,000	
Total Long-Term Liabilities	750,000	0	0	750,000	
Other Liabilities					
Other Liabilities	21,000	0	0	21,000	
Deferred Income Taxes	26,000	0	0	26,000	
Non-Operating Liabilities	12,000	0	0	12,000	
Total Other Liabilities	59,000	0	0	59,000	
Total Liabilities	935,000	0	0	935,000	
Equity					
Common Stock	200,000	0	0	200,000	
Add'l Paid-In Capital	0	0	0	0	
Retained Earnings	415,000	0	0	415,000	
Preferred Stock	0	0	0	0	
Treasury Stock	0	0	0	0	
Total Equity	615,000	0	0	615,000	
Total Liabilities and Equity:	1,550,000	0	0	1,550,000	



Childrens Clothing Store  
Going Concern BS Working TB View  
12/31/2003

	UnAdj. Year Ended 12-31-00	GAAP Adj. Year Ended 12-31-00	Val. Adj. Year Ended 12-31-00	Adjusted Year Ended 12-31-00	Notes
<b>Assets:</b>					
Current Assets					
Cash					
Checking	356,000	0	0	356,000	
Savings	0	0	0	0	
Marketable Securities	0	0	0	0	
Other	0	0	0	0	
Total Cash	356,000	0	0	356,000	
Accounts Receivable	50,000	0	0	50,000	
Inventory					
Raw Materials	373,000	0	0	373,000	
Work in Progress	0	0	0	0	
Finished Goods	0	0	0	0	
Total Inventory	373,000	0	0	373,000	
Other Current Assets	38,000	0	0	38,000	
Total Current Assets	817,000	0	0	817,000	
Fixed Assets - Net					
Fixed Assets - Cost					
Machinery & Equipment	145,000	0	0	145,000	
Vehicles	559,000	0	0	559,000	
Leasehold Improvements	530,000	0	0	530,000	
Total Fixed Assets - Cost	1,234,000	0	0	1,234,000	
Accumulated Depreciation					
Machinery & Equipment	-15,000	0	0	-15,000	
Vehicles	-80,000	0	0	-80,000	
Leasehold Improvements	-160,000	0	0	-160,000	
Total Accumulated Depreciation	-255,000	0	0	-255,000	
Total Fixed Assets - Net	979,000	0	0	979,000	
Other Assets					
Intangible Assets - Net					
Intangible Assets - Cost					
Intangible Asset	0	0	0	0	
Total Intangible Assets - Cost	0	0	0	0	
Accumulated Amortization					
Accumulated Amortization Intangible Asset	0	0	0	0	
Total Accumulated Amortization	0	0	0	0	
Total Intangible Assets - Net	0	0	0	0	
Other Non-Current Assets					
Other Assets	60,000	0	0	60,000	
Non-Operating Assets	30,000	0	0	30,000	
Total Other Non-Current Assets	90,000	0	0	90,000	
Total Other Assets	90,000	0	0	90,000	
Total Assets:	1,886,000	0	0	1,886,000	
<b>Liabilities and Equity:</b>					
Liabilities					
Current Liabilities					
Accounts Payable	55,000	0	0	55,000	
Short Term Notes Payable	25,000	0	0	25,000	
Current Portion - LTD	14,000	0	0	14,000	
Other Current Liabilities	45,000	0	0	45,000	
Total Current Liabilities	139,000	0	0	139,000	
Long-Term Liabilities					
Long Term Notes Payable					
Long Term Notes Payable	980,000	0	0	980,000	
Total Long Term Notes Payable	980,000	0	0	980,000	
Total Long-Term Liabilities	980,000	0	0	980,000	
Other Liabilities					
Other Liabilities	22,000	0	0	22,000	
Deferred Income Taxes	28,000	0	0	28,000	
Non-Operating Liabilities	12,000	0	0	12,000	
Total Other Liabilities	62,000	0	0	62,000	
Total Liabilities	1,181,000	0	0	1,181,000	
Equity					
Common Stock	200,000	0	0	200,000	
Add'l Paid-In Capital	0	0	0	0	
Retained Earnings	505,000	0	0	505,000	
Preferred Stock	0	0	0	0	
Treasury Stock	0	0	0	0	
Total Equity	705,000	0	0	705,000	
Total Liabilities and Equity:	1,886,000	0	0	1,886,000	

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	UnAdj. Year Ended 12-31-01	GAAP Adj. Year Ended 12-31-01	Val. Adj. Year Ended 12-31-01	Adjusted Year Ended 12-31-01	Notes
<b>Assets:</b>					
Current Assets					
Cash					
Checking	465,000	0	0	465,000	
Savings	0	0	0	0	
Marketable Securities	0	0	0	0	
Other	0	0	0	0	
Total Cash	465,000	0	0	465,000	
Accounts Receivable	66,000	0	0	66,000	
Inventory					
Raw Materials	440,000	0	0	440,000	
Work in Progress	0	0	0	0	
Finished Goods	0	0	0	0	
Total Inventory	440,000	0	0	440,000	
Other Current Assets	52,000	0	0	52,000	
Total Current Assets	1,023,000	0	0	1,023,000	
Fixed Assets - Net					
Fixed Assets - Cost					
Machinery & Equipment	165,000	0	0	165,000	
Vehicles	676,000	0	0	676,000	
Leasehold Improvements	530,000	0	0	530,000	
Total Fixed Assets - Cost	1,371,000	0	0	1,371,000	
Accumulated Depreciation					
Machinery & Equipment	-25,000	0	0	-25,000	
Vehicles	-95,000	0	0	-95,000	
Leasehold Improvements	-220,000	0	0	-220,000	
Total Accumulated Depreciation	-340,000	0	0	-340,000	
Total Fixed Assets - Net	1,031,000	0	0	1,031,000	
Other Assets					
Intangible Assets - Net					
Intangible Assets - Cost					
Intangible Asset	100,000	0	0	100,000	
Total Intangible Assets - Cost	100,000	0	0	100,000	
Accumulated Amortization					
Accumulated Amortization Intangible Asset	-5,000	0	0	-5,000	
Total Accumulated Amortization	-5,000	0	0	-5,000	
Total Intangible Assets - Net	95,000	0	0	95,000	
Other Non-Current Assets					
Other Assets	40,000	0	0	40,000	
Non-Operating Assets	30,000	0	0	30,000	
Total Other Non-Current Assets	70,000	0	0	70,000	
Total Other Assets	165,000	0	0	165,000	
Total Assets:	2,219,000	0	0	2,219,000	
<b>Liabilities and Equity:</b>					
Liabilities					
Current Liabilities					
Accounts Payable	60,000	0	0	60,000	
Short Term Notes Payable	18,000	0	0	18,000	
Current Portion - LTD	16,000	0	0	16,000	
Other Current Liabilities	57,000	0	0	57,000	
Total Current Liabilities	151,000	0	0	151,000	
Long-Term Liabilities					
Long Term Notes Payable					
Long Term Notes Payable	1,110,000	0	0	1,110,000	
Total Long Term Notes Payable	1,110,000	0	0	1,110,000	
Total Long-Term Liabilities	1,110,000	0	0	1,110,000	
Other Liabilities					
Other Liabilities	20,000	0	0	20,000	
Deferred Income Taxes	21,000	0	0	21,000	
Non-Operating Liabilities	12,000	0	0	12,000	
Total Other Liabilities	53,000	0	0	53,000	
Total Liabilities	1,314,000	0	0	1,314,000	
Equity					
Common Stock	200,000	0	0	200,000	
Add'l Paid-In Capital	0	0	0	0	
Retained Earnings	605,000	0	0	605,000	
Preferred Stock	100,000	0	0	100,000	
Treasury Stock	0	0	0	0	
Total Equity	905,000	0	0	905,000	
Total Liabilities and Equity:	2,219,000	0	0	2,219,000	

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	UnAdj. Year Ended 12-31-02	GAAP Adj. Year Ended 12-31-02	Val. Adj. Year Ended 12-31-02	Adjusted Year Ended 12-31-02	Notes
<b>Assets:</b>					
Current Assets					
Cash					
Checking	387,000	0	0	387,000	
Savings	0	0	0	0	
Marketable Securities	0	0	0	0	
Other	0	0	0	0	
Total Cash	387,000	0	0	387,000	
Accounts Receivable	55,000	0	0	55,000	
Inventory					
Raw Materials	490,000	0	0	490,000	
Work in Progress	0	0	0	0	
Finished Goods	0	0	0	0	
Total Inventory	490,000	0	0	490,000	
Other Current Assets	75,000	0	0	75,000	
Total Current Assets	1,007,000	0	0	1,007,000	
Fixed Assets - Net					
Fixed Assets - Cost					
Machinery & Equipment	190,000	0	0	190,000	
Vehicles	865,000	0	0	865,000	
Leasehold Improvements	780,000	0	0	780,000	
Total Fixed Assets - Cost	1,835,000	0	0	1,835,000	
Accumulated Depreciation					
Machinery & Equipment	-35,000	0	0	-35,000	
Vehicles	-150,000	0	0	-150,000	
Leasehold Improvements	-301,000	0	0	-301,000	
Total Accumulated Depreciation	-486,000	0	0	-486,000	
Total Fixed Assets - Net	1,349,000	0	0	1,349,000	
Other Assets					
Intangible Assets - Net					
Intangible Assets - Cost					
Intangible Asset	100,000	0	0	100,000	
Total Intangible Assets - Cost	100,000	0	0	100,000	
Accumulated Amortization					
Accumulated Amortization Intangible Asset	-15,000	0	0	-15,000	
Total Accumulated Amortization	-15,000	0	0	-15,000	
Total Intangible Assets - Net	85,000	0	0	85,000	
Other Non-Current Assets					
Other Assets	45,000	0	0	45,000	
Non-Operating Assets	114,000	0	0	114,000	
Total Other Non-Current Assets	159,000	0	0	159,000	
Total Other Assets	244,000	0	0	244,000	
Total Assets:	2,600,000	0	0	2,600,000	
<b>Liabilities and Equity:</b>					
Liabilities					
Current Liabilities					
Accounts Payable	75,000	0	0	75,000	
Short Term Notes Payable	27,000	0	0	27,000	
Current Portion - LTD	26,000	0	0	26,000	
Other Current Liabilities	77,000	0	0	77,000	
Total Current Liabilities	205,000	0	0	205,000	
Long-Term Liabilities					
Long Term Notes Payable					
Long Term Notes Payable	1,200,000	0	0	1,200,000	
Total Long Term Notes Payable	1,200,000	0	0	1,200,000	
Total Long-Term Liabilities	1,200,000	0	0	1,200,000	
Other Liabilities					
Other Liabilities	27,000	0	0	27,000	
Deferred Income Taxes	31,000	0	0	31,000	
Non-Operating Liabilities	12,000	0	0	12,000	
Total Other Liabilities	70,000	0	0	70,000	
Total Liabilities	1,475,000	0	0	1,475,000	
Equity					
Common Stock	200,000	0	0	200,000	
Add'l Paid-In Capital	0	0	0	0	
Retained Earnings	825,000	0	0	825,000	
Preferred Stock	100,000	0	0	100,000	
Treasury Stock	0	0	0	0	
Total Equity	1,125,000	0	0	1,125,000	
Total Liabilities and Equity:	2,600,000	0	0	2,600,000	

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	UnAdj. Year Ended 12-31-03	GAAP Adj. Year Ended 12-31-03	Val. Adj. Year Ended 12-31-03	Adjusted Year Ended 12-31-03	Notes
					Notes
<b>Assets:</b>					
Current Assets					
Cash					
Checking	549,000				
		0	-35,000	500,000	Personal Account S/N/B Included
		0	-14,000		Reconciliation Error
Savings	0	0	0	0	
Marketable Securities	0	0	0	0	
Other	0	0	0	0	
Total Cash	549,000	0	-49,000	500,000	
Accounts Receivable	140,000				
		0	-15,000		Receivables were factored
		0	-25,000	100,000	Non collectable items
Inventory					
Raw Materials	840,000				
		0	-20,000		This is a reason to adjust
		0	-20,000	800,000	This is another reason to adjust
Work in Progress	0	0	0	0	
Finished Goods	0	0	0	0	
Total Inventory	840,000	0	-40,000	800,000	
Other Current Assets	80,000	0	0	80,000	
Total Current Assets	1,609,000	0	-129,000	1,480,000	
Fixed Assets - Net					
Fixed Assets - Cost					
Machinery & Equipment	230,000	0	70,000	300,000	Adjust to market value
Vehicles	860,000	0	40,000	900,000	Adjust to market value
Leasehold Improvements	904,000	0	-4,000	900,000	Adjust to market value
Total Fixed Assets - Cost	1,994,000	0	106,000	2,100,000	
Accumulated Depreciation					
Machinery & Equipment	-45,000	0	45,000	0	Remove depreciation
Vehicles	-200,000	0	200,000	0	Remove depreciation
Leasehold Improvements	-411,000	0	411,000	0	Remove depreciation
Total Accumulated Depreciation	-656,000	0	656,000	0	
Total Fixed Assets - Net	1,338,000	0	762,000	2,100,000	
Other Assets					
Intangible Assets - Net					
Intangible Assets - Cost					
Intangible Asset	100,000	0	0	100,000	
Total Intangible Assets - Cost	100,000	0	0	100,000	
Accumulated Amortization					
Accumulated Amortization Intangible Asset	-25,000	0	0	-25,000	
Total Accumulated Amortization	-25,000	0	0	-25,000	
Total Intangible Assets - Net	75,000	0	0	75,000	
Other Non-Current Assets					
Other Assets	43,000	0	0	43,000	
Non-Operating Assets	30,000	0	0	30,000	
Total Other Non-Current Assets	73,000	0	0	73,000	
Total Other Assets	148,000	0	0	148,000	
Total Assets:	3,095,000	0	633,000	3,728,000	
<b>Liabilities and Equity:</b>					
Liabilities					
Current Liabilities					
Accounts Payable	74,000	0	0	74,000	
Short Term Notes Payable	33,000	0	0	33,000	
Current Portion - LTD	28,000	0	0	28,000	
Other Current Liabilities	74,000	0	0	74,000	
Total Current Liabilities	209,000	0	0	209,000	
Long-Term Liabilities					
Long Term Notes Payable					
Long Term Notes Payable	1,370,000	0	0	1,370,000	
Total Long Term Notes Payable	1,370,000	0	0	1,370,000	
Total Long-Term Liabilities	1,370,000	0	0	1,370,000	
Other Liabilities					
Other Liabilities	25,000	0	0	25,000	
Deferred Income Taxes	34,000	0	0	34,000	
Non-Operating Liabilities	12,000	0	0	12,000	
Total Other Liabilities	71,000	0	0	71,000	
Total Liabilities	1,650,000	0	0	1,650,000	
Equity					
Common Stock	200,000	0	0	200,000	
Add'l Paid-In Capital	0	0	0	0	
Retained Earnings	1,145,000	0	633,000	1,778,000	
Preferred Stock	100,000	0	0	100,000	
Treasury Stock	0	0	0	0	
Total Equity	1,445,000	0	633,000	2,078,000	
Total Liabilities and Equity:	3,095,000	0	633,000	3,728,000	

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	UnAdj. Year Ended 12-31-99	GAAP Adj. Year Ended 12-31-99	Val. Adj. Year Ended 12-31-99	Adjusted Year Ended 12-31-99	Notes
<b>Assets:</b>					
Current Assets					
Cash					
Checking	229,000	0	0	229,000	
Savings	0	0	0	0	
Marketable Securities	0	0	0	0	
Other	0	0	0	0	
Total Cash	229,000	0	0	229,000	
Accounts Receivable	40,000	0	0	40,000	
Inventory					
Raw Materials	270,000	0	0	270,000	
Work in Progress	0	0	0	0	
Finished Goods	0	0	0	0	
Total Inventory	270,000	0	0	270,000	
Other Current Assets	40,000	0	0	40,000	
Total Current Assets	579,000	0	0	579,000	
Fixed Assets - Net					
Fixed Assets - Cost					
Machinery & Equipment	145,000	0	0	145,000	
Vehicles	400,000	0	0	400,000	
Leasehold Improvements	530,000	0	0	530,000	
Total Fixed Assets - Cost	1,075,000	0	0	1,075,000	
Accumulated Depreciation					
Machinery & Equipment	-9,000	0	0	-9,000	
Vehicles	-60,000	0	0	-60,000	
Leasehold Improvements	-120,000	0	0	-120,000	
Total Accumulated Depreciation	-189,000	0	0	-189,000	
Total Fixed Assets - Net	886,000	0	0	886,000	
Other Assets					
Intangible Assets - Net					
Intangible Assets - Cost					
Intangible Asset	0	0	0	0	
Total Intangible Assets - Cost	0	0	0	0	
Accumulated Amortization					
Accumulated Amortization Intangible Asset	0	0	0	0	
Total Accumulated Amortization	0	0	0	0	
Total Intangible Assets - Net	0	0	0	0	
Other Non-Current Assets					
Other Assets	55,000	0	0	55,000	
Non-Operating Assets	30,000	0	0	30,000	
Total Other Non-Current Assets	85,000	0	0	85,000	
Total Other Assets	85,000	0	0	85,000	
Total Assets:	1,550,000	0	0	1,550,000	
<b>Liabilities and Equity:</b>					
Liabilities					
Current Liabilities					
Accounts Payable	45,000	0	0	45,000	
Short Term Notes Payable	25,000	0	0	25,000	
Current Portion - LTD	12,000	0	0	12,000	
Other Current Liabilities	44,000	0	0	44,000	
Total Current Liabilities	126,000	0	0	126,000	
Long-Term Liabilities					
Long Term Notes Payable					
Long Term Notes Payable	750,000	0	0	750,000	
Total Long Term Notes Payable	750,000	0	0	750,000	
Total Long-Term Liabilities	750,000	0	0	750,000	
Other Liabilities					
Other Liabilities	21,000	0	0	21,000	
Deferred Income Taxes	26,000	0	0	26,000	
Non-Operating Liabilities	12,000	0	0	12,000	
Total Other Liabilities	59,000	0	0	59,000	
Total Liabilities	935,000	0	0	935,000	
Equity					
Common Stock	200,000	0	0	200,000	
Add'l Paid-In Capital	0	0	0	0	
Retained Earnings	415,000	0	0	415,000	
Preferred Stock	0	0	0	0	
Treasury Stock	0	0	0	0	
Total Equity	615,000	0	0	615,000	
Total Liabilities and Equity:	1,550,000	0	0	1,550,000	

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	UnAdj. Year Ended 12-31-00	GAAP Adj. Year Ended 12-31-00	Val. Adj. Year Ended 12-31-00	Adjusted Year Ended 12-31-00	Notes
<b>Assets:</b>					
Current Assets					
Cash					
Checking	356,000	0	0	356,000	
Savings	0	0	0	0	
Marketable Securities	0	0	0	0	
Other	0	0	0	0	
Total Cash	356,000	0	0	356,000	
Accounts Receivable	50,000	0	0	50,000	
Inventory					
Raw Materials	373,000	0	0	373,000	
Work in Progress	0	0	0	0	
Finished Goods	0	0	0	0	
Total Inventory	373,000	0	0	373,000	
Other Current Assets	38,000	0	0	38,000	
Total Current Assets	817,000	0	0	817,000	
Fixed Assets - Net					
Fixed Assets - Cost					
Machinery & Equipment	145,000	0	0	145,000	
Vehicles	559,000	0	0	559,000	
Leasehold Improvements	530,000	0	0	530,000	
Total Fixed Assets - Cost	1,234,000	0	0	1,234,000	
Accumulated Depreciation					
Machinery & Equipment	-15,000	0	0	-15,000	
Vehicles	-80,000	0	0	-80,000	
Leasehold Improvements	-160,000	0	0	-160,000	
Total Accumulated Depreciation	-255,000	0	0	-255,000	
Total Fixed Assets - Net	979,000	0	0	979,000	
Other Assets					
Intangible Assets - Net					
Intangible Assets - Cost					
Intangible Asset	0	0	0	0	
Total Intangible Assets - Cost	0	0	0	0	
Accumulated Amortization					
Accumulated Amortization Intangible Asset	0	0	0	0	
Total Accumulated Amortization	0	0	0	0	
Total Intangible Assets - Net	0	0	0	0	
Other Non-Current Assets					
Other Assets	60,000	0	0	60,000	
Non-Operating Assets	30,000	0	0	30,000	
Total Other Non-Current Assets	90,000	0	0	90,000	
Total Other Assets	90,000	0	0	90,000	
Total Assets:	1,886,000	0	0	1,886,000	
<b>Liabilities and Equity:</b>					
Liabilities					
Current Liabilities					
Accounts Payable	55,000	0	0	55,000	
Short Term Notes Payable	25,000	0	0	25,000	
Current Portion - LTD	14,000	0	0	14,000	
Other Current Liabilities	45,000	0	0	45,000	
Total Current Liabilities	139,000	0	0	139,000	
Long-Term Liabilities					
Long Term Notes Payable					
Long Term Notes Payable	980,000	0	0	980,000	
Total Long Term Notes Payable	980,000	0	0	980,000	
Total Long-Term Liabilities	980,000	0	0	980,000	
Other Liabilities					
Other Liabilities	22,000	0	0	22,000	
Deferred Income Taxes	28,000	0	0	28,000	
Non-Operating Liabilities	12,000	0	0	12,000	
Total Other Liabilities	62,000	0	0	62,000	
Total Liabilities	1,181,000	0	0	1,181,000	
Equity					
Common Stock	200,000	0	0	200,000	
Add'l Paid-In Capital	0	0	0	0	
Retained Earnings	505,000	0	0	505,000	
Preferred Stock	0	0	0	0	
Treasury Stock	0	0	0	0	
Total Equity	705,000	0	0	705,000	
Total Liabilities and Equity:	1,886,000	0	0	1,886,000	



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	UnAdj. Year Ended 12-31-01	GAAP Adj. Year Ended 12-31-01	Val. Adj. Year Ended 12-31-01	Adjusted Year Ended 12-31-01	Notes
<b>Assets:</b>					
Current Assets					
Cash					
Checking	465,000	0	0	465,000	
Savings	0	0	0	0	
Marketable Securities	0	0	0	0	
Other	0	0	0	0	
Total Cash	465,000	0	0	465,000	
Accounts Receivable	66,000	0	0	66,000	
Inventory					
Raw Materials	440,000	0	0	440,000	
Work in Progress	0	0	0	0	
Finished Goods	0	0	0	0	
Total Inventory	440,000	0	0	440,000	
Other Current Assets	52,000	0	0	52,000	
Total Current Assets	1,023,000	0	0	1,023,000	
Fixed Assets - Net					
Fixed Assets - Cost					
Machinery & Equipment	165,000	0	0	165,000	
Vehicles	676,000	0	0	676,000	
Leasehold Improvements	530,000	0	0	530,000	
Total Fixed Assets - Cost	1,371,000	0	0	1,371,000	
Accumulated Depreciation					
Machinery & Equipment	-25,000	0	0	-25,000	
Vehicles	-95,000	0	0	-95,000	
Leasehold Improvements	-220,000	0	0	-220,000	
Total Accumulated Depreciation	-340,000	0	0	-340,000	
Total Fixed Assets - Net	1,031,000	0	0	1,031,000	
Other Assets					
Intangible Assets - Net					
Intangible Assets - Cost					
Intangible Asset	100,000	0	0	100,000	
Total Intangible Assets - Cost	100,000	0	0	100,000	
Accumulated Amortization					
Accumulated Amortization Intangible Asset	-5,000	0	0	-5,000	
Total Accumulated Amortization	-5,000	0	0	-5,000	
Total Intangible Assets - Net	95,000	0	0	95,000	
Other Non-Current Assets					
Other Assets	40,000	0	0	40,000	
Non-Operating Assets	30,000	0	0	30,000	
Total Other Non-Current Assets	70,000	0	0	70,000	
Total Other Assets	165,000	0	0	165,000	
Total Assets:	2,219,000	0	0	2,219,000	
<b>Liabilities and Equity:</b>					
Liabilities					
Current Liabilities					
Accounts Payable	60,000	0	0	60,000	
Short Term Notes Payable	18,000	0	0	18,000	
Current Portion - LTD	16,000	0	0	16,000	
Other Current Liabilities	57,000	0	0	57,000	
Total Current Liabilities	151,000	0	0	151,000	
Long-Term Liabilities					
Long Term Notes Payable					
Long Term Notes Payable	1,110,000	0	0	1,110,000	
Total Long Term Notes Payable	1,110,000	0	0	1,110,000	
Total Long-Term Liabilities	1,110,000	0	0	1,110,000	
Other Liabilities					
Other Liabilities	20,000	0	0	20,000	
Deferred Income Taxes	21,000	0	0	21,000	
Non-Operating Liabilities	12,000	0	0	12,000	
Total Other Liabilities	53,000	0	0	53,000	
Total Liabilities	1,314,000	0	0	1,314,000	
Equity					
Common Stock	200,000	0	0	200,000	
Add'l Paid-In Capital	0	0	0	0	
Retained Earnings	605,000	0	0	605,000	
Preferred Stock	100,000	0	0	100,000	
Treasury Stock	0	0	0	0	
Total Equity	905,000	0	0	905,000	
Total Liabilities and Equity:	2,219,000	0	0	2,219,000	



Childrens Clothing Store  
Liquidation Value BS Working TB View  
12/31/2003

	UnAdj. Year Ended 12-31-02	GAAP Adj. Year Ended 12-31-02	Val. Adj. Year Ended 12-31-02	Adjusted Year Ended 12-31-02	Notes
<b>Assets:</b>					
Current Assets					
Cash					
Checking	387,000	0	0	387,000	
Savings	0	0	0	0	
Marketable Securities	0	0	0	0	
Other	0	0	0	0	
Total Cash	387,000	0	0	387,000	
Accounts Receivable	55,000	0	0	55,000	
Inventory					
Raw Materials	490,000	0	0	490,000	
Work in Progress	0	0	0	0	
Finished Goods	0	0	0	0	
Total Inventory	490,000	0	0	490,000	
Other Current Assets	75,000	0	0	75,000	
Total Current Assets	1,007,000	0	0	1,007,000	
Fixed Assets - Net					
Fixed Assets - Cost					
Machinery & Equipment	190,000	0	0	190,000	
Vehicles	865,000	0	0	865,000	
Leasehold Improvements	780,000	0	0	780,000	
Total Fixed Assets - Cost	1,835,000	0	0	1,835,000	
Accumulated Depreciation					
Machinery & Equipment	-35,000	0	0	-35,000	
Vehicles	-150,000	0	0	-150,000	
Leasehold Improvements	-301,000	0	0	-301,000	
Total Accumulated Depreciation	-486,000	0	0	-486,000	
Total Fixed Assets - Net	1,349,000	0	0	1,349,000	
Other Assets					
Intangible Assets - Net					
Intangible Assets - Cost					
Intangible Asset	100,000	0	0	100,000	
Total Intangible Assets - Cost	100,000	0	0	100,000	
Accumulated Amortization					
Accumulated Amortization Intangible Asset	-15,000	0	0	-15,000	
Total Accumulated Amortization	-15,000	0	0	-15,000	
Total Intangible Assets - Net	85,000	0	0	85,000	
Other Non-Current Assets					
Other Assets	45,000	0	0	45,000	
Non-Operating Assets	114,000	0	0	114,000	
Total Other Non-Current Assets	159,000	0	0	159,000	
Total Other Assets	244,000	0	0	244,000	
Total Assets:	2,600,000	0	0	2,600,000	
<b>Liabilities and Equity:</b>					
Liabilities					
Current Liabilities					
Accounts Payable	75,000	0	0	75,000	
Short Term Notes Payable	27,000	0	0	27,000	
Current Portion - LTD	26,000	0	0	26,000	
Other Current Liabilities	77,000	0	0	77,000	
Total Current Liabilities	205,000	0	0	205,000	
Long-Term Liabilities					
Long Term Notes Payable					
Long Term Notes Payable	1,200,000	0	0	1,200,000	
Total Long Term Notes Payable	1,200,000	0	0	1,200,000	
Total Long-Term Liabilities	1,200,000	0	0	1,200,000	
Other Liabilities					
Other Liabilities	27,000	0	0	27,000	
Deferred Income Taxes	31,000	0	0	31,000	
Non-Operating Liabilities	12,000	0	0	12,000	
Total Other Liabilities	70,000	0	0	70,000	
Total Liabilities	1,475,000	0	0	1,475,000	
Equity					
Common Stock	200,000	0	0	200,000	
Add'l Paid-In Capital	0	0	0	0	
Retained Earnings	825,000	0	0	825,000	
Preferred Stock	100,000	0	0	100,000	
Treasury Stock	0	0	0	0	
Total Equity	1,125,000	0	0	1,125,000	
Total Liabilities and Equity:	2,600,000	0	0	2,600,000	

Childrens Clothing Store  
Liquidation Value BS Working TB View  
12/31/2003

	UnAdj. Year Ended 12-31-03	GAAP Adj. Year Ended 12-31-03	Val. Adj. Year Ended 12-31-03	Adjusted Year Ended 12-31-03	Notes
<b>Assets:</b>					
Current Assets					
Cash					
Checking	549,000	0	-549,000	0	
Savings	0	0	0	0	
Marketable Securities	0	0	0	0	
Other	0	0	0	0	
Total Cash	549,000	0	-549,000	0	
Accounts Receivable	140,000	0	-140,000	0	
Inventory					
Raw Materials	840,000	0	-420,000	420,000	
Work in Progress	0	0	0	0	
Finished Goods	0	0	0	0	
Total Inventory	840,000	0	-420,000	420,000	
Other Current Assets	80,000	0	0	80,000	
Total Current Assets	1,609,000	0	-1,109,000	500,000	
Fixed Assets - Net					
Fixed Assets - Cost					
Machinery & Equipment	230,000	0	-115,000	115,000	
Vehicles	860,000	0	-430,000	430,000	
Leasehold Improvements	904,000	0	-450,000	454,000	
Total Fixed Assets - Cost	1,994,000	0	-995,000	999,000	
Accumulated Depreciation					
Machinery & Equipment	-45,000	0	45,000	0	
Vehicles	-200,000	0	200,000	0	
Leasehold Improvements	-411,000	0	411,000	0	
Total Accumulated Depreciation	-656,000	0	656,000	0	
Total Fixed Assets - Net	1,338,000	0	-339,000	999,000	
Other Assets					
Intangible Assets - Net					
Intangible Assets - Cost					
Intangible Asset	100,000	0	-100,000	0	
Total Intangible Assets - Cost	100,000	0	-100,000	0	
Accumulated Amortization					
Accumulated Amortization Intangible Asset	-25,000	0	25,000	0	
Total Accumulated Amortization	-25,000	0	25,000	0	
Total Intangible Assets - Net	75,000	0	-75,000	0	
Other Non-Current Assets					
Other Assets	43,000	0	-21,500	21,500	
Non-Operating Assets	30,000	0	-15,000	15,000	
Total Other Non-Current Assets	73,000	0	-36,500	36,500	
Total Other Assets	148,000	0	-111,500	36,500	
Total Assets:	3,095,000	0	-1,559,500	1,535,500	
<b>Liabilities and Equity:</b>					
Liabilities					
Current Liabilities					
Accounts Payable	74,000	0	-74,000	0	
Short Term Notes Payable	33,000	0	-33,000	0	
Current Portion - LTD	28,000	0	-28,000	0	
Other Current Liabilities	74,000	0	-74,000	0	
Total Current Liabilities	209,000	0	-209,000	0	
Long-Term Liabilities					
Long Term Notes Payable					
Long Term Notes Payable	1,370,000	0	0	1,370,000	
Total Long Term Notes Payable	1,370,000	0	0	1,370,000	
Total Long-Term Liabilities	1,370,000	0	0	1,370,000	
Other Liabilities					
Other Liabilities	25,000	0	-25,000	0	
Deferred Income Taxes	34,000	0	-34,000	0	
Non-Operating Liabilities	12,000	0	-12,000	0	
Total Other Liabilities	71,000	0	-71,000	0	
Total Liabilities	1,650,000	0	-280,000	1,370,000	
Equity					
Common Stock	200,000	0	0	200,000	
Add'l Paid-In Capital	0	0	0	0	
Retained Earnings	1,145,000	0	-1,279,500	-134,500	
Preferred Stock	100,000	0	0	100,000	
Treasury Stock	0	0	0	0	
Total Equity	1,445,000	0	-1,279,500	165,500	
Total Liabilities and Equity:	3,095,000	0	-1,559,500	1,535,500	

Childrens Clothing Store  
Adjusted Detailed Going Concern Balance Sheets  
12/31/2003

	Year Ended 12-31-03	Year Ended 12-31-02	Year Ended 12-31-01	Year Ended 12-31-00	Year Ended 12-31-99
<b>Assets:</b>					
Current Assets					
Cash					
Checking	500,000	387,000	465,000	356,000	229,000
Savings	0	0	0	0	0
Marketable Securities	0	0	0	0	0
Other	0	0	0	0	0
Total Cash	<u>500,000</u>	<u>387,000</u>	<u>465,000</u>	<u>356,000</u>	<u>229,000</u>
Accounts Receivable	100,000	55,000	66,000	50,000	40,000
Inventory					
Raw Materials	800,000	490,000	440,000	373,000	270,000
Work in Progress	0	0	0	0	0
Finished Goods	0	0	0	0	0
Total Inventory	<u>800,000</u>	<u>490,000</u>	<u>440,000</u>	<u>373,000</u>	<u>270,000</u>
Other Current Assets	80,000	75,000	52,000	38,000	40,000
Total Current Assets	<u>1,480,000</u>	<u>1,007,000</u>	<u>1,023,000</u>	<u>817,000</u>	<u>579,000</u>
Fixed Assets - Net					
Fixed Assets - Cost					
Machinery & Equipment	300,000	190,000	165,000	145,000	145,000
Vehicles	900,000	865,000	676,000	559,000	400,000
Leasehold Improvements	900,000	780,000	530,000	530,000	530,000
Total Fixed Assets - Cost	<u>2,100,000</u>	<u>1,835,000</u>	<u>1,371,000</u>	<u>1,234,000</u>	<u>1,075,000</u>
Accumulated Depreciation					
Machinery & Equipment	0	-35,000	-25,000	-15,000	-9,000
Vehicles	0	-150,000	-95,000	-80,000	-60,000
Leasehold Improvements	0	-301,000	-220,000	-160,000	-120,000
Total Accumulated Depreciation	<u>0</u>	<u>-486,000</u>	<u>-340,000</u>	<u>-255,000</u>	<u>-189,000</u>
Total Fixed Assets - Net	<u>2,100,000</u>	<u>1,349,000</u>	<u>1,031,000</u>	<u>979,000</u>	<u>886,000</u>
Other Assets					
Intangible Assets - Net					
Intangible Assets - Cost					
Intangible Asset	100,000	100,000	100,000	0	0
Total Intangible Assets - Cost	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>	<u>0</u>
Accumulated Amortization					
Accumulated Amortization Intangible Asset	-25,000	-15,000	-5,000	0	0
Total Accumulated Amortization	<u>-25,000</u>	<u>-15,000</u>	<u>-5,000</u>	<u>0</u>	<u>0</u>
Total Intangible Assets - Net	<u>75,000</u>	<u>85,000</u>	<u>95,000</u>	<u>0</u>	<u>0</u>
Other Non-Current Assets					
Other Assets	43,000	45,000	40,000	60,000	55,000
Non-Operating Assets	30,000	114,000	30,000	30,000	30,000
Total Other Non-Current Assets	<u>73,000</u>	<u>159,000</u>	<u>70,000</u>	<u>90,000</u>	<u>85,000</u>
Total Other Assets	<u>148,000</u>	<u>244,000</u>	<u>165,000</u>	<u>90,000</u>	<u>85,000</u>
Total Assets:	<u>3,728,000</u>	<u>2,600,000</u>	<u>2,219,000</u>	<u>1,886,000</u>	<u>1,550,000</u>
<b>Liabilities and Equity:</b>					
Liabilities					
Current Liabilities					
Accounts Payable	74,000	75,000	60,000	55,000	45,000
Short Term Notes Payable	33,000	27,000	18,000	25,000	25,000
Current Portion - LTD	28,000	26,000	16,000	14,000	12,000
Other Current Liabilities	74,000	77,000	57,000	45,000	44,000
Total Current Liabilities	<u>209,000</u>	<u>205,000</u>	<u>151,000</u>	<u>139,000</u>	<u>126,000</u>
Long-Term Liabilities					
Long Term Notes Payable					
Long Term Notes Payable	1,370,000	1,200,000	1,110,000	980,000	750,000
Total Long Term Notes Payable	<u>1,370,000</u>	<u>1,200,000</u>	<u>1,110,000</u>	<u>980,000</u>	<u>750,000</u>
Total Long-Term Liabilities	<u>1,370,000</u>	<u>1,200,000</u>	<u>1,110,000</u>	<u>980,000</u>	<u>750,000</u>
Other Liabilities					
Other Liabilities	25,000	27,000	20,000	22,000	21,000
Deferred Income Taxes	34,000	31,000	21,000	28,000	26,000
Non-Operating Liabilities	12,000	12,000	12,000	12,000	12,000
Total Other Liabilities	<u>71,000</u>	<u>70,000</u>	<u>53,000</u>	<u>62,000</u>	<u>59,000</u>
Total Liabilities	<u>1,650,000</u>	<u>1,475,000</u>	<u>1,314,000</u>	<u>1,181,000</u>	<u>935,000</u>
Equity					
Common Stock	200,000	200,000	200,000	200,000	200,000
Add'l Paid-In Capital	0	0	0	0	0
Retained Earnings	1,778,000	825,000	605,000	505,000	415,000
Preferred Stock	100,000	100,000	100,000	0	0
Treasury Stock	0	0	0	0	0
Total Equity	<u>2,078,000</u>	<u>1,125,000</u>	<u>905,000</u>	<u>705,000</u>	<u>615,000</u>
Total Liabilities and Equity:	<u>3,728,000</u>	<u>2,600,000</u>	<u>2,219,000</u>	<u>1,886,000</u>	<u>1,550,000</u>

Childrens Clothing Store  
Adjusted Detailed Liquidation Value Balance Sheets  
12/31/2003

	Year Ended 12-31-03	Year Ended 12-31-02	Year Ended 12-31-01	Year Ended 12-31-00	Year Ended 12-31-99
<b>Assets:</b>					
Current Assets					
Cash					
Checking	0	387,000	465,000	356,000	229,000
Savings	0	0	0	0	0
Marketable Securities	0	0	0	0	0
Other	0	0	0	0	0
Total Cash	0	387,000	465,000	356,000	229,000
Accounts Receivable	0	55,000	66,000	50,000	40,000
Inventory					
Raw Materials	420,000	490,000	440,000	373,000	270,000
Work in Progress	0	0	0	0	0
Finished Goods	0	0	0	0	0
Total Inventory	420,000	490,000	440,000	373,000	270,000
Other Current Assets	80,000	75,000	52,000	38,000	40,000
Total Current Assets	500,000	1,007,000	1,023,000	817,000	579,000
Fixed Assets - Net					
Fixed Assets - Cost					
Machinery & Equipment	115,000	190,000	165,000	145,000	145,000
Vehicles	430,000	865,000	676,000	559,000	400,000
Leasehold Improvements	454,000	780,000	530,000	530,000	530,000
Total Fixed Assets - Cost	999,000	1,835,000	1,371,000	1,234,000	1,075,000
Accumulated Depreciation					
Machinery & Equipment	0	-35,000	-25,000	-15,000	-9,000
Vehicles	0	-150,000	-95,000	-80,000	-60,000
Leasehold Improvements	0	-301,000	-220,000	-160,000	-120,000
Total Accumulated Depreciation	0	-486,000	-340,000	-255,000	-189,000
Total Fixed Assets - Net	999,000	1,349,000	1,031,000	979,000	886,000
Other Assets					
Intangible Assets - Net					
Intangible Assets - Cost					
Intangible Asset	0	100,000	100,000	0	0
Total Intangible Assets - Cost	0	100,000	100,000	0	0
Accumulated Amortization					
Accumulated Amortization Intangible Asset	0	-15,000	-5,000	0	0
Total Accumulated Amortization	0	-15,000	-5,000	0	0
Total Intangible Assets - Net	0	85,000	95,000	0	0
Other Non-Current Assets					
Other Assets	21,500	45,000	40,000	60,000	55,000
Non-Operating Assets	15,000	114,000	30,000	30,000	30,000
Total Other Non-Current Assets	36,500	159,000	70,000	90,000	85,000
Total Other Assets	36,500	244,000	165,000	90,000	85,000
Total Assets:	1,535,500	2,600,000	2,219,000	1,886,000	1,550,000
<b>Liabilities and Equity:</b>					
Liabilities					
Current Liabilities					
Accounts Payable	0	75,000	60,000	55,000	45,000
Short Term Notes Payable	0	27,000	18,000	25,000	25,000
Current Portion - LTD	0	26,000	16,000	14,000	12,000
Other Current Liabilities	0	77,000	57,000	45,000	44,000
Total Current Liabilities	0	205,000	151,000	139,000	126,000
Long-Term Liabilities					
Long Term Notes Payable					
Long Term Notes Payable	1,370,000	1,200,000	1,110,000	980,000	750,000
Total Long Term Notes Payable	1,370,000	1,200,000	1,110,000	980,000	750,000
Total Long-Term Liabilities	1,370,000	1,200,000	1,110,000	980,000	750,000
Other Liabilities					
Other Liabilities	0	27,000	20,000	22,000	21,000
Deferred Income Taxes	0	31,000	21,000	28,000	26,000
Non-Operating Liabilities	0	12,000	12,000	12,000	12,000
Total Other Liabilities	0	70,000	53,000	62,000	59,000
Total Liabilities	1,370,000	1,475,000	1,314,000	1,181,000	935,000
Equity					
Common Stock	200,000	200,000	200,000	200,000	200,000
Add'l Paid-In Capital	0	0	0	0	0
Retained Earnings	-134,500	825,000	605,000	505,000	415,000
Preferred Stock	100,000	100,000	100,000	0	0
Treasury Stock	0	0	0	0	0
Total Equity	165,500	1,125,000	905,000	705,000	615,000
Total Liabilities and Equity:	1,535,500	2,600,000	2,219,000	1,886,000	1,550,000

Childrens Clothing Store  
Adjusted Detailed Adjusted Income Statements  
12/31/2003

	Year Ending 12-31-03	Year Ending 12-31-02	Year Ending 12-31-01	Year Ending 12-31-00	Year Ending 12-31-99
<b>Revenues</b>					
Sales	4,500,000	4,394,000	3,380,000	2,600,000	2,000,000
Revenue	1,345,000	650,000	500,000	210,000	0
Miscellaneous Income	121,000	150,000	90,000	125,000	100,000
Total Revenues	<u>5,966,000</u>	<u>5,194,000</u>	<u>3,970,000</u>	<u>2,935,000</u>	<u>2,100,000</u>
<b>Cost of Goods Sold</b>					
Raw Materials Consumed	1,000,000	900,000	700,000	600,000	500,000
Direct Labor	800,000	600,000	370,000	250,000	90,000
Overhead	80,000	50,000	30,000	25,000	10,000
COGS Depreciation	0	0	0	0	0
Total Cost of Goods Sold	<u>1,880,000</u>	<u>1,550,000</u>	<u>1,100,000</u>	<u>875,000</u>	<u>600,000</u>
Gross Profit	<u>4,086,000</u>	<u>3,644,000</u>	<u>2,870,000</u>	<u>2,060,000</u>	<u>1,500,000</u>
<b>Operating Expenses</b>					
Accounting	15,000	15,000	10,000	10,000	5,000
Advertising	355,000	364,000	272,000	180,000	100,000
Automobiles	80,000	75,000	65,000	50,000	20,000
Bad Debts	17,000	15,000	14,000	13,000	5,000
Contributions	0	10,000	10,000	10,000	5,000
Employee Benefits	1,000	1,000	1,000	1,000	1,000
Insurance	50,000	50,000	45,000	45,000	25,000
Legal	30,000	30,000	25,000	25,000	15,000
Miscellaneous	5,000	4,000	3,000	2,000	0
Office	50,000	50,000	50,000	5,000	40,000
Payroll Taxes	70,000	60,000	45,000	40,000	30,000
Rent	180,000	165,000	140,000	125,000	50,000
Repairs & Maintenance	15,000	12,000	10,000	8,000	0
Salaries	30,000	20,000	15,000	10,000	0
Utilities	325,000	275,000	250,000	150,000	50,000
Wages	740,000	834,000	870,000	548,000	492,000
Total Operating Expenses	<u>1,963,000</u>	<u>1,980,000</u>	<u>1,825,000</u>	<u>1,222,000</u>	<u>838,000</u>
<b>Officers' Compensation</b>					
Salaries	900,000	700,000	500,000	350,000	220,000
Bonuses	221,000	154,000	32,000	35,000	28,000
Total Officers' Compensation	<u>1,121,000</u>	<u>854,000</u>	<u>532,000</u>	<u>385,000</u>	<u>248,000</u>
Subtotal	<u>1,002,000</u>	<u>810,000</u>	<u>513,000</u>	<u>453,000</u>	<u>414,000</u>
<b>Depreciation and Amortization</b>					
Depreciation	170,000	146,000	85,000	66,000	50,000
Amortization	10,000	10,000	5,000	0	0
Total Depreciation and Amortization	<u>180,000</u>	<u>156,000</u>	<u>90,000</u>	<u>66,000</u>	<u>50,000</u>
Subtotal	<u>822,000</u>	<u>654,000</u>	<u>423,000</u>	<u>387,000</u>	<u>364,000</u>
<b>Miscellaneous Income/(Expense)</b>					
Interest Income	18,000	14,000	11,000	9,000	15,000
Gain/Loss on Sale of Fixed Assets	0	0	0	0	0
Other Income	0	0	2,000	27,000	0
Other Expense	-34,000	-28,000	0	0	-23,000
Total Miscellaneous Income/(Expense)	<u>-16,000</u>	<u>-14,000</u>	<u>13,000</u>	<u>36,000</u>	<u>-8,000</u>
Interest Expense	220,000	250,000	210,000	190,000	192,000
Pre-Tax Income	<u>586,000</u>	<u>390,000</u>	<u>226,000</u>	<u>233,000</u>	<u>164,000</u>
Less: Income Taxes	<u>234,400</u>	<u>140,000</u>	<u>66,000</u>	<u>59,000</u>	<u>51,000</u>
<b>Net Income/(Loss)</b>	<u><b>351,600</b></u>	<u><b>250,000</b></u>	<u><b>160,000</b></u>	<u><b>174,000</b></u>	<u><b>113,000</b></u>

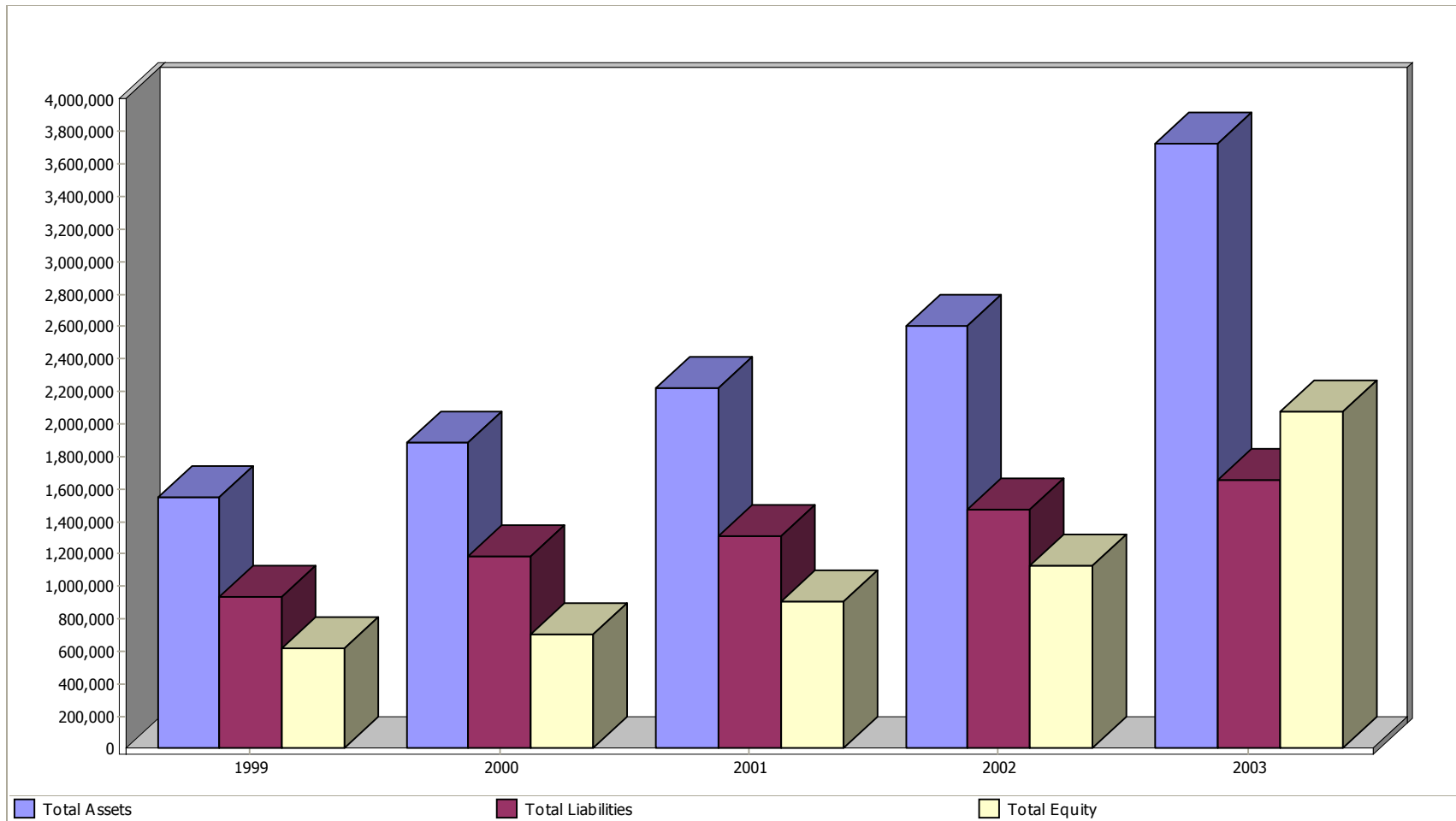


Childrens Clothing Store  
Adjusted Summary Going Concern Balance Sheets  
12/31/2003

	2003	2002	2001	2000	1999
<b>ASSETS</b>					
Cash	500,000	387,000	465,000	356,000	229,000
Accounts Receivable	100,000	55,000	66,000	50,000	40,000
Inventory	800,000	490,000	440,000	373,000	270,000
Other Current	80,000	75,000	52,000	38,000	40,000
Total Current Assets	1,480,000	1,007,000	1,023,000	817,000	579,000
Fixed Assets	2,100,000	1,349,000	1,031,000	979,000	886,000
Net Intangible	75,000	85,000	95,000	0	0
Other Non-Current	43,000	45,000	40,000	60,000	55,000
Non-Operating Assets	30,000	114,000	30,000	30,000	30,000
<b>Total Assets</b>	<b>3,728,000</b>	<b>2,600,000</b>	<b>2,219,000</b>	<b>1,886,000</b>	<b>1,550,000</b>
<b>LIABILITIES &amp; EQUITY</b>					
Accounts Payable	74,000	75,000	60,000	55,000	45,000
Short Term Notes Payable	33,000	27,000	18,000	25,000	25,000
Current Portion of LT Debt	28,000	26,000	16,000	14,000	12,000
Other Current Liabilities	74,000	77,000	57,000	45,000	44,000
Total Current Liabilities	209,000	205,000	151,000	139,000	126,000
Long Term Debt	1,370,000	1,200,000	1,110,000	980,000	750,000
Other Non-Current Liabilities	59,000	58,000	41,000	50,000	47,000
Non-Operating Liabilities	12,000	12,000	12,000	12,000	12,000
Total Liabilities	1,650,000	1,475,000	1,314,000	1,181,000	935,000
Total Equity	2,078,000	1,125,000	905,000	705,000	615,000
<b>Total Liabilities &amp; Equity</b>	<b>3,728,000</b>	<b>2,600,000</b>	<b>2,219,000</b>	<b>1,886,000</b>	<b>1,550,000</b>

Memo: N/A

Childrens Clothing Store  
Adjusted Summary Going Concern Balance Sheets Chart  
12/31/2003





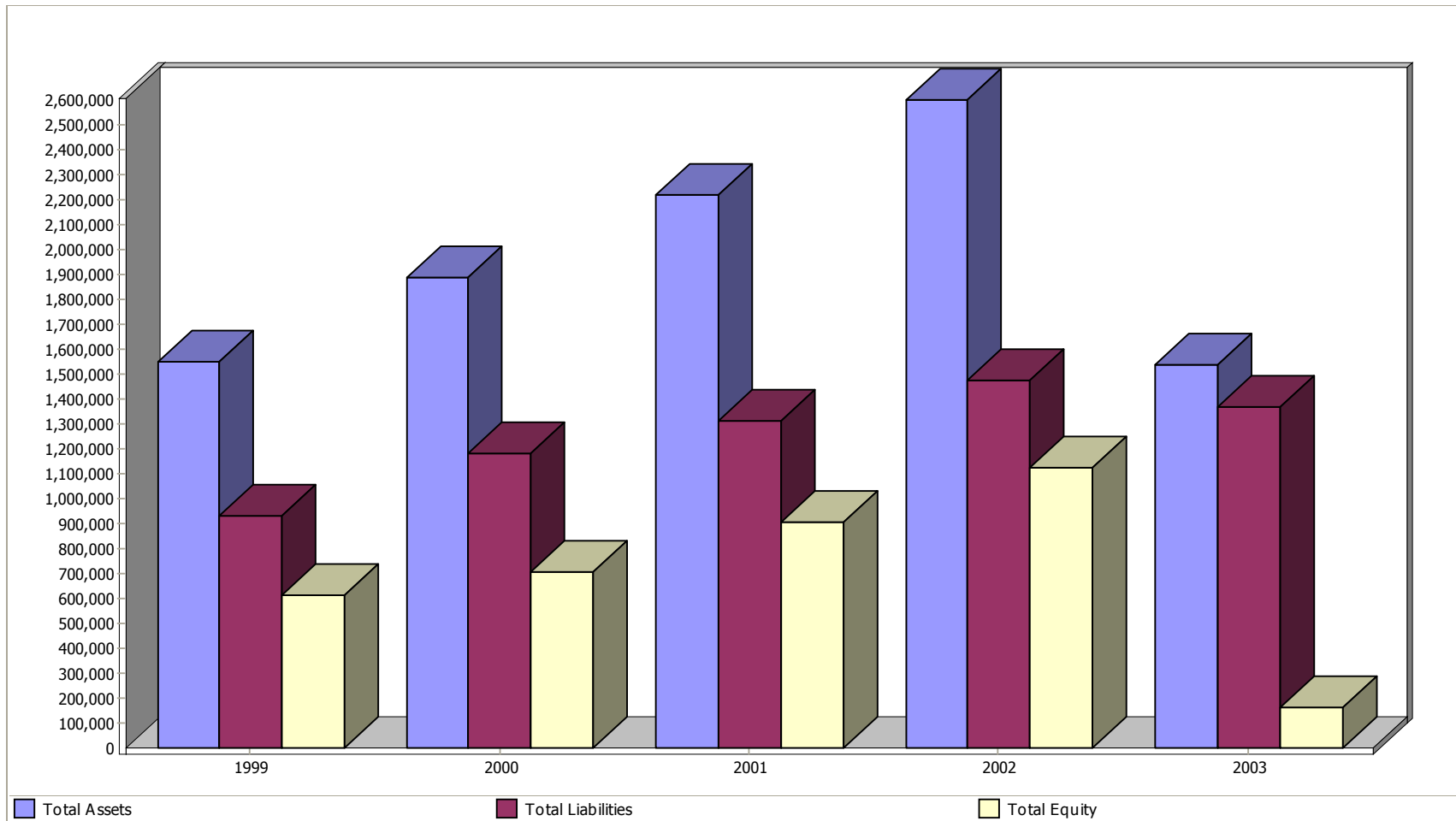
Childrens Clothing Store  
Adjusted Summary Liquidation Value Balance Sheets  
12/31/2003

	2003	2002	2001	2000	1999
<b>ASSETS</b>					
Cash	0	387,000	465,000	356,000	229,000
Accounts Receivable	0	55,000	66,000	50,000	40,000
Inventory	420,000	490,000	440,000	373,000	270,000
Other Current	80,000	75,000	52,000	38,000	40,000
Total Current Assets	500,000	1,007,000	1,023,000	817,000	579,000
Fixed Assets	999,000	1,349,000	1,031,000	979,000	886,000
Net Intangible	0	85,000	95,000	0	0
Other Non-Current	21,500	45,000	40,000	60,000	55,000
Non-Operating Assets	15,000	114,000	30,000	30,000	30,000
<b>Total Assets</b>	<b>1,535,500</b>	<b>2,600,000</b>	<b>2,219,000</b>	<b>1,886,000</b>	<b>1,550,000</b>
<b>LIABILITIES &amp; EQUITY</b>					
Accounts Payable	0	75,000	60,000	55,000	45,000
Short Term Notes Payable	0	27,000	18,000	25,000	25,000
Current Portion of LT Debt	0	26,000	16,000	14,000	12,000
Other Current Liabilities	0	77,000	57,000	45,000	44,000
Total Current Liabilities	0	205,000	151,000	139,000	126,000
Long Term Debt	1,370,000	1,200,000	1,110,000	980,000	750,000
Other Non-Current Liabilities	0	58,000	41,000	50,000	47,000
Non-Operating Liabilities	0	12,000	12,000	12,000	12,000
Total Liabilities	1,370,000	1,475,000	1,314,000	1,181,000	935,000
Total Equity	165,500	1,125,000	905,000	705,000	615,000
<b>Total Liabilities &amp; Equity</b>	<b>1,535,500</b>	<b>2,600,000</b>	<b>2,219,000</b>	<b>1,886,000</b>	<b>1,550,000</b>

Memo: N/A

Childrens Clothing Store  
Adjusted Summary Liquidation Value Balance Sheets Chart  
12/31/2003

BVMPPro

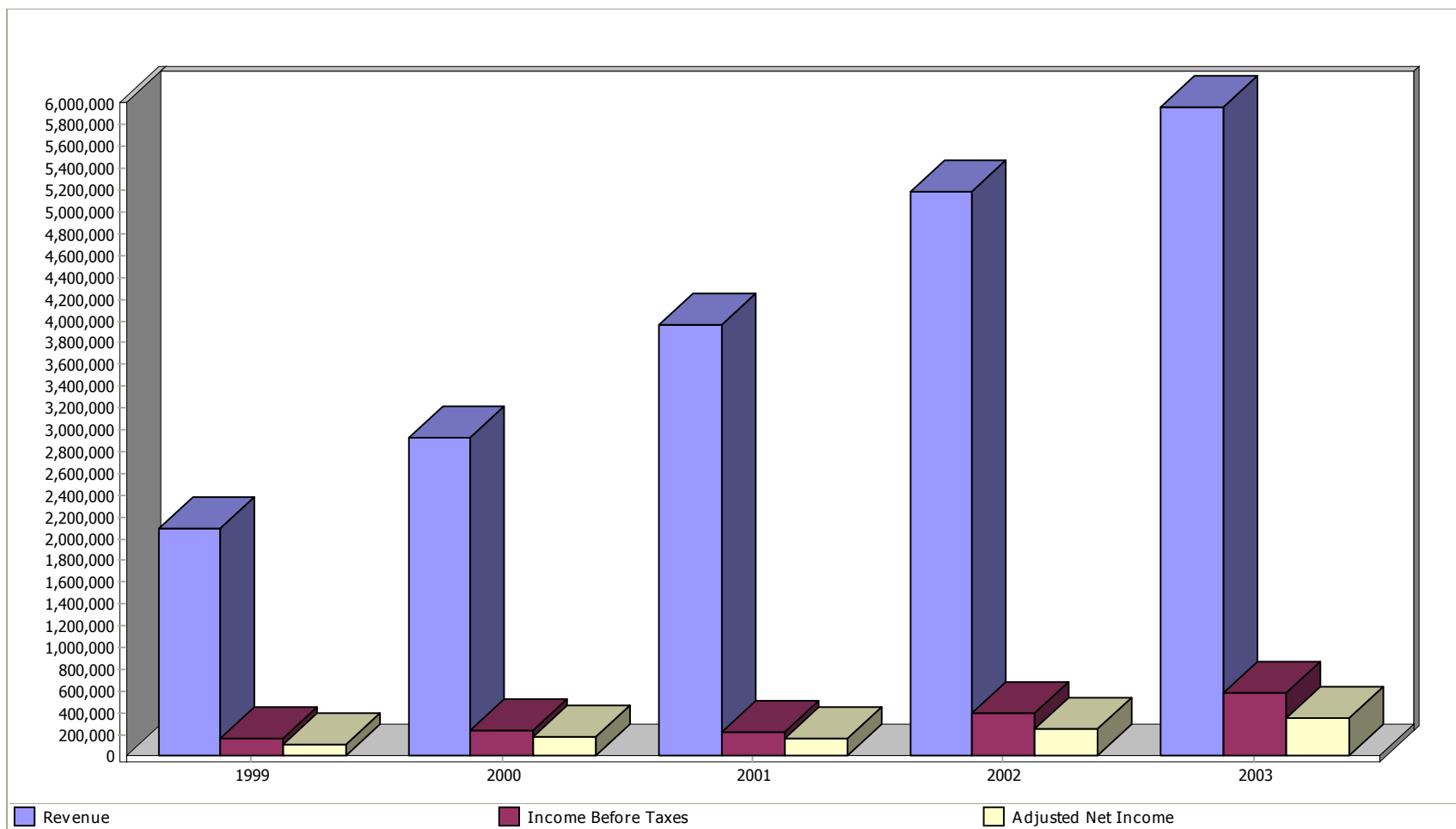


Childrens Clothing Store  
Adjusted Summary Income Statements  
12/31/2003

	2003	2002	2001	2000	1999
Revenue	5,966,000	5,194,000	3,970,000	2,935,000	2,100,000
Cost of Goods Sold	1,880,000	1,550,000	1,100,000	875,000	600,000
Gross Profit	4,086,000	3,644,000	2,870,000	2,060,000	1,500,000
Operating Expenses	1,963,000	1,980,000	1,825,000	1,222,000	838,000
Officers' Compensation	1,121,000	854,000	532,000	385,000	248,000
Depreciation/Amortization	180,000	156,000	90,000	66,000	50,000
Interest Expense	220,000	250,000	210,000	190,000	192,000
Operating Profit	602,000	404,000	213,000	197,000	172,000
Other Income/(Expense)	(16,000)	(14,000)	13,000	36,000	(8,000)
Income Before Taxes	586,000	390,000	226,000	233,000	164,000
Income Taxes	234,400	140,000	66,000	59,000	51,000
<b>Adjusted Net Income</b>	<b>351,600</b>	<b>250,000</b>	<b>160,000</b>	<b>174,000</b>	<b>113,000</b>

Memo: N/A

Childrens Clothing Store  
Adjusted Summary Income Statements Chart  
12/31/2003



Childrens Clothing Store  
Common Size Detailed Historic Balance Sheets  
12/31/2003

	Year Ended 12-31-03	Year Ended 12-31-02	Year Ended 12-31-01	Year Ended 12-31-00	Year Ended 12-31-99	Average of 1999-2003	Median of 1999-2003	Min of 1999-2003	Max of 1999-2003
<b>Assets:</b>									
Current Assets									
Cash									
Checking	17.7%	14.9%	21.0%	18.9%	14.8%	17.4%	17.7%	14.8%	21.0%
Savings	0%	0%	0%	0%	0%	0%	0%	0%	0%
Marketable Securities	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Cash	17.7%	14.9%	21.0%	18.9%	14.8%	17.4%	17.7%	14.8%	21.0%
Accounts Receivable	4.5%	2.1%	3.0%	2.7%	2.6%	3.0%	2.7%	2.1%	4.5%
Inventory									
Raw Materials	27.1%	18.8%	19.8%	19.8%	17.4%	20.6%	19.8%	17.4%	27.1%
Work in Progress	0%	0%	0%	0%	0%	0%	0%	0%	0%
Finished Goods	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Inventory	27.1%	18.8%	19.8%	19.8%	17.4%	20.6%	19.8%	17.4%	27.1%
Other Current Assets	2.6%	2.9%	2.3%	2.0%	2.6%	2.5%	2.6%	2.0%	2.9%
Total Current Assets	52.0%	38.7%	46.1%	43.3%	37.4%	43.5%	43.3%	37.4%	52.0%
Fixed Assets - Net									
Fixed Assets - Cost									
Machinery & Equipment	7.4%	7.3%	7.4%	7.7%	9.4%	7.8%	7.4%	7.3%	9.4%
Vehicles	27.8%	33.3%	30.5%	29.6%	25.8%	29.4%	29.6%	25.8%	33.3%
Leasehold Improvements	29.2%	30.0%	23.9%	28.1%	34.2%	29.1%	29.2%	23.9%	34.2%
Total Fixed Assets - Cost	64.4%	70.6%	61.8%	65.4%	69.4%	66.3%	65.4%	61.8%	70.6%
Accumulated Depreciation									
Machinery & Equipment	-1.5%	-1.3%	-1.1%	-0.8%	-0.6%	-1.1%	-1.1%	-1.5%	-0.6%
Vehicles	-6.5%	-5.8%	-4.3%	-4.2%	-3.9%	-4.9%	-4.3%	-6.5%	-3.9%
Leasehold Improvements	-13.3%	-11.6%	-9.9%	-8.5%	-7.7%	-10.2%	-9.9%	-13.3%	-7.7%
Total Accumulated Depreciation	-21.2%	-18.7%	-15.3%	-13.5%	-12.2%	-16.2%	-15.3%	-21.2%	-12.2%
Total Fixed Assets - Net	43.2%	51.9%	46.5%	51.9%	57.2%	50.1%	51.9%	43.2%	57.2%
Other Assets									
Intangible Assets - Net									
Intangible Assets - Cost									
Intangible Asset	3.2%	3.8%	4.5%	0%	0%	2.3%	3.2%	0%	4.5%
Total Intangible Assets - Cost	3.2%	3.8%	4.5%	0%	0%	2.3%	3.2%	0%	4.5%
Accumulated Amortization									
Accumulated Amortization Intangible Asset	-0.8%	-0.6%	-0.2%	0%	0%	-0.3%	-0.2%	-0.8%	0%
Total Accumulated Amortization	-0.8%	-0.6%	-0.2%	0%	0%	-0.3%	-0.2%	-0.8%	0%
Total Intangible Assets - Net	2.4%	3.3%	4.3%	0%	0%	2.0%	2.4%	0%	4.3%
Other Non-Current Assets									
Other Assets	1.4%	1.7%	1.8%	3.2%	3.5%	2.3%	1.8%	1.4%	3.5%
Non-Operating Assets	1.0%	4.4%	1.4%	1.6%	1.9%	2.0%	1.6%	1.0%	4.4%
Total Other Non-Current Assets	2.4%	6.1%	3.2%	4.8%	5.5%	4.4%	4.8%	2.4%	6.1%
Total Other Assets	4.8%	9.4%	7.4%	4.8%	5.5%	6.4%	5.5%	4.8%	9.4%
Total Assets:	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Liabilities and Equity:</b>									
Liabilities									
Current Liabilities									
Accounts Payable	2.4%	2.9%	2.7%	2.9%	2.9%	2.8%	2.9%	2.4%	2.9%
Short Term Notes Payable	1.1%	1.0%	0.8%	1.3%	1.6%	1.2%	1.1%	0.8%	1.6%
Current Portion - LTD	0.9%	1.0%	0.7%	0.7%	0.8%	0.8%	0.8%	0.7%	1.0%
Other Current Liabilities	2.4%	3.0%	2.6%	2.4%	2.8%	2.6%	2.6%	2.4%	3.0%
Total Current Liabilities	6.8%	7.9%	6.8%	7.4%	8.1%	7.4%	7.4%	6.8%	8.1%
Long-Term Liabilities									
Long Term Notes Payable									
Long Term Notes Payable	44.3%	46.2%	50.0%	52.0%	48.4%	48.2%	48.4%	44.3%	52.0%
Total Long Term Notes Payable	44.3%	46.2%	50.0%	52.0%	48.4%	48.2%	48.4%	44.3%	52.0%
Total Long-Term Liabilities	44.3%	46.2%	50.0%	52.0%	48.4%	48.2%	48.4%	44.3%	52.0%
Other Liabilities									
Other Liabilities	0.8%	1.0%	0.9%	1.2%	1.4%	1.1%	1.0%	0.8%	1.4%
Deferred Income Taxes	1.1%	1.2%	0.9%	1.5%	1.7%	1.3%	1.2%	0.9%	1.7%
Non-Operating Liabilities	0.4%	0.5%	0.5%	0.6%	0.8%	0.6%	0.5%	0.4%	0.8%
Total Other Liabilities	2.3%	2.7%	2.4%	3.3%	3.8%	2.9%	2.7%	2.3%	3.8%
Total Liabilities	53.3%	56.7%	59.2%	62.6%	60.3%	58.4%	59.2%	53.3%	62.6%
Equity									
Common Stock	6.5%	7.7%	9.0%	10.6%	12.9%	9.3%	9.0%	6.5%	12.9%
Add'l Paid-In Capital	0%	0%	0%	0%	0%	0%	0%	0%	0%
Retained Earnings	37.0%	31.7%	27.3%	26.8%	26.8%	29.9%	27.3%	26.8%	37.0%
Preferred Stock	3.2%	3.8%	4.5%	0%	0%	2.3%	3.2%	0%	4.5%
Treasury Stock	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Equity	46.7%	43.3%	40.8%	37.4%	39.7%	41.6%	40.8%	37.4%	46.7%
Total Liabilities and Equity:	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Childrens Clothing Store  
Common Size Detailed Historic Income Statements  
12/31/2003

	Year Ending 12-31-03	Year Ending 12-31-02	Year Ending 12-31-01	Year Ending 12-31-00	Year Ending 12-31-99	Average of 1999-2003	Median of 1999-2003	Min of 1999-2003	Max of 1999-2003
<b>Revenues</b>									
Sales	75.4%	84.6%	85.1%	88.6%	95.2%	85.8%	85.1%	75.4%	95.2%
Revenue	22.5%	12.5%	12.6%	7.2%	0%	11.0%	12.5%	0%	22.5%
Miscellaneous Income	2.0%	2.9%	2.3%	4.3%	4.8%	3.2%	2.9%	2.0%	4.8%
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Cost of Goods Sold</b>									
Raw Materials Consumed	16.8%	17.3%	17.6%	20.4%	23.8%	19.2%	17.6%	16.8%	23.8%
Direct Labor	13.4%	11.6%	9.3%	8.5%	4.3%	9.4%	9.3%	4.3%	13.4%
Overhead	1.3%	1.0%	0.8%	0.9%	0.5%	0.9%	0.9%	0.5%	1.3%
COGS Depreciation	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Cost of Goods Sold	31.5%	29.8%	27.7%	29.8%	28.6%	29.5%	29.8%	27.7%	31.5%
Gross Profit	68.5%	70.2%	72.3%	70.2%	71.4%	70.5%	70.2%	68.5%	72.3%
<b>Operating Expenses</b>									
Accounting	0.3%	0.3%	0.3%	0.3%	0.2%	0.3%	0.3%	0.2%	0.3%
Advertising	6.7%	7.0%	6.9%	6.1%	4.8%	6.3%	6.7%	4.8%	7.0%
Automobiles	1.3%	1.4%	1.6%	1.7%	1.0%	1.4%	1.4%	1.0%	1.7%
Bad Debts	0.3%	0.3%	0.4%	0.4%	0.2%	0.3%	0.3%	0.2%	0.4%
Contributions	0.2%	0.2%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.3%
Employee Benefits	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Insurance	0.8%	1.0%	1.1%	1.5%	1.2%	1.1%	1.1%	0.8%	1.5%
Legal	0.5%	0.6%	0.6%	0.9%	0.7%	0.7%	0.6%	0.5%	0.9%
Miscellaneous	0.1%	0.1%	0.1%	0.1%	0%	0.1%	0.1%	0%	0.1%
Office	0.8%	1.0%	1.3%	0.2%	1.9%	1.0%	1.0%	0.2%	1.9%
Payroll Taxes	1.2%	1.2%	1.1%	1.4%	1.4%	1.3%	1.2%	1.1%	1.4%
Rent	3.0%	3.2%	3.5%	4.3%	2.4%	3.3%	3.2%	2.4%	4.3%
Repairs & Maintenance	0.3%	0.2%	0.3%	0.3%	0%	0.2%	0.3%	0%	0.3%
Salaries	0.5%	0.4%	0.4%	0.3%	0%	0.3%	0.4%	0%	0.5%
Utilities	5.4%	5.3%	6.3%	5.1%	2.4%	4.9%	5.3%	2.4%	6.3%
Wages	12.4%	16.1%	21.9%	18.7%	23.4%	18.5%	18.7%	12.4%	23.4%
Total Operating Expenses	33.8%	38.1%	46.0%	41.6%	39.9%	39.9%	39.9%	33.8%	46.0%
<b>Officers' Compensation</b>									
Salaries	15.1%	13.5%	12.6%	11.9%	10.5%	12.7%	12.6%	10.5%	15.1%
Bonuses	3.7%	3.0%	0.8%	1.2%	1.3%	2.0%	1.3%	0.8%	3.7%
Total Officers' Compensation	18.8%	16.4%	13.4%	13.1%	11.8%	14.7%	13.4%	11.8%	18.8%
Subtotal	15.9%	15.6%	12.9%	15.4%	19.7%	15.9%	15.6%	12.9%	19.7%
<b>Depreciation and Amortization</b>									
Depreciation	2.8%	2.8%	2.1%	2.2%	2.4%	2.5%	2.4%	2.1%	2.8%
Amortization	0.2%	0.2%	0.1%	0%	0%	0.1%	0.1%	0%	0.2%
Total Depreciation and Amortization	3.0%	3.0%	2.3%	2.2%	2.4%	2.6%	2.4%	2.2%	3.0%
Subtotal	12.9%	12.6%	10.7%	13.2%	17.3%	13.3%	12.9%	10.7%	17.3%
<b>Miscellaneous Income/(Expense)</b>									
Interest Income	0.3%	0.3%	0.3%	0.3%	0.7%	0.4%	0.3%	0.3%	0.7%
Gain/Loss on Sale of Fixed Assets	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other Income	0%	0%	0.1%	0.9%	0%	0.2%	0%	0%	0.9%
Other Expense	-0.6%	-0.5%	0%	0%	-1.1%	-0.4%	-0.5%	-1.1%	0%
Total Miscellaneous Income/(Expense)	-0.3%	-0.3%	0.3%	1.2%	-0.4%	0.1%	-0.3%	-0.4%	1.2%
Interest Expense	3.7%	4.8%	5.3%	6.5%	9.1%	5.9%	5.3%	3.7%	9.1%
Pre-Tax Income	8.9%	7.5%	5.7%	7.9%	7.8%	7.6%	7.8%	5.7%	8.9%
Less: Income Taxes	3.1%	2.7%	1.7%	2.0%	2.4%	2.4%	2.4%	1.7%	3.1%
<b>Net Income/(Loss)</b>	<b>5.8%</b>	<b>4.8%</b>	<b>4.0%</b>	<b>5.9%</b>	<b>5.4%</b>	<b>5.2%</b>	<b>5.4%</b>	<b>4.0%</b>	<b>5.9%</b>

Childrens Clothing Store  
Common Size Detailed Going Concern Balance Sheets  
12/31/2003

	Year Ended 12-31-03	Year Ended 12-31-02	Year Ended 12-31-01	Year Ended 12-31-00	Year Ended 12-31-99	Average of 1999-2003	Median of 1999-2003	Min of 1999-2003	Max of 1999-2003
<b>Assets:</b>									
Current Assets									
Cash									
Checking	13.4%	14.9%	21.0%	18.9%	14.8%	16.6%	14.9%	13.4%	21.0%
Savings	0%	0%	0%	0%	0%	0%	0%	0%	0%
Marketable Securities	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Cash	13.4%	14.9%	21.0%	18.9%	14.8%	16.6%	14.9%	13.4%	21.0%
Accounts Receivable	2.7%	2.1%	3.0%	2.7%	2.6%	2.6%	2.7%	2.1%	3.0%
Inventory									
Raw Materials	21.5%	18.8%	19.8%	19.8%	17.4%	19.5%	19.8%	17.4%	21.5%
Work in Progress	0%	0%	0%	0%	0%	0%	0%	0%	0%
Finished Goods	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Inventory	21.5%	18.8%	19.8%	19.8%	17.4%	19.5%	19.8%	17.4%	21.5%
Other Current Assets	2.1%	2.9%	2.3%	2.0%	2.6%	2.4%	2.3%	2.0%	2.9%
Total Current Assets	39.7%	38.7%	46.1%	43.3%	37.4%	41.0%	39.7%	37.4%	46.1%
Fixed Assets - Net									
Fixed Assets - Cost									
Machinery & Equipment	8.0%	7.3%	7.4%	7.7%	9.4%	8.0%	7.7%	7.3%	9.4%
Vehicles	24.1%	33.3%	30.5%	29.6%	25.8%	28.7%	29.6%	24.1%	33.3%
Leasehold Improvements	24.1%	30.0%	23.9%	28.1%	34.2%	28.1%	28.1%	23.9%	34.2%
Total Fixed Assets - Cost	56.3%	70.6%	61.8%	65.4%	69.4%	64.7%	65.4%	56.3%	70.6%
Accumulated Depreciation									
Machinery & Equipment	0%	-1.3%	-1.1%	-0.8%	-0.6%	-0.8%	-0.8%	-1.3%	0%
Vehicles	0%	-5.8%	-4.3%	-4.2%	-3.9%	-3.6%	-4.2%	-5.8%	0%
Leasehold Improvements	0%	-11.6%	-9.9%	-8.5%	-7.7%	-7.5%	-8.5%	-11.6%	0%
Total Accumulated Depreciation	0%	-18.7%	-15.3%	-13.5%	-12.2%	-11.9%	-13.5%	-18.7%	0%
Total Fixed Assets - Net	56.3%	51.9%	46.5%	51.9%	57.2%	52.7%	51.9%	46.5%	57.2%
Other Assets									
Intangible Assets - Net									
Intangible Assets - Cost									
Intangible Asset	2.7%	3.8%	4.5%	0%	0%	2.2%	2.7%	0%	4.5%
Total Intangible Assets - Cost	2.7%	3.8%	4.5%	0%	0%	2.2%	2.7%	0%	4.5%
Accumulated Amortization									
Accumulated Amortization Intangible Asset	-0.7%	-0.6%	-0.2%	0%	0%	-0.3%	-0.2%	-0.7%	0%
Total Accumulated Amortization	-0.7%	-0.6%	-0.2%	0%	0%	-0.3%	-0.2%	-0.7%	0%
Total Intangible Assets - Net	2.0%	3.3%	4.3%	0%	0%	1.9%	2.0%	0%	4.3%
Other Non-Current Assets									
Other Assets	1.2%	1.7%	1.8%	3.2%	3.5%	2.3%	1.8%	1.2%	3.5%
Non-Operating Assets	0.8%	4.4%	1.4%	1.6%	1.9%	2.0%	1.6%	0.8%	4.4%
Total Other Non-Current Assets	2.0%	6.1%	3.2%	4.8%	5.5%	4.3%	4.8%	2.0%	6.1%
Total Other Assets	4.0%	9.4%	7.4%	4.8%	5.5%	6.2%	5.5%	4.0%	9.4%
Total Assets:	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Liabilities and Equity:</b>									
Liabilities									
Current Liabilities									
Accounts Payable	2.0%	2.9%	2.7%	2.9%	2.9%	2.7%	2.9%	2.0%	2.9%
Short Term Notes Payable	0.9%	1.0%	0.8%	1.3%	1.6%	1.1%	1.0%	0.8%	1.6%
Current Portion - LTD	0.8%	1.0%	0.7%	0.7%	0.8%	0.8%	0.8%	0.7%	1.0%
Other Current Liabilities	2.0%	3.0%	2.6%	2.4%	2.8%	2.5%	2.6%	2.0%	3.0%
Total Current Liabilities	5.6%	7.9%	6.8%	7.4%	8.1%	7.2%	7.4%	5.6%	8.1%
Long-Term Liabilities									
Long Term Notes Payable									
Long Term Notes Payable	36.7%	46.2%	50.0%	52.0%	48.4%	46.7%	48.4%	36.7%	52.0%
Total Long Term Notes Payable	36.7%	46.2%	50.0%	52.0%	48.4%	46.7%	48.4%	36.7%	52.0%
Total Long-Term Liabilities	36.7%	46.2%	50.0%	52.0%	48.4%	46.7%	48.4%	36.7%	52.0%
Other Liabilities									
Other Liabilities	0.7%	1.0%	0.9%	1.2%	1.4%	1.0%	1.0%	0.7%	1.4%
Deferred Income Taxes	0.9%	1.2%	0.9%	1.5%	1.7%	1.2%	1.2%	0.9%	1.7%
Non-Operating Liabilities	0.3%	0.5%	0.5%	0.6%	0.8%	0.5%	0.5%	0.3%	0.8%
Total Other Liabilities	1.9%	2.7%	2.4%	3.3%	3.8%	2.8%	2.7%	1.9%	3.8%
Total Liabilities	44.3%	56.7%	59.2%	62.6%	60.3%	56.6%	59.2%	44.3%	62.6%
Equity									
Common Stock	5.4%	7.7%	9.0%	10.6%	12.9%	9.1%	9.0%	5.4%	12.9%
Add'l Paid-In Capital	0%	0%	0%	0%	0%	0%	0%	0%	0%
Retained Earnings	47.7%	31.7%	27.3%	26.8%	26.8%	32.0%	27.3%	26.8%	47.7%
Preferred Stock	2.7%	3.8%	4.5%	0%	0%	2.2%	2.7%	0%	4.5%
Treasury Stock	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Equity	55.7%	43.3%	40.8%	37.4%	39.7%	43.4%	40.8%	37.4%	55.7%
Total Liabilities and Equity:	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%



Childrens Clothing Store  
Common Size Detailed Liquidation Value Balance Sheets  
12/31/2003

	Year Ended 12-31-03	Year Ended 12-31-02	Year Ended 12-31-01	Year Ended 12-31-00	Year Ended 12-31-99	Average of 1999-2003	Median of 1999-2003	Min of 1999-2003	Max of 1999-2003
<b>Assets:</b>									
Current Assets									
Cash									
Checking	0%	14.9%	21.0%	18.9%	14.8%	13.9%	14.9%	0%	21.0%
Savings	0%	0%	0%	0%	0%	0%	0%	0%	0%
Marketable Securities	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Cash	0%	14.9%	21.0%	18.9%	14.8%	13.9%	14.9%	0%	21.0%
Accounts Receivable	0%	2.1%	3.0%	2.7%	2.6%	2.1%	2.6%	0%	3.0%
Inventory									
Raw Materials	27.4%	18.8%	19.8%	19.8%	17.4%	20.6%	19.8%	17.4%	27.4%
Work in Progress	0%	0%	0%	0%	0%	0%	0%	0%	0%
Finished Goods	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Inventory	27.4%	18.8%	19.8%	19.8%	17.4%	20.6%	19.8%	17.4%	27.4%
Other Current Assets	5.2%	2.9%	2.3%	2.0%	2.6%	3.0%	2.6%	2.0%	5.2%
Total Current Assets	32.6%	38.7%	46.1%	43.3%	37.4%	39.6%	38.7%	32.6%	46.1%
Fixed Assets - Net									
Fixed Assets - Cost									
Machinery & Equipment	7.5%	7.3%	7.4%	7.7%	9.4%	7.9%	7.5%	7.3%	9.4%
Vehicles	28.0%	33.3%	30.5%	29.6%	25.8%	29.4%	29.6%	25.8%	33.3%
Leasehold Improvements	29.6%	30.0%	23.9%	28.1%	34.2%	29.1%	29.6%	23.9%	34.2%
Total Fixed Assets - Cost	65.1%	70.6%	61.8%	65.4%	69.4%	66.4%	65.4%	61.8%	70.6%
Accumulated Depreciation									
Machinery & Equipment	0%	-1.3%	-1.1%	-0.8%	-0.6%	-0.8%	-0.8%	-1.3%	0%
Vehicles	0%	-5.8%	-4.3%	-4.2%	-3.9%	-3.6%	-4.2%	-5.8%	0%
Leasehold Improvements	0%	-11.6%	-9.9%	-8.5%	-7.7%	-7.5%	-8.5%	-11.6%	0%
Total Accumulated Depreciation	0%	-18.7%	-15.3%	-13.5%	-12.2%	-11.9%	-13.5%	-18.7%	0%
Total Fixed Assets - Net	65.1%	51.9%	46.5%	51.9%	57.2%	54.5%	51.9%	46.5%	65.1%
Other Assets									
Intangible Assets - Net									
Intangible Assets - Cost									
Intangible Asset	0%	3.8%	4.5%	0%	0%	1.7%	0%	0%	4.5%
Total Intangible Assets - Cost	0%	3.8%	4.5%	0%	0%	1.7%	0%	0%	4.5%
Accumulated Amortization									
Accumulated Amortization Intangible Asset	0%	-0.6%	-0.2%	0%	0%	-0.2%	0%	-0.6%	0%
Total Accumulated Amortization	0%	-0.6%	-0.2%	0%	0%	-0.2%	0%	-0.6%	0%
Total Intangible Assets - Net	0%	3.3%	4.3%	0%	0%	1.5%	0%	0%	4.3%
Other Non-Current Assets									
Other Assets	1.4%	1.7%	1.8%	3.2%	3.5%	2.3%	1.8%	1.4%	3.5%
Non-Operating Assets	1.0%	4.4%	1.4%	1.6%	1.9%	2.0%	1.6%	1.0%	4.4%
Total Other Non-Current Assets	2.4%	6.1%	3.2%	4.8%	5.5%	4.4%	4.8%	2.4%	6.1%
Total Other Assets	2.4%	9.4%	7.4%	4.8%	5.5%	5.9%	5.5%	2.4%	9.4%
Total Assets:	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Liabilities and Equity:</b>									
Liabilities									
Current Liabilities									
Accounts Payable	0%	2.9%	2.7%	2.9%	2.9%	2.3%	2.9%	0%	2.9%
Short Term Notes Payable	0%	1.0%	0.8%	1.3%	1.6%	1.0%	1.0%	0%	1.6%
Current Portion - LTD	0%	1.0%	0.7%	0.7%	0.8%	0.6%	0.7%	0%	1.0%
Other Current Liabilities	0%	3.0%	2.6%	2.4%	2.8%	2.2%	2.6%	0%	3.0%
Total Current Liabilities	0%	7.9%	6.8%	7.4%	8.1%	6.0%	7.4%	0%	8.1%
Long-Term Liabilities									
Long Term Notes Payable									
Long Term Notes Payable	89.2%	46.2%	50.0%	52.0%	48.4%	57.1%	50.0%	46.2%	89.2%
Total Long Term Notes Payable	89.2%	46.2%	50.0%	52.0%	48.4%	57.1%	50.0%	46.2%	89.2%
Total Long-Term Liabilities	89.2%	46.2%	50.0%	52.0%	48.4%	57.1%	50.0%	46.2%	89.2%
Other Liabilities									
Other Liabilities	0%	1.0%	0.9%	1.2%	1.4%	0.9%	1.0%	0%	1.4%
Deferred Income Taxes	0%	1.2%	0.9%	1.5%	1.7%	1.1%	1.2%	0%	1.7%
Non-Operating Liabilities	0%	0.5%	0.5%	0.6%	0.8%	0.5%	0.5%	0%	0.8%
Total Other Liabilities	0%	2.7%	2.4%	3.3%	3.8%	2.4%	2.7%	0%	3.8%
Total Liabilities	89.2%	56.7%	59.2%	62.6%	60.3%	65.6%	60.3%	56.7%	89.2%
Equity									
Common Stock	13.0%	7.7%	9.0%	10.6%	12.9%	10.6%	10.6%	7.7%	13.0%
Add'l Paid-In Capital	0%	0%	0%	0%	0%	0%	0%	0%	0%
Retained Earnings	-8.8%	31.7%	27.3%	26.8%	26.8%	20.8%	26.8%	-8.8%	31.7%
Preferred Stock	6.5%	3.8%	4.5%	0%	0%	3.0%	3.8%	0%	6.5%
Treasury Stock	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Equity	10.8%	43.3%	40.8%	37.4%	39.7%	34.4%	39.7%	10.8%	43.3%
Total Liabilities and Equity:	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Childrens Clothing Store  
Common Size Detailed Adjusted Income Statements  
12/31/2003

	Year Ending 12-31-03	Year Ending 12-31-02	Year Ending 12-31-01	Year Ending 12-31-00	Year Ending 12-31-99	Average of 1999-2003	Median of 1999-2003	Min of 1999-2003	Max of 1999-2003
<b>Revenues</b>									
Sales	75.4%	84.6%	85.1%	88.6%	95.2%	85.8%	85.1%	75.4%	95.2%
Revenue	22.5%	12.5%	12.6%	7.2%	0%	11.0%	12.5%	0%	22.5%
Miscellaneous Income	2.0%	2.9%	2.3%	4.3%	4.8%	3.2%	2.9%	2.0%	4.8%
Total Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Cost of Goods Sold</b>									
Raw Materials Consumed	16.8%	17.3%	17.6%	20.4%	23.8%	19.2%	17.6%	16.8%	23.8%
Direct Labor	13.4%	11.6%	9.3%	8.5%	4.3%	9.4%	9.3%	4.3%	13.4%
Overhead	1.3%	1.0%	0.8%	0.9%	0.5%	0.9%	0.9%	0.5%	1.3%
COGS Depreciation	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Cost of Goods Sold	31.5%	29.8%	27.7%	29.8%	28.6%	29.5%	29.8%	27.7%	31.5%
Gross Profit	68.5%	70.2%	72.3%	70.2%	71.4%	70.5%	70.2%	68.5%	72.3%
<b>Operating Expenses</b>									
Accounting	0.3%	0.3%	0.3%	0.3%	0.2%	0.3%	0.3%	0.2%	0.3%
Advertising	6.0%	7.0%	6.9%	6.1%	4.8%	6.1%	6.1%	4.8%	7.0%
Automobiles	1.3%	1.4%	1.6%	1.7%	1.0%	1.4%	1.4%	1.0%	1.7%
Bad Debts	0.3%	0.3%	0.4%	0.4%	0.2%	0.3%	0.3%	0.2%	0.4%
Contributions	0%	0.2%	0.3%	0.3%	0.2%	0.2%	0.2%	0%	0.3%
Employee Benefits	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Insurance	0.8%	1.0%	1.1%	1.5%	1.2%	1.1%	1.1%	0.8%	1.5%
Legal	0.5%	0.6%	0.6%	0.9%	0.7%	0.7%	0.6%	0.5%	0.9%
Miscellaneous	0.1%	0.1%	0.1%	0.1%	0%	0.1%	0.1%	0%	0.1%
Office	0.8%	1.0%	1.3%	0.2%	1.9%	1.0%	1.0%	0.2%	1.9%
Payroll Taxes	1.2%	1.2%	1.1%	1.4%	1.4%	1.3%	1.2%	1.1%	1.4%
Rent	3.0%	3.2%	3.5%	4.3%	2.4%	3.3%	3.2%	2.4%	4.3%
Repairs & Maintenance	0.3%	0.2%	0.3%	0.3%	0%	0.2%	0.3%	0%	0.3%
Salaries	0.5%	0.4%	0.4%	0.3%	0%	0.3%	0.4%	0%	0.5%
Utilities	5.4%	5.3%	6.3%	5.1%	2.4%	4.9%	5.3%	2.4%	6.3%
Wages	12.4%	16.1%	21.9%	18.7%	23.4%	18.5%	18.7%	12.4%	23.4%
Total Operating Expenses	32.9%	38.1%	46.0%	41.6%	39.9%	39.7%	39.9%	32.9%	46.0%
<b>Officers' Compensation</b>									
Salaries	15.1%	13.5%	12.6%	11.9%	10.5%	12.7%	12.6%	10.5%	15.1%
Bonuses	3.7%	3.0%	0.8%	1.2%	1.3%	2.0%	1.3%	0.8%	3.7%
Total Officers' Compensation	18.8%	16.4%	13.4%	13.1%	11.8%	14.7%	13.4%	11.8%	18.8%
Subtotal	16.8%	15.6%	12.9%	15.4%	19.7%	16.1%	15.6%	12.9%	19.7%
<b>Depreciation and Amortization</b>									
Depreciation	2.8%	2.8%	2.1%	2.2%	2.4%	2.5%	2.4%	2.1%	2.8%
Amortization	0.2%	0.2%	0.1%	0%	0%	0.1%	0.1%	0%	0.2%
Total Depreciation and Amortization	3.0%	3.0%	2.3%	2.2%	2.4%	2.6%	2.4%	2.2%	3.0%
Subtotal	13.8%	12.6%	10.7%	13.2%	17.3%	13.5%	13.2%	10.7%	17.3%
<b>Miscellaneous Income/(Expense)</b>									
Interest Income	0.3%	0.3%	0.3%	0.3%	0.7%	0.4%	0.3%	0.3%	0.7%
Gain/Loss on Sale of Fixed Assets	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other Income	0%	0%	0.1%	0.9%	0%	0.2%	0%	0%	0.9%
Other Expense	-0.6%	-0.5%	0%	0%	-1.1%	-0.4%	-0.5%	-1.1%	0%
Total Miscellaneous Income/(Expense)	-0.3%	-0.3%	0.3%	1.2%	-0.4%	0.1%	-0.3%	-0.4%	1.2%
Interest Expense	3.7%	4.8%	5.3%	6.5%	9.1%	5.9%	5.3%	3.7%	9.1%
Pre-Tax Income	9.8%	7.5%	5.7%	7.9%	7.8%	7.8%	7.8%	5.7%	9.8%
Less: Income Taxes	3.9%	2.7%	1.7%	2.0%	2.4%	2.5%	2.4%	1.7%	3.9%
<b>Net Income/(Loss)</b>	<b>5.9%</b>	<b>4.8%</b>	<b>4.0%</b>	<b>5.9%</b>	<b>5.4%</b>	<b>5.2%</b>	<b>5.4%</b>	<b>4.0%</b>	<b>5.9%</b>

Childrens Clothing Store  
Detailed Historic Balance Sheets Trends  
12/31/2003

	Year Ended 12-31-03	Year Ended 12-31-02	Year Ended 12-31-01	Year Ended 12-31-00	Year Ended 12-31-99
<b>Assets:</b>					
Current Assets					
Cash					
Checking	24.4%	19.1%	42.5%	55.5%	100.0%
Savings	NA	NA	NA	NA	100.0%
Marketable Securities	NA	NA	NA	NA	100.0%
Other	NA	NA	NA	NA	100.0%
Total Cash	24.4%	19.1%	42.5%	55.5%	100.0%
Accounts Receivable	36.8%	11.2%	28.5%	25.0%	100.0%
Inventory					
Raw Materials	32.8%	22.0%	27.7%	38.1%	100.0%
Work in Progress	NA	NA	NA	NA	100.0%
Finished Goods	NA	NA	NA	NA	100.0%
Total Inventory	32.8%	22.0%	27.7%	38.1%	100.0%
Other Current Assets	18.9%	23.3%	14.0%	-5.0%	100.0%
Total Current Assets	29.1%	20.3%	32.9%	41.1%	100.0%
Fixed Assets - Net					
Fixed Assets - Cost					
Machinery & Equipment	12.2%	9.4%	6.7%	0%	100.0%
Vehicles	21.1%	29.3%	30.0%	39.8%	100.0%
Leasehold Improvements	14.3%	13.7%	0%	0%	100.0%
Total Fixed Assets - Cost	16.7%	19.5%	12.9%	14.8%	100.0%
Accumulated Depreciation					
Machinery & Equipment	49.5%	57.3%	66.7%	66.7%	100.0%
Vehicles	35.1%	35.7%	25.8%	33.3%	100.0%
Leasehold Improvements	36.0%	35.9%	35.4%	33.3%	100.0%
Total Accumulated Depreciation	36.5%	37.0%	34.1%	34.9%	100.0%
Total Fixed Assets - Net	10.9%	15.0%	7.9%	10.5%	100.0%
Other Assets					
Intangible Assets - Net					
Intangible Assets - Cost					
Intangible Asset	NA	NA	NA	NA	100.0%
Total Intangible Assets - Cost	NA	NA	NA	NA	100.0%
Accumulated Amortization					
Accumulated Amortization Intangible Asset	NA	NA	NA	NA	100.0%
Total Accumulated Amortization	NA	NA	NA	NA	100.0%
Total Intangible Assets - Net	NA	NA	NA	NA	100.0%
Other Non-Current Assets					
Other Assets	-6.0%	-6.5%	-14.7%	9.1%	100.0%
Non-Operating Assets	0%	56.0%	0%	0%	100.0%
Total Other Non-Current Assets	-3.7%	23.2%	-9.3%	5.9%	100.0%
Total Other Assets	14.9%	42.1%	39.3%	5.9%	100.0%
Total Assets:	18.9%	18.8%	19.7%	21.7%	100.0%
<b>Liabilities and Equity:</b>					
Liabilities					
Current Liabilities					
Accounts Payable	13.2%	18.6%	15.5%	22.2%	100.0%
Short Term Notes Payable	7.2%	2.6%	-15.1%	0%	100.0%
Current Portion - LTD	23.6%	29.4%	15.5%	16.7%	100.0%
Other Current Liabilities	13.9%	20.5%	13.8%	2.3%	100.0%
Total Current Liabilities	13.5%	17.6%	9.5%	10.3%	100.0%
Long-Term Liabilities					
Long Term Notes Payable					
Long Term Notes Payable	16.3%	17.0%	21.7%	30.7%	100.0%
Total Long Term Notes Payable	16.3%	17.0%	21.7%	30.7%	100.0%
Total Long-Term Liabilities	16.3%	17.0%	21.7%	30.7%	100.0%
Other Liabilities					
Other Liabilities	4.5%	8.7%	-2.4%	4.8%	100.0%
Deferred Income Taxes	6.9%	6.0%	-10.1%	7.7%	100.0%
Non-Operating Liabilities	0%	0%	0%	0%	100.0%
Total Other Liabilities	4.7%	5.9%	-5.2%	5.1%	100.0%
Total Liabilities	15.3%	16.4%	18.5%	26.3%	100.0%
Equity					
Common Stock	0%	0%	0%	0%	100.0%
Add'l Paid-In Capital	NA	NA	NA	NA	100.0%
Retained Earnings	28.9%	25.7%	20.7%	21.7%	100.0%
Preferred Stock	NA	NA	NA	NA	100.0%
Treasury Stock	NA	NA	NA	NA	100.0%
Total Equity	23.8%	22.3%	21.3%	14.6%	100.0%
Total Liabilities and Equity:	18.9%	18.8%	19.7%	21.7%	100.0%

Childrens Clothing Store  
Detailed Historic Income Statements Trends  
12/31/2003

	Year Ending 12-31-03	Year Ending 12-31-02	Year Ending 12-31-01	Year Ending 12-31-00	Year Ending 12-31-99
<b>Revenues</b>					
Sales	22.5%	30.0%	30.0%	30.0%	100.0%
Revenue	NA	NA	NA	NA	100.0%
Miscellaneous Income	4.9%	14.5%	-5.1%	25.0%	100.0%
Total Revenues	29.8%	35.2%	37.5%	39.8%	100.0%
<b>Cost of Goods Sold</b>					
Raw Materials Consumed	18.9%	21.6%	18.3%	20.0%	100.0%
Direct Labor	72.7%	88.2%	102.8%	177.8%	100.0%
Overhead	68.2%	71.0%	73.2%	150.0%	100.0%
COGS Depreciation	NA	NA	NA	NA	100.0%
Total Cost of Goods Sold	33.0%	37.2%	35.4%	45.8%	100.0%
Gross Profit	28.5%	34.4%	38.3%	37.3%	100.0%
<b>Operating Expenses</b>					
Accounting	31.6%	44.2%	41.4%	100.0%	100.0%
Advertising	41.4%	53.8%	64.9%	80.0%	100.0%
Automobiles	41.4%	55.4%	80.3%	150.0%	100.0%
Bad Debts	35.8%	44.2%	67.3%	160.0%	100.0%
Contributions	18.9%	26.0%	41.4%	100.0%	100.0%
Employee Benefits	0%	0%	0%	0%	100.0%
Insurance	18.9%	26.0%	34.2%	80.0%	100.0%
Legal	18.9%	26.0%	29.1%	66.7%	100.0%
Miscellaneous	NA	NA	NA	NA	100.0%
Office	5.7%	7.7%	11.8%	-87.5%	100.0%
Payroll Taxes	23.6%	26.0%	22.5%	33.3%	100.0%
Rent	37.7%	48.9%	67.3%	150.0%	100.0%
Repairs & Maintenance	NA	NA	NA	NA	100.0%
Salaries	NA	NA	NA	NA	100.0%
Utilities	59.7%	76.5%	123.6%	200.0%	100.0%
Wages	10.7%	19.2%	33.0%	11.4%	100.0%
Total Operating Expenses	24.6%	33.2%	47.6%	45.8%	100.0%
<b>Officers' Compensation</b>					
Salaries	42.2%	47.1%	50.8%	59.1%	100.0%
Bonuses	67.6%	76.5%	6.9%	25.0%	100.0%
Total Officers' Compensation	45.8%	51.0%	46.5%	55.2%	100.0%
Subtotal	23.0%	25.1%	11.3%	9.4%	100.0%
<b>Depreciation and Amortization</b>					
Depreciation	35.8%	42.9%	30.4%	32.0%	100.0%
Amortization	NA	NA	NA	NA	100.0%
Total Depreciation and Amortization	37.7%	46.1%	34.2%	32.0%	100.0%
Subtotal	20.5%	21.6%	7.8%	6.3%	100.0%
<b>Miscellaneous Income/(Expense)</b>					
Interest Income	4.7%	-2.3%	-14.4%	-40.0%	100.0%
Gain/Loss on Sale of Fixed Assets	NA	NA	NA	NA	100.0%
Other Income	NA	NA	NA	NA	100.0%
Other Expense	10.3%	6.8%	NA	NA	100.0%
Total Miscellaneous Income/(Expense)	18.9%	20.5%	NA	NA	100.0%
Interest Expense	3.5%	9.2%	4.6%	-1.0%	100.0%
Pre-Tax Income	34.1%	33.5%	17.4%	42.1%	100.0%
Less: Income Taxes	38.2%	40.0%	13.8%	15.7%	100.0%
<b>Net Income/(Loss)</b>	<b>32.2%</b>	<b>30.3%</b>	<b>19.0%</b>	<b>54.0%</b>	<b>100.0%</b>

Childrens Clothing Store  
Detailed Going Concern Balance Sheets Trends  
12/31/2003

	Year Ended 12-31-03	Year Ended 12-31-02	Year Ended 12-31-01	Year Ended 12-31-00	Year Ended 12-31-99
<b>Assets:</b>					
Current Assets					
Cash					
Checking	21.6%	19.1%	42.5%	55.5%	100.0%
Savings	NA	NA	NA	NA	100.0%
Marketable Securities	NA	NA	NA	NA	100.0%
Other	NA	NA	NA	NA	100.0%
Total Cash	21.6%	19.1%	42.5%	55.5%	100.0%
Accounts Receivable	25.7%	11.2%	28.5%	25.0%	100.0%
Inventory					
Raw Materials	31.2%	22.0%	27.7%	38.1%	100.0%
Work in Progress	NA	NA	NA	NA	100.0%
Finished Goods	NA	NA	NA	NA	100.0%
Total Inventory	31.2%	22.0%	27.7%	38.1%	100.0%
Other Current Assets	18.9%	23.3%	14.0%	-5.0%	100.0%
Total Current Assets	26.4%	20.3%	32.9%	41.1%	100.0%
Fixed Assets - Net					
Fixed Assets - Cost					
Machinery & Equipment	19.9%	9.4%	6.7%	0%	100.0%
Vehicles	22.5%	29.3%	30.0%	39.8%	100.0%
Leasehold Improvements	14.2%	13.7%	0%	0%	100.0%
Total Fixed Assets - Cost	18.2%	19.5%	12.9%	14.8%	100.0%
Accumulated Depreciation					
Machinery & Equipment	NA	57.3%	66.7%	66.7%	100.0%
Vehicles	NA	35.7%	25.8%	33.3%	100.0%
Leasehold Improvements	NA	35.9%	35.4%	33.3%	100.0%
Total Accumulated Depreciation	NA	37.0%	34.1%	34.9%	100.0%
Total Fixed Assets - Net	24.1%	15.0%	7.9%	10.5%	100.0%
Other Assets					
Intangible Assets - Net					
Intangible Assets - Cost					
Intangible Asset	NA	NA	NA	NA	100.0%
Total Intangible Assets - Cost	NA	NA	NA	NA	100.0%
Accumulated Amortization					
Accumulated Amortization Intangible Asset	NA	NA	NA	NA	100.0%
Total Accumulated Amortization	NA	NA	NA	NA	100.0%
Total Intangible Assets - Net	NA	NA	NA	NA	100.0%
Other Non-Current Assets					
Other Assets	-6.0%	-6.5%	-14.7%	9.1%	100.0%
Non-Operating Assets	0%	56.0%	0%	0%	100.0%
Total Other Non-Current Assets	-3.7%	23.2%	-9.3%	5.9%	100.0%
Total Other Assets	14.9%	42.1%	39.3%	5.9%	100.0%
Total Assets:	24.5%	18.8%	19.7%	21.7%	100.0%
<b>Liabilities and Equity:</b>					
Liabilities					
Current Liabilities					
Accounts Payable	13.2%	18.6%	15.5%	22.2%	100.0%
Short Term Notes Payable	7.2%	2.6%	-15.1%	0%	100.0%
Current Portion - LTD	23.6%	29.4%	15.5%	16.7%	100.0%
Other Current Liabilities	13.9%	20.5%	13.8%	2.3%	100.0%
Total Current Liabilities	13.5%	17.6%	9.5%	10.3%	100.0%
Long-Term Liabilities					
Long Term Notes Payable					
Long Term Notes Payable	16.3%	17.0%	21.7%	30.7%	100.0%
Total Long Term Notes Payable	16.3%	17.0%	21.7%	30.7%	100.0%
Total Long-Term Liabilities	16.3%	17.0%	21.7%	30.7%	100.0%
Other Liabilities					
Other Liabilities	4.5%	8.7%	-2.4%	4.8%	100.0%
Deferred Income Taxes	6.9%	6.0%	-10.1%	7.7%	100.0%
Non-Operating Liabilities	0%	0%	0%	0%	100.0%
Total Other Liabilities	4.7%	5.9%	-5.2%	5.1%	100.0%
Total Liabilities	15.3%	16.4%	18.5%	26.3%	100.0%
Equity					
Common Stock	0%	0%	0%	0%	100.0%
Add'l Paid-In Capital	NA	NA	NA	NA	100.0%
Retained Earnings	43.9%	25.7%	20.7%	21.7%	100.0%
Preferred Stock	NA	NA	NA	NA	100.0%
Treasury Stock	NA	NA	NA	NA	100.0%
Total Equity	35.6%	22.3%	21.3%	14.6%	100.0%
Total Liabilities and Equity:	24.5%	18.8%	19.7%	21.7%	100.0%



Childrens Clothing Store  
Detailed Liquidation Value Balance Sheets Trends  
12/31/2003

	Year Ended 12-31-03	Year Ended 12-31-02	Year Ended 12-31-01	Year Ended 12-31-00	Year Ended 12-31-99
<b>Assets:</b>					
Current Assets					
Cash					
Checking	NA	19.1%	42.5%	55.5%	100.0%
Savings	NA	NA	NA	NA	100.0%
Marketable Securities	NA	NA	NA	NA	100.0%
Other	NA	NA	NA	NA	100.0%
Total Cash	NA	19.1%	42.5%	55.5%	100.0%
Accounts Receivable	NA	11.2%	28.5%	25.0%	100.0%
Inventory					
Raw Materials	11.7%	22.0%	27.7%	38.1%	100.0%
Work in Progress	NA	NA	NA	NA	100.0%
Finished Goods	NA	NA	NA	NA	100.0%
Total Inventory	11.7%	22.0%	27.7%	38.1%	100.0%
Other Current Assets	18.9%	23.3%	14.0%	-5.0%	100.0%
Total Current Assets	-3.6%	20.3%	32.9%	41.1%	100.0%
Fixed Assets - Net					
Fixed Assets - Cost					
Machinery & Equipment	-5.6%	9.4%	6.7%	0%	100.0%
Vehicles	1.8%	29.3%	30.0%	39.8%	100.0%
Leasehold Improvements	-3.8%	13.7%	0%	0%	100.0%
Total Fixed Assets - Cost	-1.8%	19.5%	12.9%	14.8%	100.0%
Accumulated Depreciation					
Machinery & Equipment	NA	57.3%	66.7%	66.7%	100.0%
Vehicles	NA	35.7%	25.8%	33.3%	100.0%
Leasehold Improvements	NA	35.9%	35.4%	33.3%	100.0%
Total Accumulated Depreciation	NA	37.0%	34.1%	34.9%	100.0%
Total Fixed Assets - Net	3.0%	15.0%	7.9%	10.5%	100.0%
Other Assets					
Intangible Assets - Net					
Intangible Assets - Cost					
Intangible Asset	NA	NA	NA	NA	100.0%
Total Intangible Assets - Cost	NA	NA	NA	NA	100.0%
Accumulated Amortization					
Accumulated Amortization Intangible Asset	NA	NA	NA	NA	100.0%
Total Accumulated Amortization	NA	NA	NA	NA	100.0%
Total Intangible Assets - Net	NA	NA	NA	NA	100.0%
Other Non-Current Assets					
Other Assets	-20.9%	-6.5%	-14.7%	9.1%	100.0%
Non-Operating Assets	-15.9%	56.0%	0%	0%	100.0%
Total Other Non-Current Assets	-19.0%	23.2%	-9.3%	5.9%	100.0%
Total Other Assets	-19.0%	42.1%	39.3%	5.9%	100.0%
Total Assets:	-0.2%	18.8%	19.7%	21.7%	100.0%
<b>Liabilities and Equity:</b>					
Liabilities					
Current Liabilities					
Accounts Payable	NA	18.6%	15.5%	22.2%	100.0%
Short Term Notes Payable	NA	2.6%	-15.1%	0%	100.0%
Current Portion - LTD	NA	29.4%	15.5%	16.7%	100.0%
Other Current Liabilities	NA	20.5%	13.8%	2.3%	100.0%
Total Current Liabilities	NA	17.6%	9.5%	10.3%	100.0%
Long-Term Liabilities					
Long Term Notes Payable					
Long Term Notes Payable	16.3%	17.0%	21.7%	30.7%	100.0%
Total Long Term Notes Payable	16.3%	17.0%	21.7%	30.7%	100.0%
Total Long-Term Liabilities	16.3%	17.0%	21.7%	30.7%	100.0%
Other Liabilities					
Other Liabilities	NA	8.7%	-2.4%	4.8%	100.0%
Deferred Income Taxes	NA	6.0%	-10.1%	7.7%	100.0%
Non-Operating Liabilities	NA	0%	0%	0%	100.0%
Total Other Liabilities	NA	5.9%	-5.2%	5.1%	100.0%
Total Liabilities	10.0%	16.4%	18.5%	26.3%	100.0%
Equity					
Common Stock	0%	0%	0%	0%	100.0%
Add'l Paid-In Capital	NA	NA	NA	NA	100.0%
Retained Earnings	NA	25.7%	20.7%	21.7%	100.0%
Preferred Stock	NA	NA	NA	NA	100.0%
Treasury Stock	NA	NA	NA	NA	100.0%
Total Equity	-28.0%	22.3%	21.3%	14.6%	100.0%
Total Liabilities and Equity:	-0.2%	18.8%	19.7%	21.7%	100.0%

Childrens Clothing Store  
Detailed Adjusted Income Statements Trends  
12/31/2003

	Year Ending 12-31-03	Year Ending 12-31-02	Year Ending 12-31-01	Year Ending 12-31-00	Year Ending 12-31-99
<b>Revenues</b>					
Sales	22.5%	30.0%	30.0%	30.0%	100.0%
Revenue	NA	NA	NA	NA	100.0%
Miscellaneous Income	4.9%	14.5%	-5.1%	25.0%	100.0%
Total Revenues	29.8%	35.2%	37.5%	39.8%	100.0%
<b>Cost of Goods Sold</b>					
Raw Materials Consumed	18.9%	21.6%	18.3%	20.0%	100.0%
Direct Labor	72.7%	88.2%	102.8%	177.8%	100.0%
Overhead	68.2%	71.0%	73.2%	150.0%	100.0%
COGS Depreciation	NA	NA	NA	NA	100.0%
Total Cost of Goods Sold	33.0%	37.2%	35.4%	45.8%	100.0%
Gross Profit	28.5%	34.4%	38.3%	37.3%	100.0%
<b>Operating Expenses</b>					
Accounting	31.6%	44.2%	41.4%	100.0%	100.0%
Advertising	37.3%	53.8%	64.9%	80.0%	100.0%
Automobiles	41.4%	55.4%	80.3%	150.0%	100.0%
Bad Debts	35.8%	44.2%	67.3%	160.0%	100.0%
Contributions	NA	26.0%	41.4%	100.0%	100.0%
Employee Benefits	0%	0%	0%	0%	100.0%
Insurance	18.9%	26.0%	34.2%	80.0%	100.0%
Legal	18.9%	26.0%	29.1%	66.7%	100.0%
Miscellaneous	NA	NA	NA	NA	100.0%
Office	5.7%	7.7%	11.8%	-87.5%	100.0%
Payroll Taxes	23.6%	26.0%	22.5%	33.3%	100.0%
Rent	37.7%	48.9%	67.3%	150.0%	100.0%
Repairs & Maintenance	NA	NA	NA	NA	100.0%
Salaries	NA	NA	NA	NA	100.0%
Utilities	59.7%	76.5%	123.6%	200.0%	100.0%
Wages	10.7%	19.2%	33.0%	11.4%	100.0%
Total Operating Expenses	23.7%	33.2%	47.6%	45.8%	100.0%
<b>Officers' Compensation</b>					
Salaries	42.2%	47.1%	50.8%	59.1%	100.0%
Bonuses	67.6%	76.5%	6.9%	25.0%	100.0%
Total Officers' Compensation	45.8%	51.0%	46.5%	55.2%	100.0%
Subtotal	24.7%	25.1%	11.3%	9.4%	100.0%
<b>Depreciation and Amortization</b>					
Depreciation	35.8%	42.9%	30.4%	32.0%	100.0%
Amortization	NA	NA	NA	NA	100.0%
Total Depreciation and Amortization	37.7%	46.1%	34.2%	32.0%	100.0%
Subtotal	22.6%	21.6%	7.8%	6.3%	100.0%
<b>Miscellaneous Income/(Expense)</b>					
Interest Income	4.7%	-2.3%	-14.4%	-40.0%	100.0%
Gain/Loss on Sale of Fixed Assets	NA	NA	NA	NA	100.0%
Other Income	NA	NA	NA	NA	100.0%
Other Expense	10.3%	6.8%	NA	NA	100.0%
Total Miscellaneous Income/(Expense)	18.9%	20.5%	NA	NA	100.0%
Interest Expense	3.5%	9.2%	4.6%	-1.0%	100.0%
Pre-Tax Income	37.5%	33.5%	17.4%	42.1%	100.0%
Less: Income Taxes	46.4%	40.0%	13.8%	15.7%	100.0%
<b>Net Income/(Loss)</b>	<b>32.8%</b>	<b>30.3%</b>	<b>19.0%</b>	<b>54.0%</b>	<b>100.0%</b>



Childrens Clothing Store  
Comparative Balance Sheets  
12/31/2003

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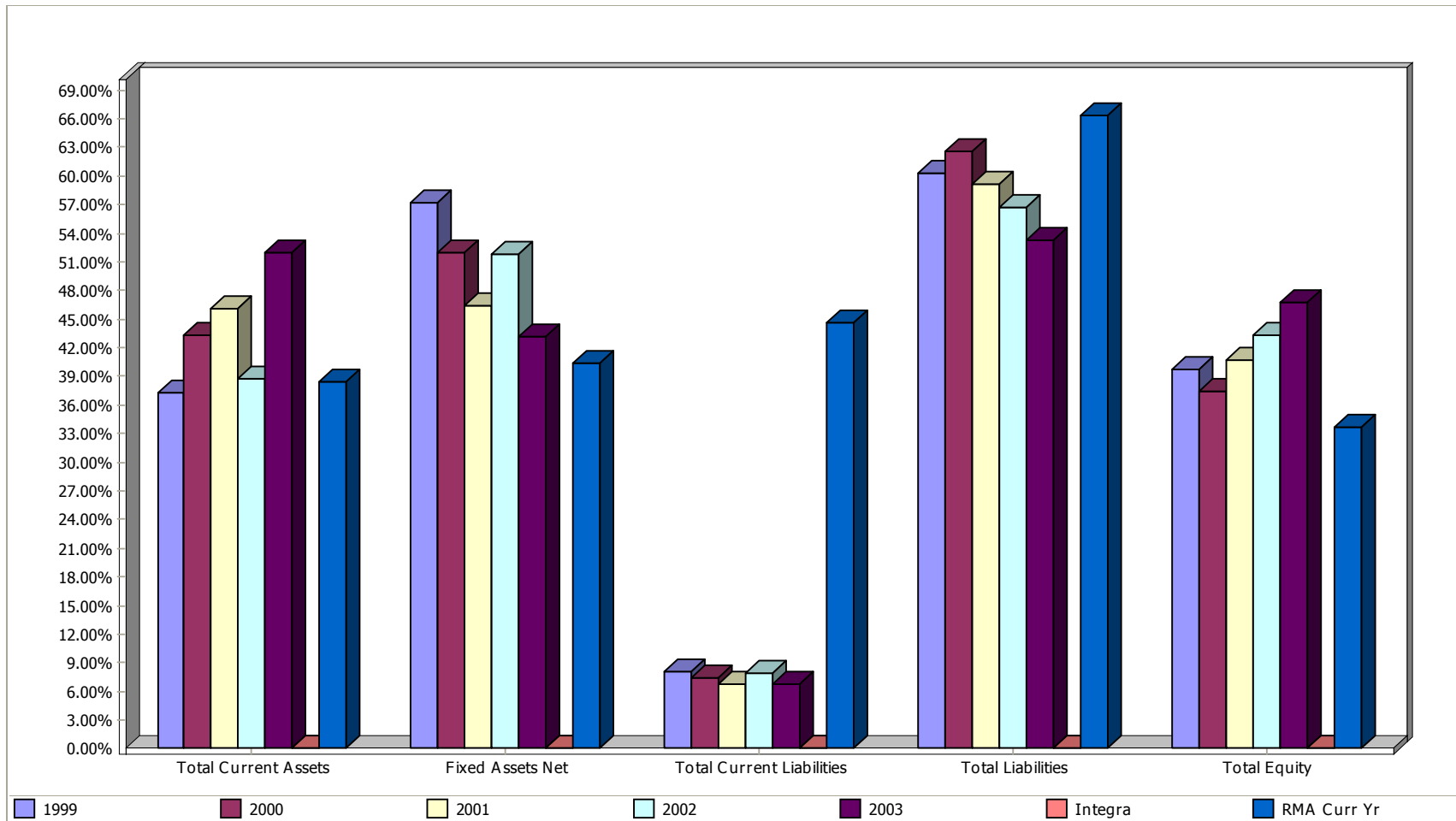
Percentages Based On:  
An Unadjusted Balance Sheet

	RMA Curr Yr	Integra	2003	2002	2001	2000	1999
Cash & Equivalents	7.2%	0.0%	17.7%	14.9%	21.0%	18.9%	14.8%
Accounts Receivable	4.9%	0.0%	4.5%	2.1%	3.0%	2.7%	2.6%
Inventory	25.7%	0.0%	27.1%	18.8%	19.8%	19.8%	17.4%
Other Current Assets	0.6%	0.0%	2.6%	2.9%	2.3%	2.0%	2.6%
<b>Total Current Assets</b>	<b>38.4%</b>	<b>0.0%</b>	<b>52.0%</b>	<b>38.7%</b>	<b>46.1%</b>	<b>43.3%</b>	<b>37.4%</b>
Fixed Assets Net	40.4%	0.0%	43.2%	51.9%	46.5%	51.9%	57.2%
Intangibles Net	7.8%	0.0%	2.4%	3.3%	4.3%	0.0%	0.0%
Other Non-Current Assets	13.4%	0.0%	2.4%	6.1%	3.2%	4.8%	5.5%
<b>Total Assets</b>	<b>100.0%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Accounts Payable	7.3%	0.0%	2.4%	2.9%	2.7%	2.9%	2.9%
Short Term Notes Payable	30.0%	0.0%	1.1%	1.0%	0.8%	1.3%	1.6%
Current Maturity LT Debt	1.3%	0.0%	0.9%	1.0%	0.7%	0.7%	0.8%
Other Current Liabilities	6.1%	0.0%	2.4%	3.0%	2.6%	2.4%	2.8%
<b>Total Current Liabilities</b>	<b>44.7%</b>	<b>0.0%</b>	<b>6.8%</b>	<b>7.9%</b>	<b>6.8%</b>	<b>7.4%</b>	<b>8.1%</b>
Long Term Debt	21.1%	0.0%	44.3%	46.2%	50.0%	52.0%	48.4%
Other Non-Current Liabilities	0.6%	0.0%	2.3%	2.7%	2.4%	3.3%	3.8%
<b>Total Liabilities</b>	<b>66.4%</b>	<b>0.0%</b>	<b>53.3%</b>	<b>56.7%</b>	<b>59.2%</b>	<b>62.6%</b>	<b>60.3%</b>
Total Equity	33.7%	0.0%	46.7%	43.3%	40.8%	37.4%	39.7%
<b>Total Liabilities &amp; Equity</b>	<b>100.1%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Risk Management Association, Philadelphia, PA 2003  
RMA SIC Code is 0211, BEEF CATTLE FEEDLOTS

Childrens Clothing Store  
Comparative Balance Sheets Chart  
12/31/2003

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Childrens Clothing Store  
Comparative Income Statements  
12/31/2003

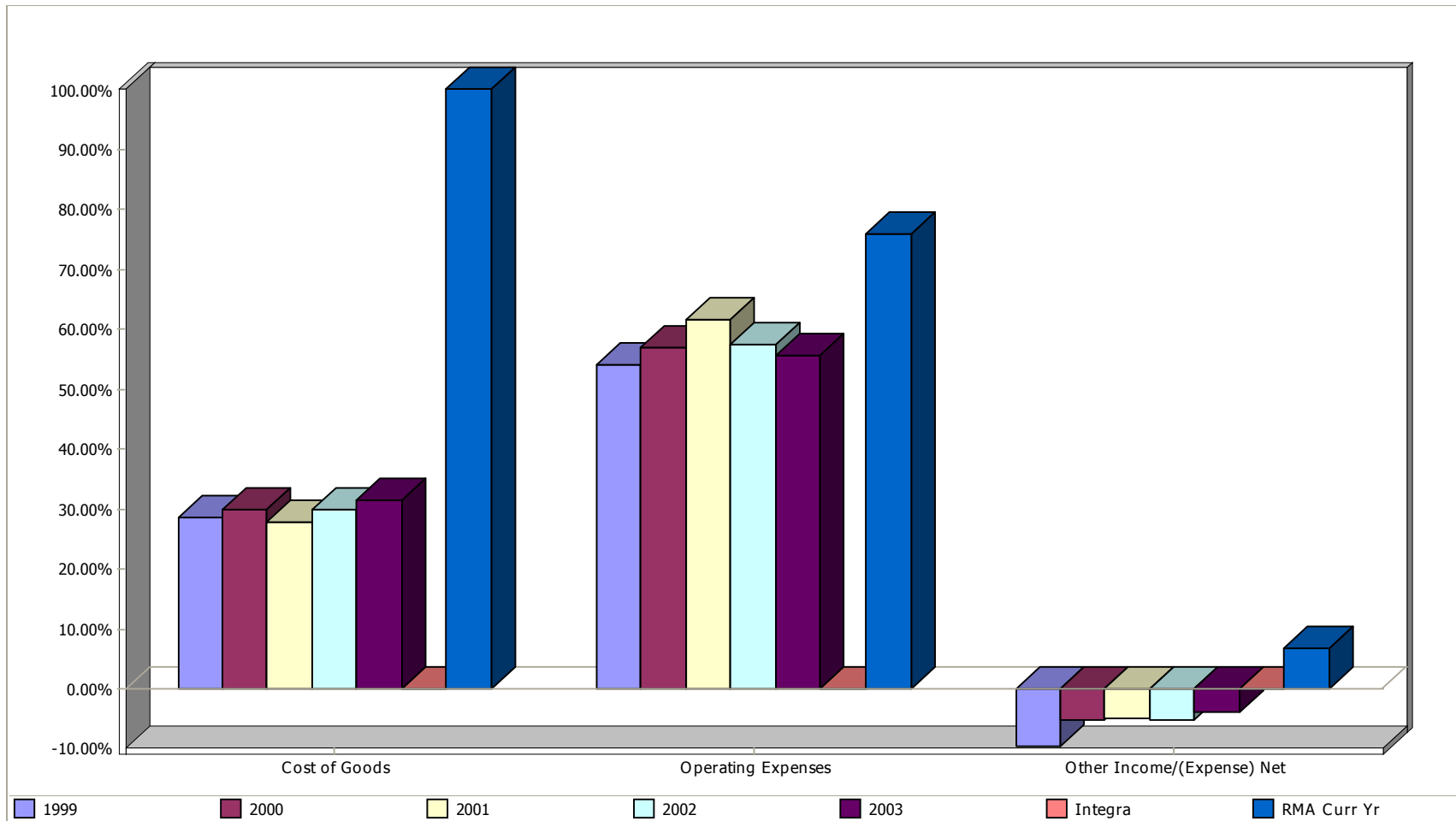
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Percentages Based On:  
An Unadjusted Income Statement

	<u>RMA Curr Yr</u>	<u>Integra</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Goods	100.0%	0.0%	31.5%	29.8%	27.7%	29.8%	28.6%
Gross Profit	0.0%	100.0%	68.5%	70.2%	72.3%	70.2%	71.4%
Operating Expenses	75.9%	0.0%	55.6%	57.6%	61.6%	57.0%	54.1%
Operating Profit	-75.9%	100.0%	12.9%	12.6%	10.7%	13.2%	17.3%
Other Income/(Expense) Net	6.9%	0.0%	-4.0%	-5.1%	-5.0%	-5.2%	-9.5%
<b>Pretax Profit</b>	<b>-69.0%</b>	<b>100.0%</b>	<b>8.9%</b>	<b>7.5%</b>	<b>5.7%</b>	<b>7.9%</b>	<b>7.8%</b>

Risk Management Association, Philadelphia, PA 2003  
RMA SIC Code is 0211, BEEF CATTLE FEEDLOTS

Childrens Clothing Store  
Comparative Income Statements Chart  
12/31/2003



Childrens Clothing Store  
Comparative Financial Ratios  
12/31/2003

BVMPro

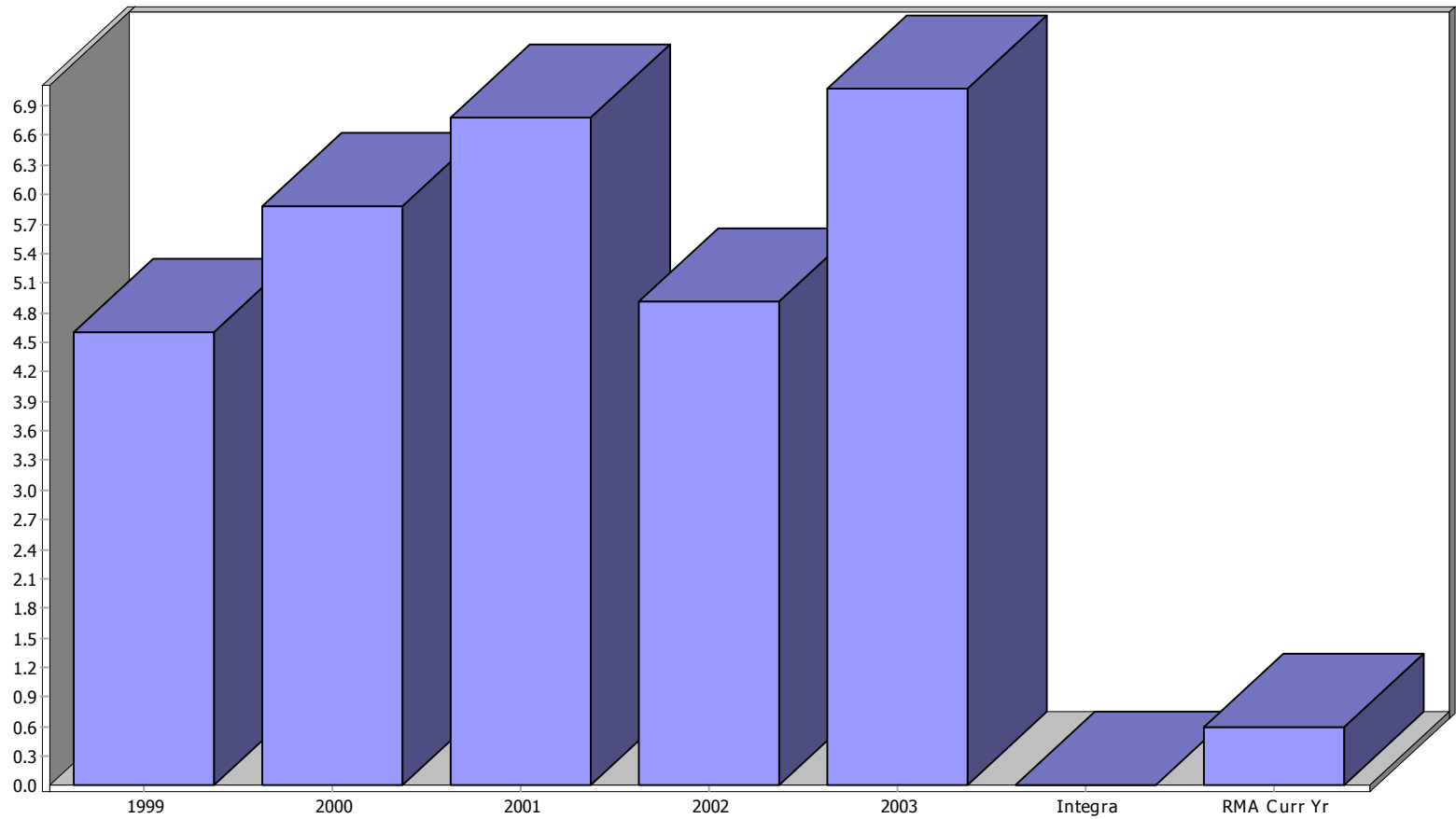
Financial Ratios Based On Using:  
Adjusted Balance Sheet and  
An Unadjusted Income Statement

	Median Qrtl RMA Curr Yr	Integra	2003	2002	2001	2000	1999	Growth Rates	
								2003-2002	2003-1999
<b>LIQUIDITY RATIOS:</b>									
Current Ratio	0.6	0.0	7.1	4.9	6.8	5.9	4.6	44.2%	11.4%
Quick (Acid-Test) Ratio	0.0	0.0	2.9	2.2	3.5	2.9	2.1	33.1%	7.7%
Revenue/Accounts Receivable	504.2	0.0	59.7	94.4	60.2	58.7	52.5	-36.8%	3.2%
Average Collection Period	1	0.0	6.1	3.9	6.1	6.2	7.0	58.1%	-3.2%
Inventory Turnover	0.0	0.0	2.4	3.2	2.5	2.3	2.2	-25.7%	1.4%
Days' Inventory	0	0.0	152.1	114.1	146.0	158.7	165.9	33.3%	-2.2%
COGS/Payables	0.0	0.0	25.4	20.7	18.3	15.9	13.3	22.9%	17.5%
Days' Payables	0	0.0	14.4	17.6	19.9	23.0	27.4	-18.5%	-14.9%
Revenue/Working Capital	(5.4)	0.0	4.7	6.5	4.6	4.3	4.6	-27.5%	0.3%
<b>COVERAGE RATIOS:</b>									
Times Interest Earned	0.8	0.0	3.4	2.6	2.1	2.2	1.9	33.3%	16.5%
NI+Non-Cash Expenditures / Current L.T. Debt	0.0	--	18.8	15.6	15.6	17.1	13.6	20.1%	8.4%
<b>LEVERAGE RATIOS:</b>									
Fixed Assets/Tangible Worth	1.7	0.0	1.0	1.3	1.3	1.4	1.4	-19.2%	-7.6%
Debt-to-Tangible Net Worth	4.4	0.0	0.8	1.4	1.6	1.7	1.5	-41.9%	-14.2%
Debt-to-Equity	1.0	0.0	0.8	1.3	1.5	1.7	1.5	-39.4%	-15.0%
<b>OPERATING RATIOS:</b>									
Gross Profit Margin	100.00%	0.0%	68.5%	70.2%	72.3%	70.2%	71.4%	-2.4%	-1.0%
EBT/Tangible Worth	-0.40%	0.0%	26.5%	37.5%	27.9%	33.0%	26.7%	-29.3%	-0.1%
EBT/Total Assets	-0.90%	0.0%	14.2%	15.0%	10.2%	12.4%	10.6%	-5.0%	7.7%
Fixed Asset Turnover	0.4	0.0	2.8	3.9	3.9	3.0	2.4	-26.2%	4.6%
Total Asset Turnover	0.2	0.0	1.6	2.0	1.8	1.6	1.4	-19.9%	4.3%
<b>EXPENSE TO REVENUE RATIOS:</b>									
% Deprtn., Depltn., Amort./Revenue	15.70%	0.0%	3.0%	3.0%	2.3%	2.2%	2.4%	0.5%	6.1%
% Officer's &/or Owner's Compensation/Revenue	0.00%	0.0%	18.8%	16.4%	13.4%	13.1%	11.8%	14.3%	12.3%
<b>Cash Flow Ratios:</b>									
Operating Cash Flows (OCF)		0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cash Interest Coverage		0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cash Flow to Total Debt		0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Risk Management Association, Philadelphia, PA 2003  
RMA SIC Code is 0211, BEEF CATTLE FEEDLOTS

Childrens Clothing Store  
Current Ratio Chart  
12/31/2003

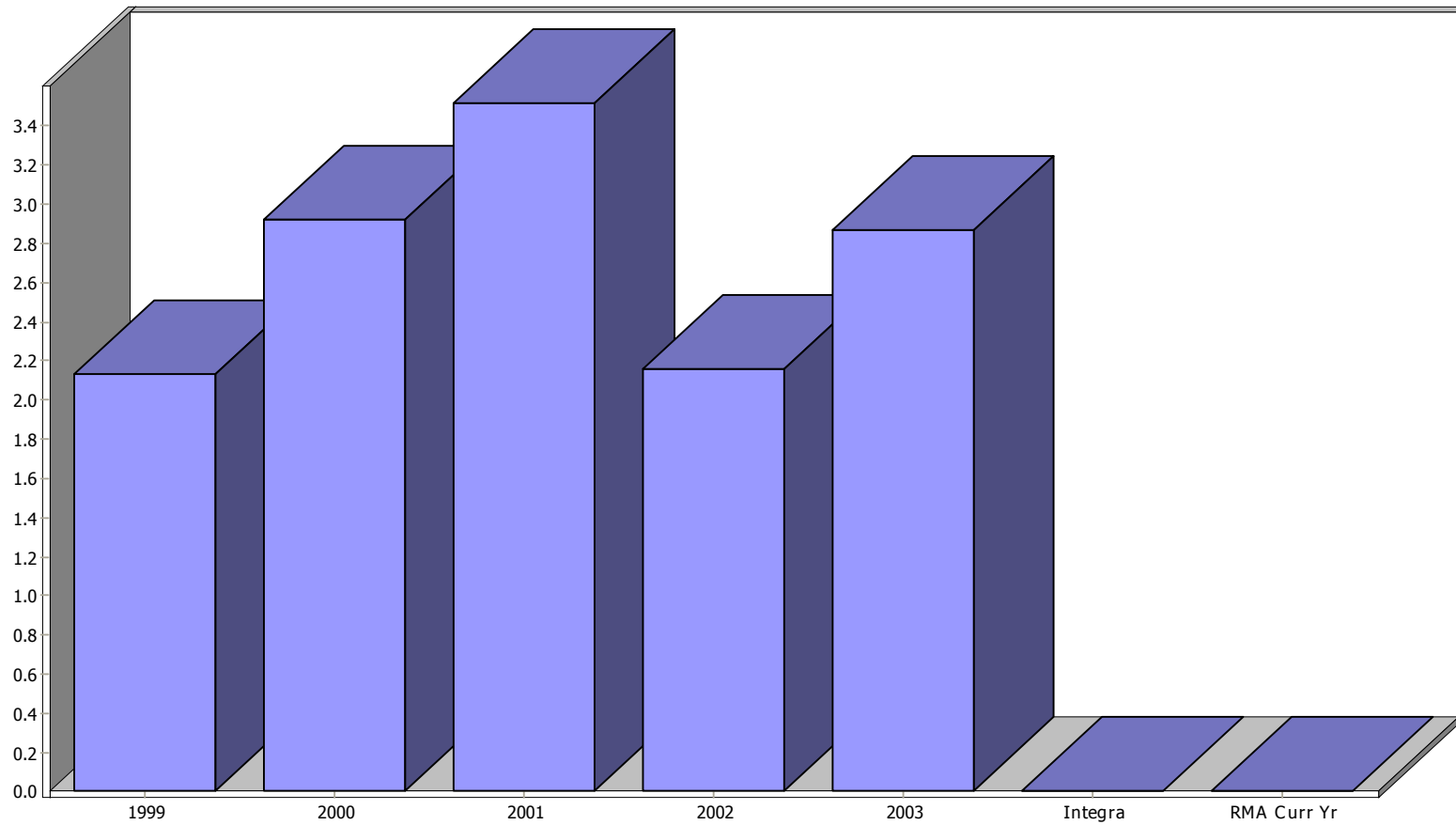
BVMPPro





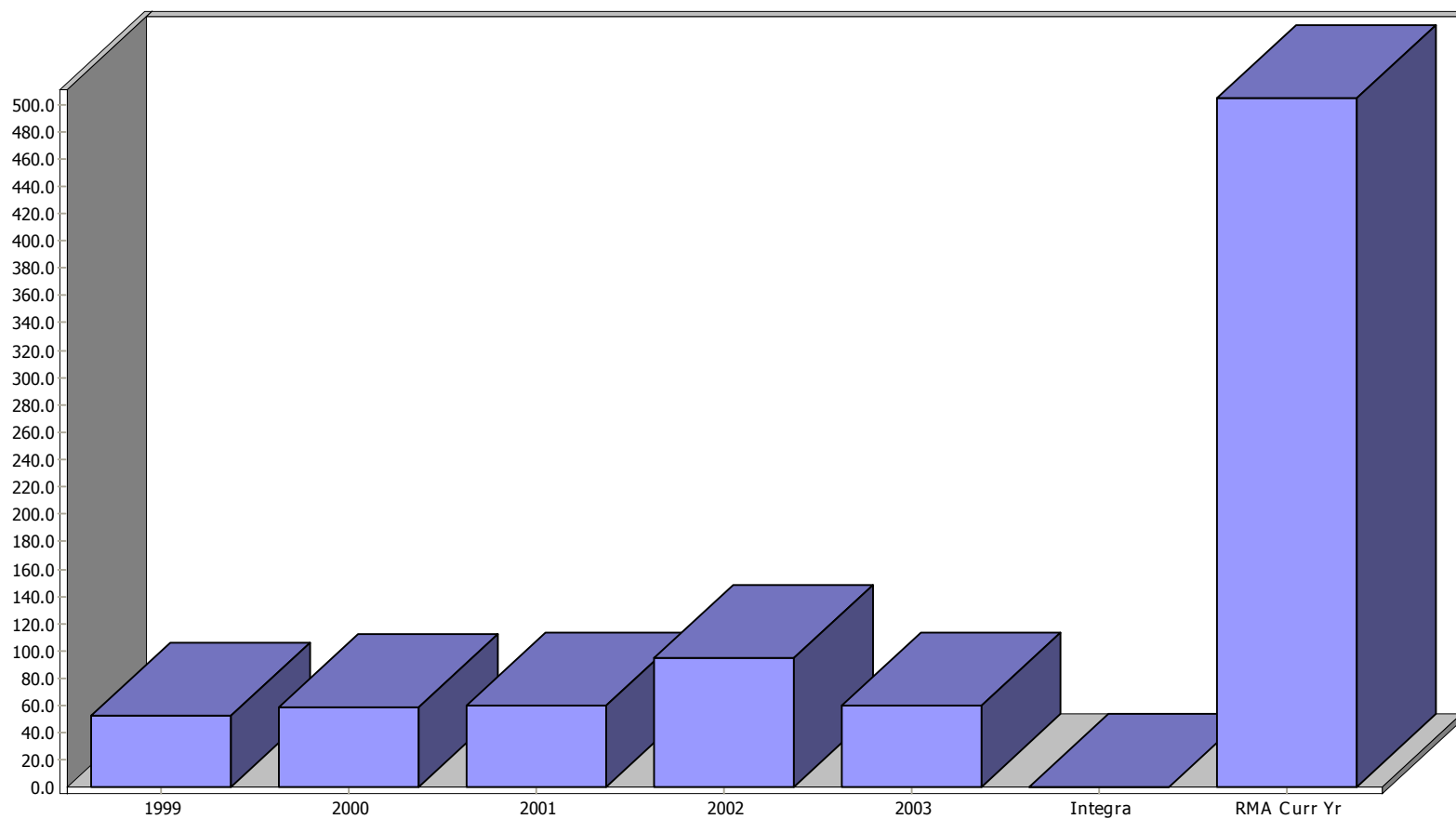
Childrens Clothing Store  
Quick Ratio Chart  
12/31/2003

BVMPPro



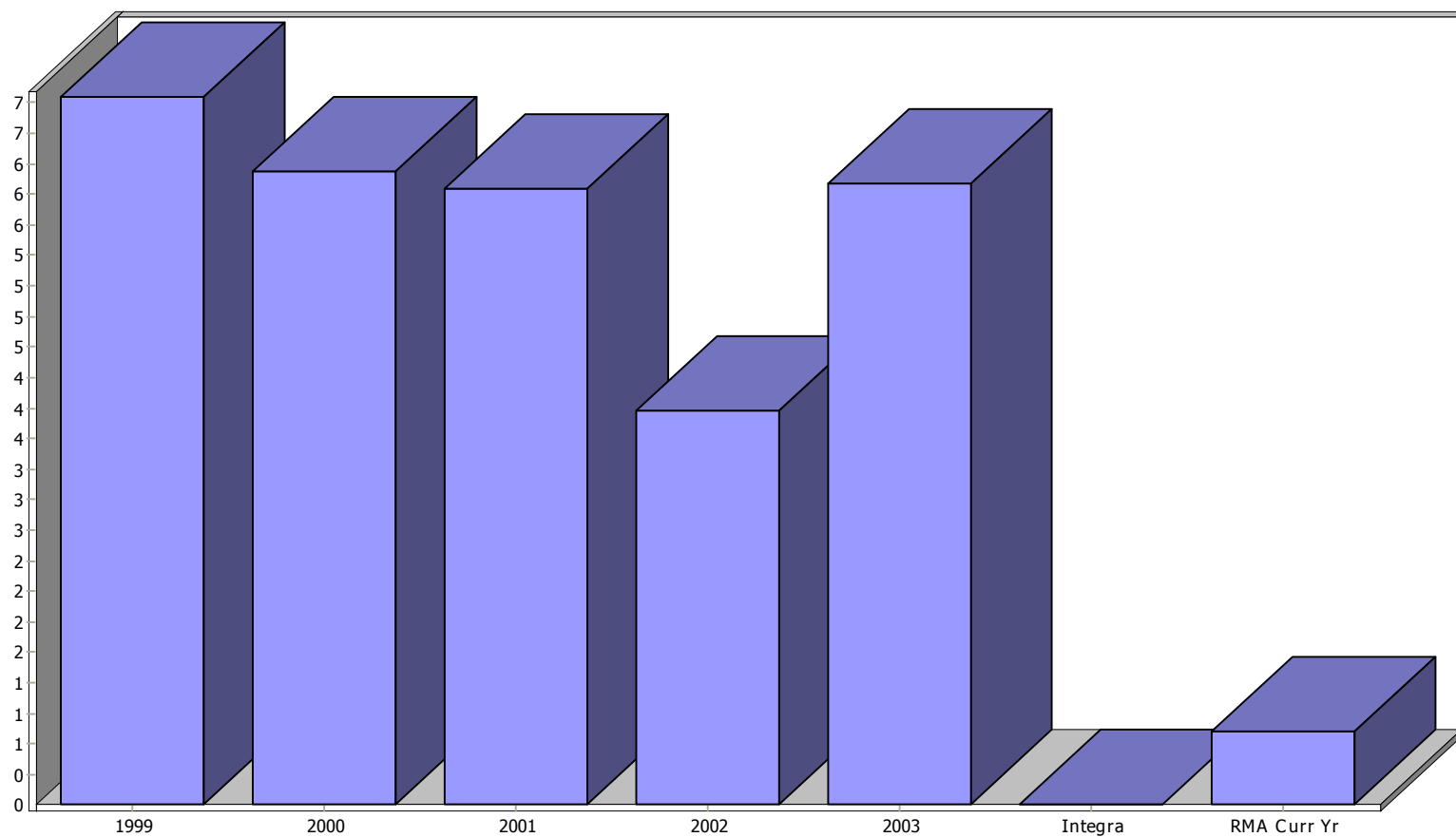
Childrens Clothing Store  
Revenue / Accounts Receivable Chart  
12/31/2003

BVMPPro



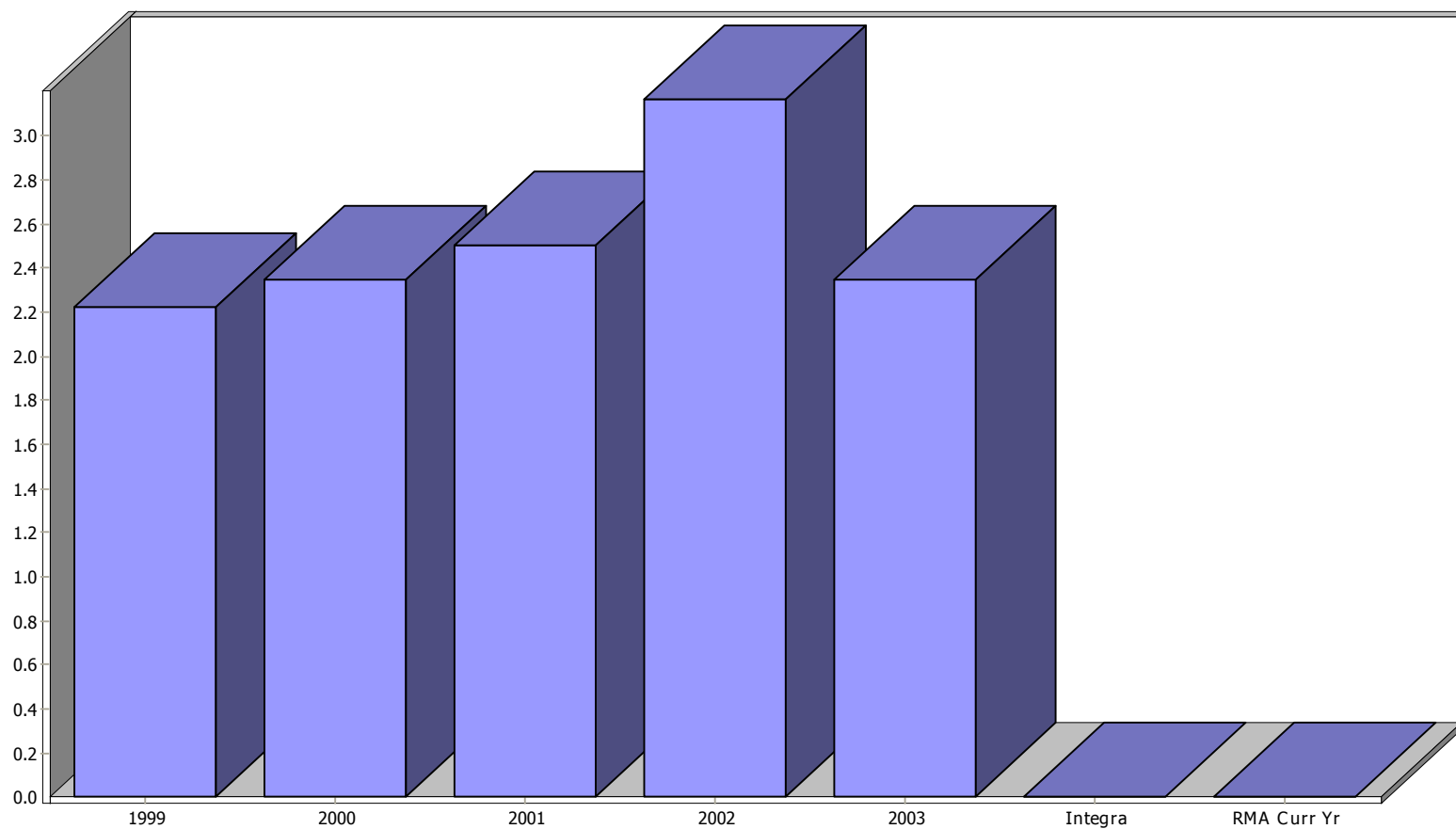
Childrens Clothing Store  
Average Collection Period Chart  
12/31/2003

BVMPPro



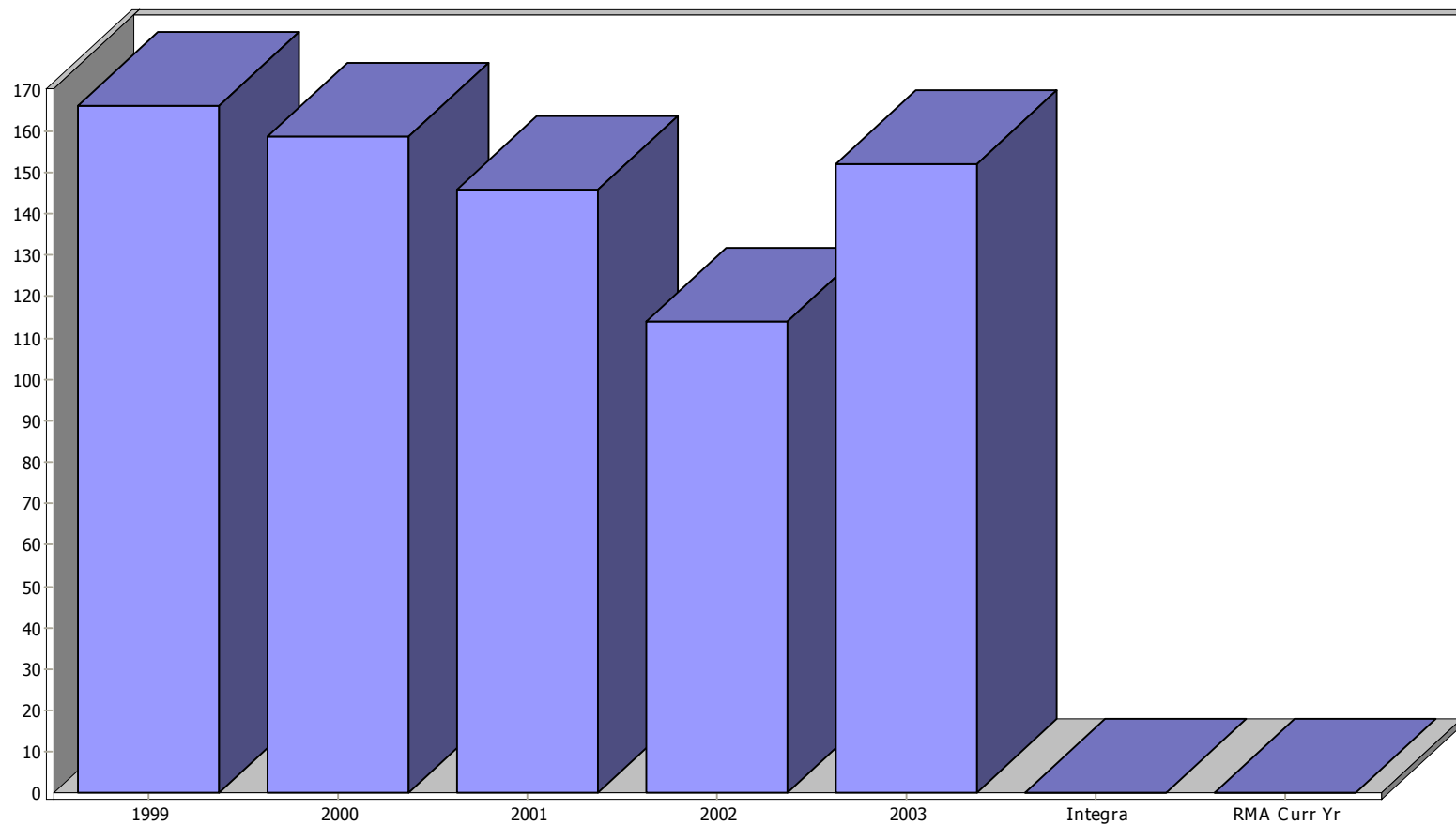
Childrens Clothing Store  
Inventory Turnover Chart  
12/31/2003

BVMPPro



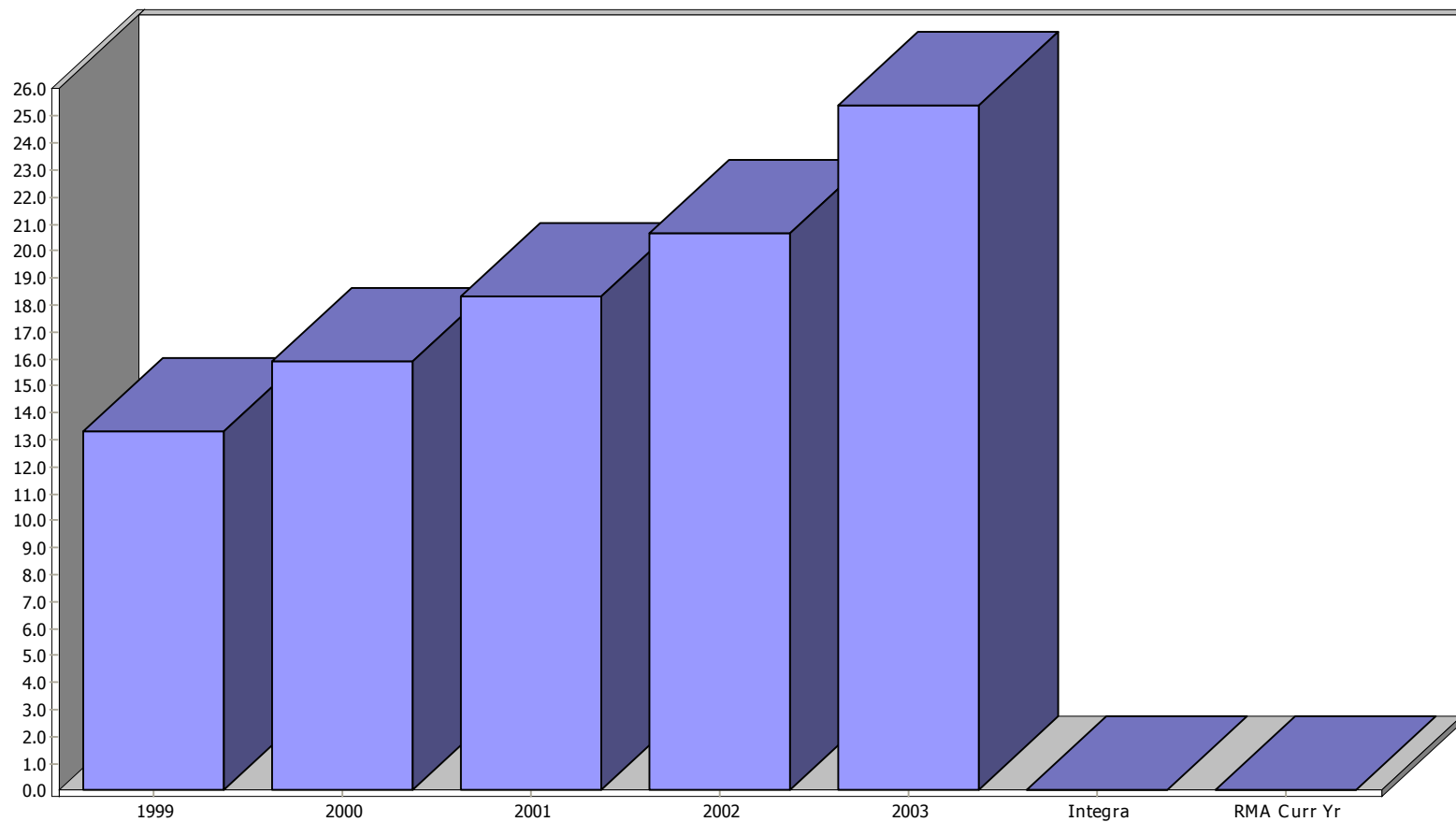
Childrens Clothing Store  
Days' Inventory Chart  
12/31/2003

BVMPPro



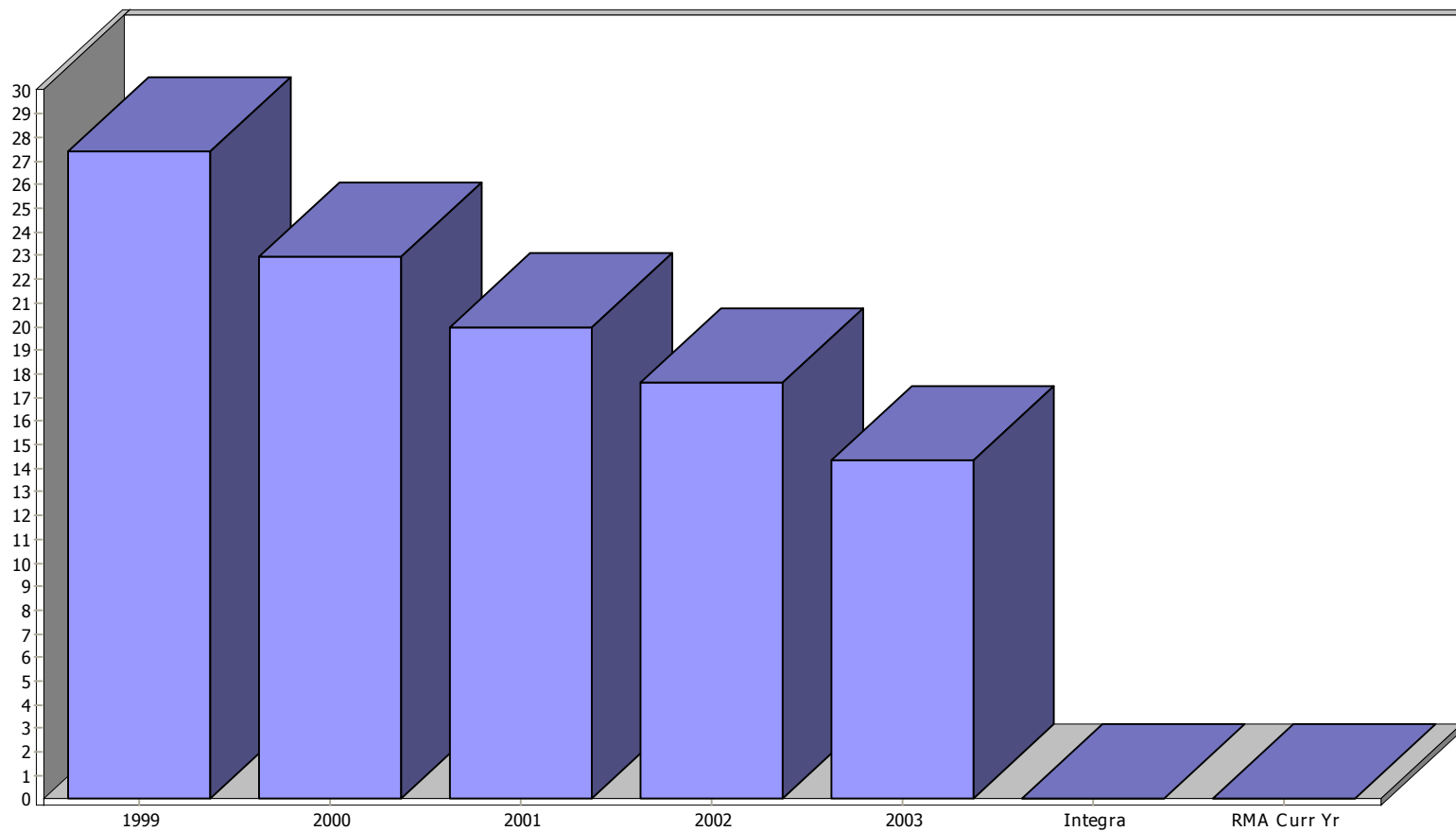
Childrens Clothing Store  
COGS / Payables Chart  
12/31/2003

BVMPPro



Childrens Clothing Store  
Days' Payables Chart  
12/31/2003

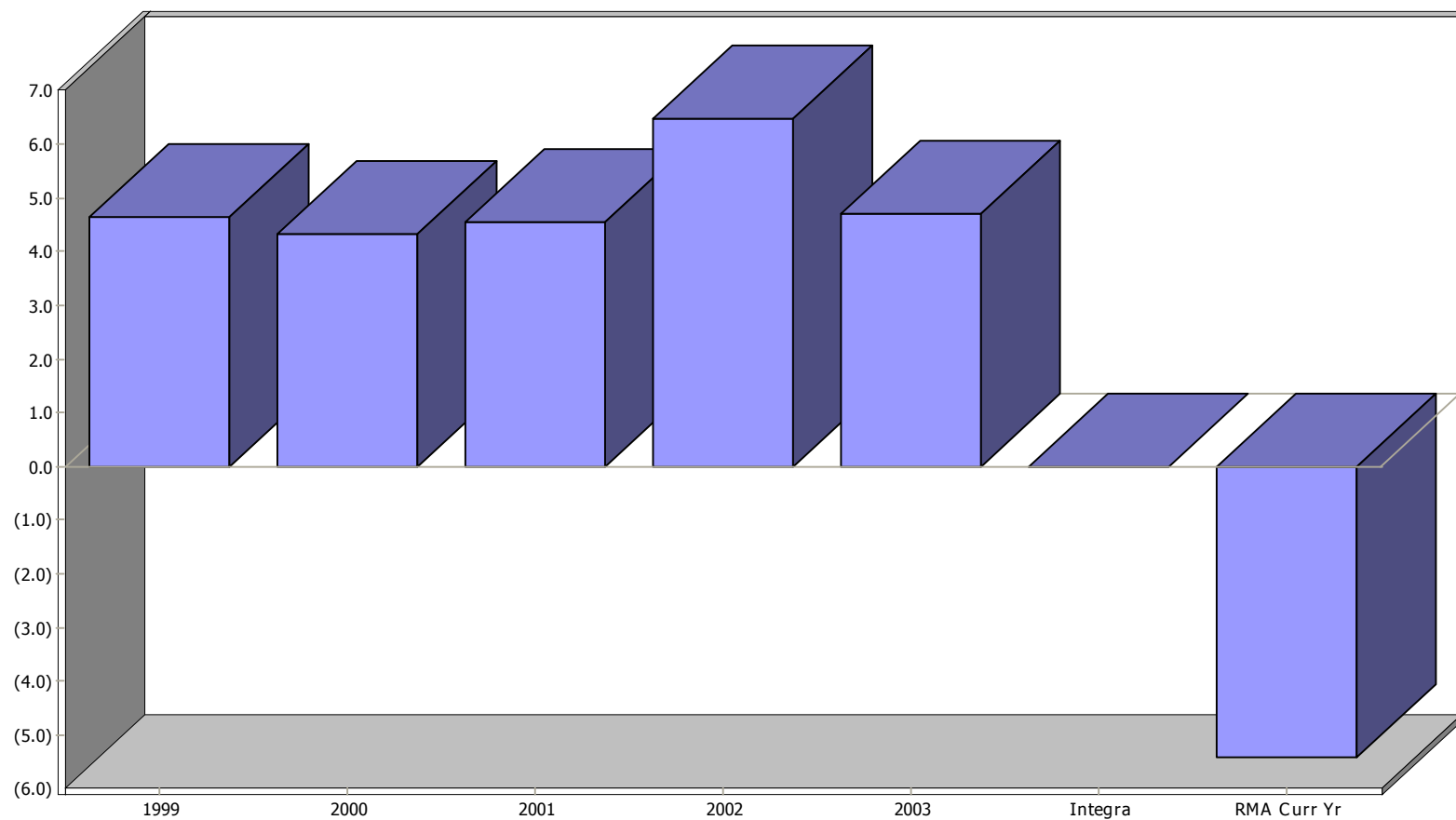
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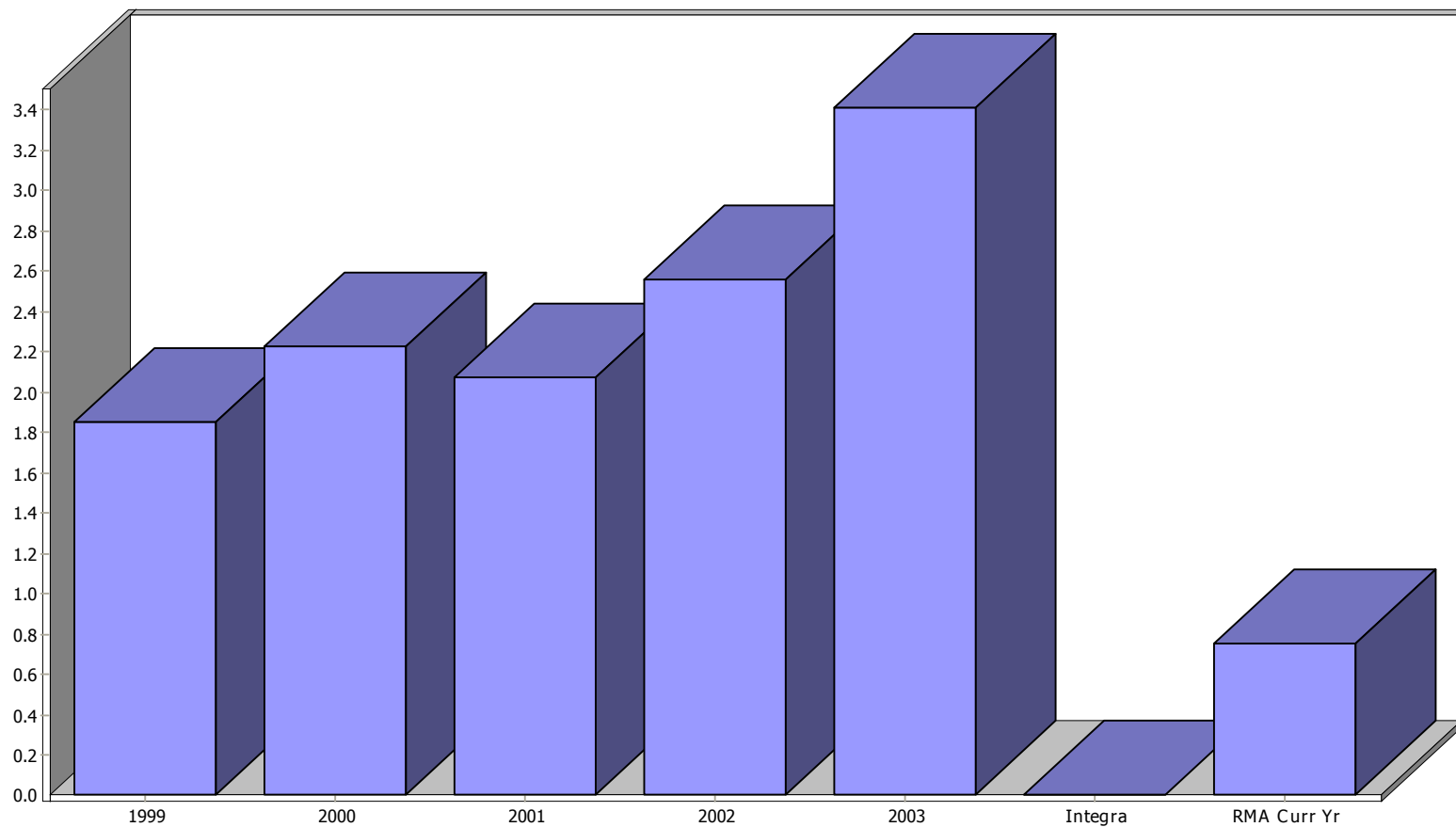
Childrens Clothing Store  
Revenue / Working Capital Chart  
12/31/2003

BVMPPro



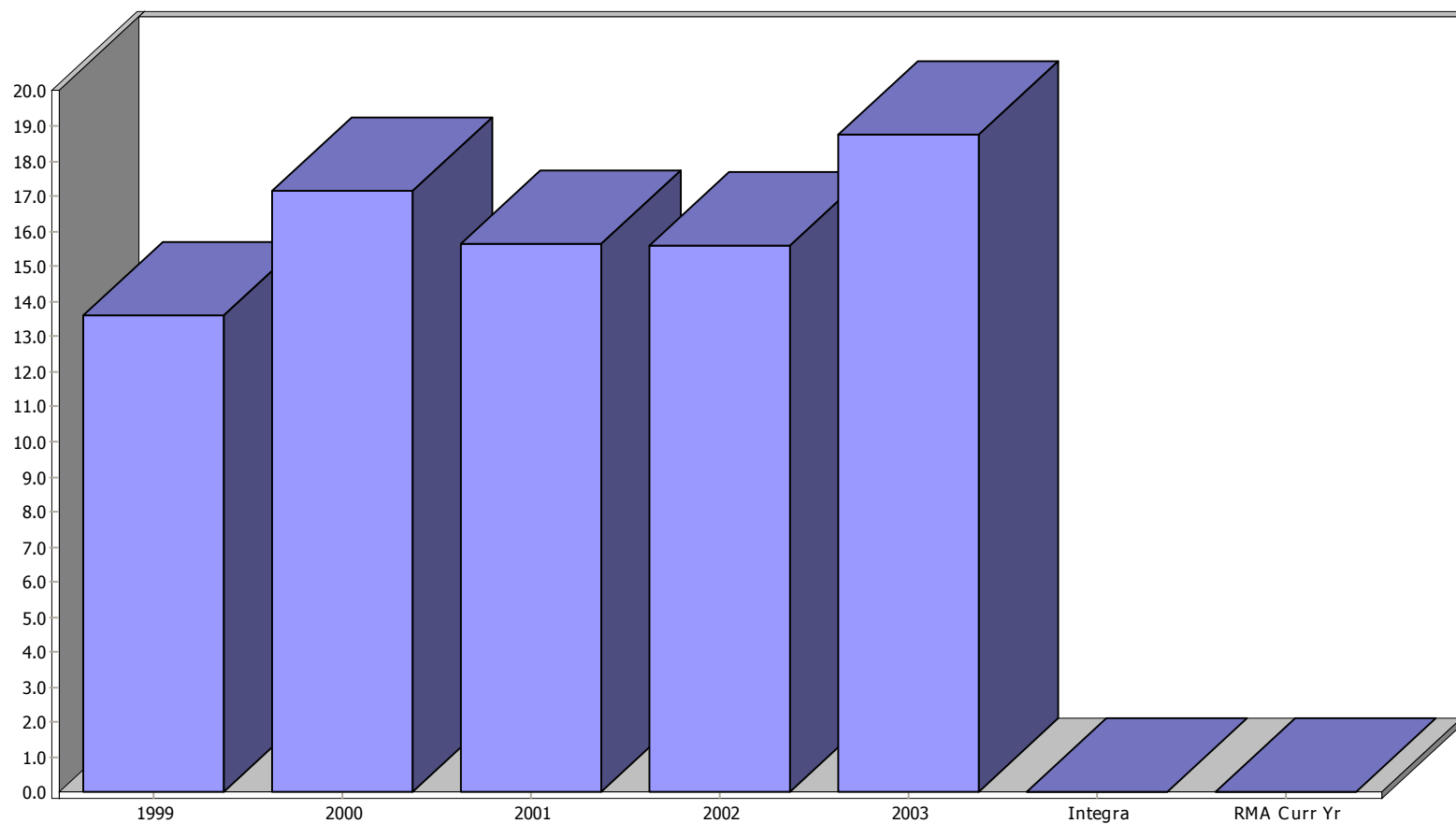
Childrens Clothing Store  
Times Interest Earned  
12/31/2003

BVMPPro



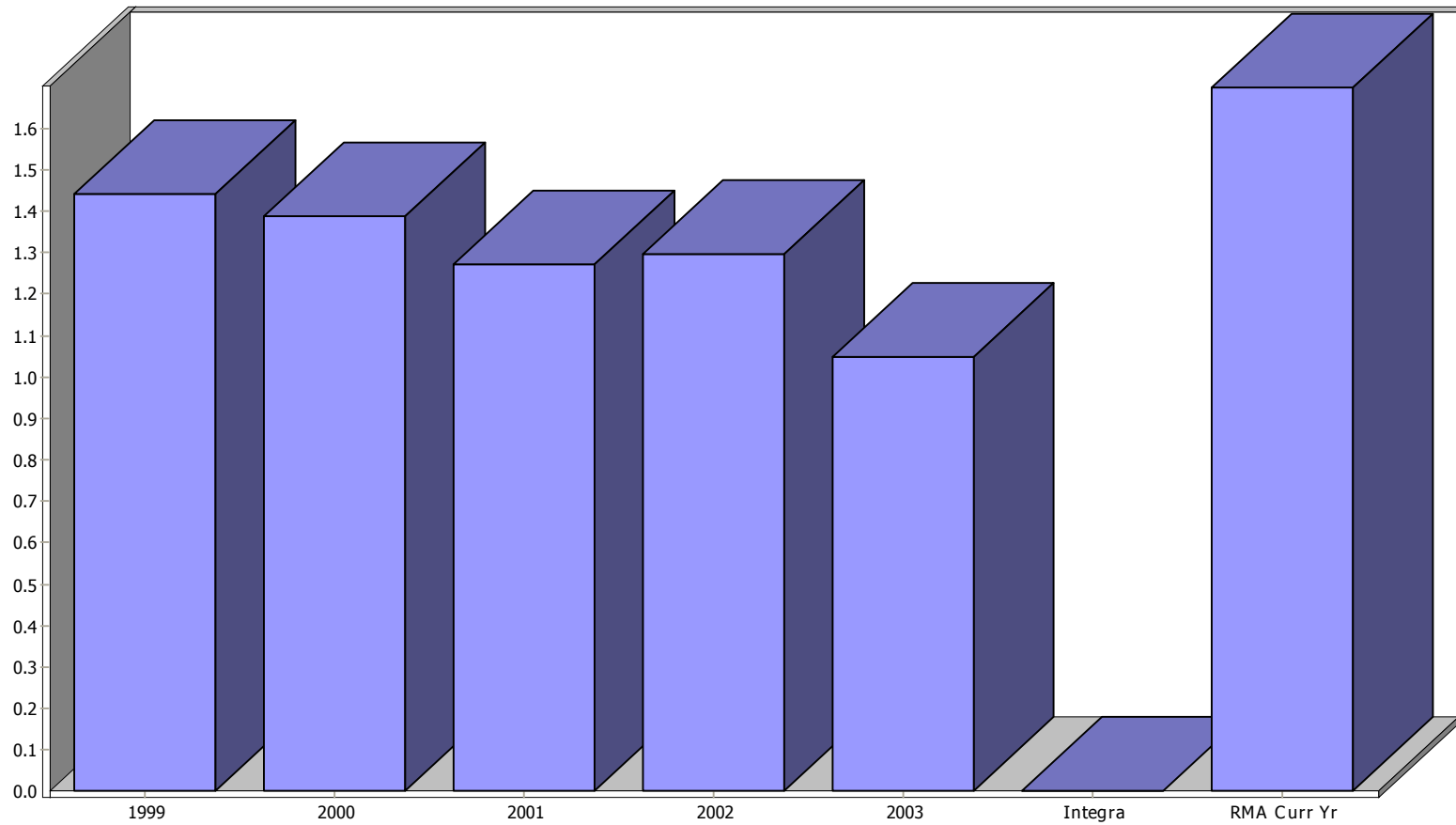
Childrens Clothing Store  
NI+Non-Cash Exp / Current LTD Chart  
12/31/2003

BVMPro



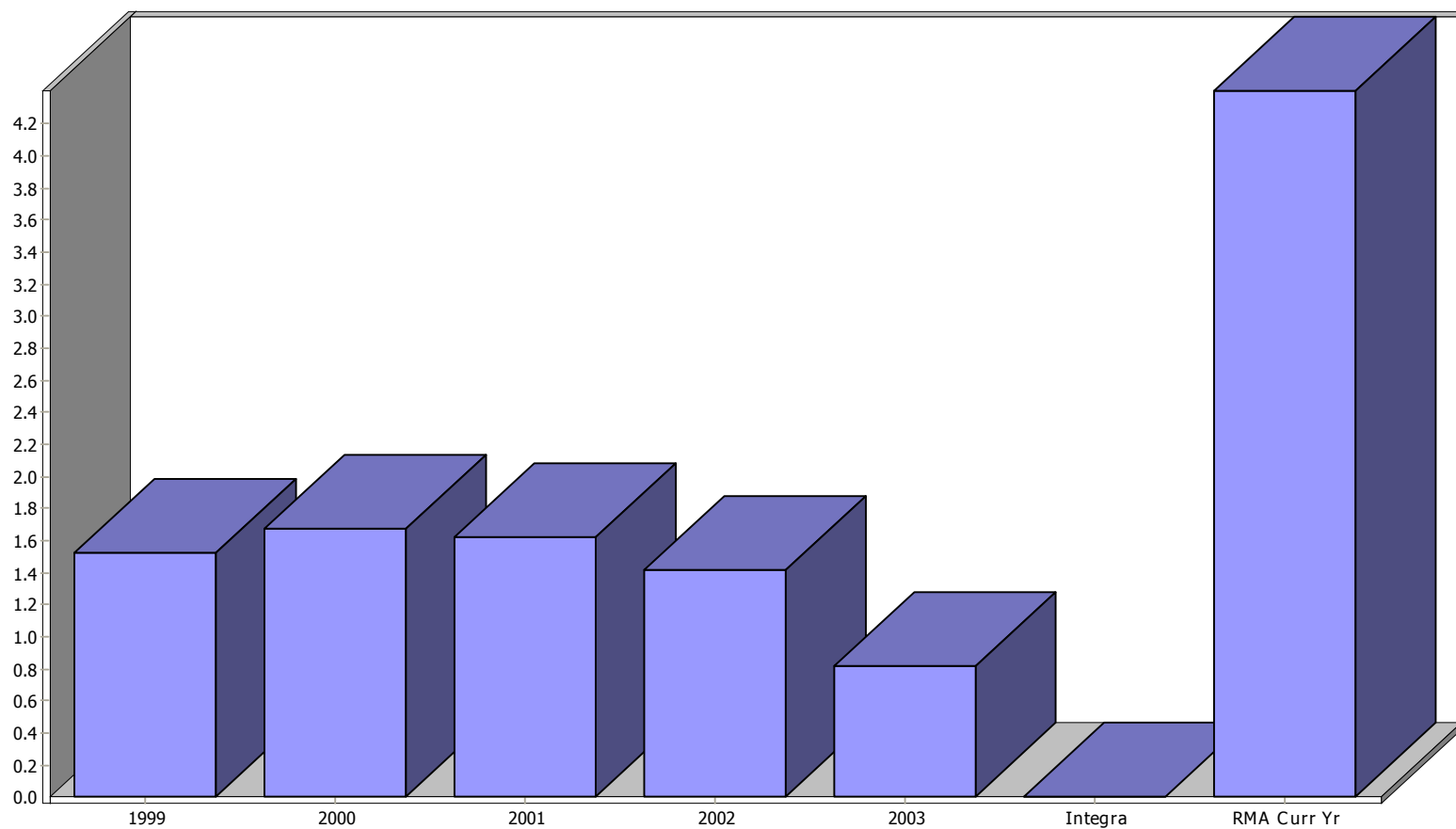
Childrens Clothing Store  
Fixed Assets / Tangible Worth Chart  
12/31/2003

BVMPPro



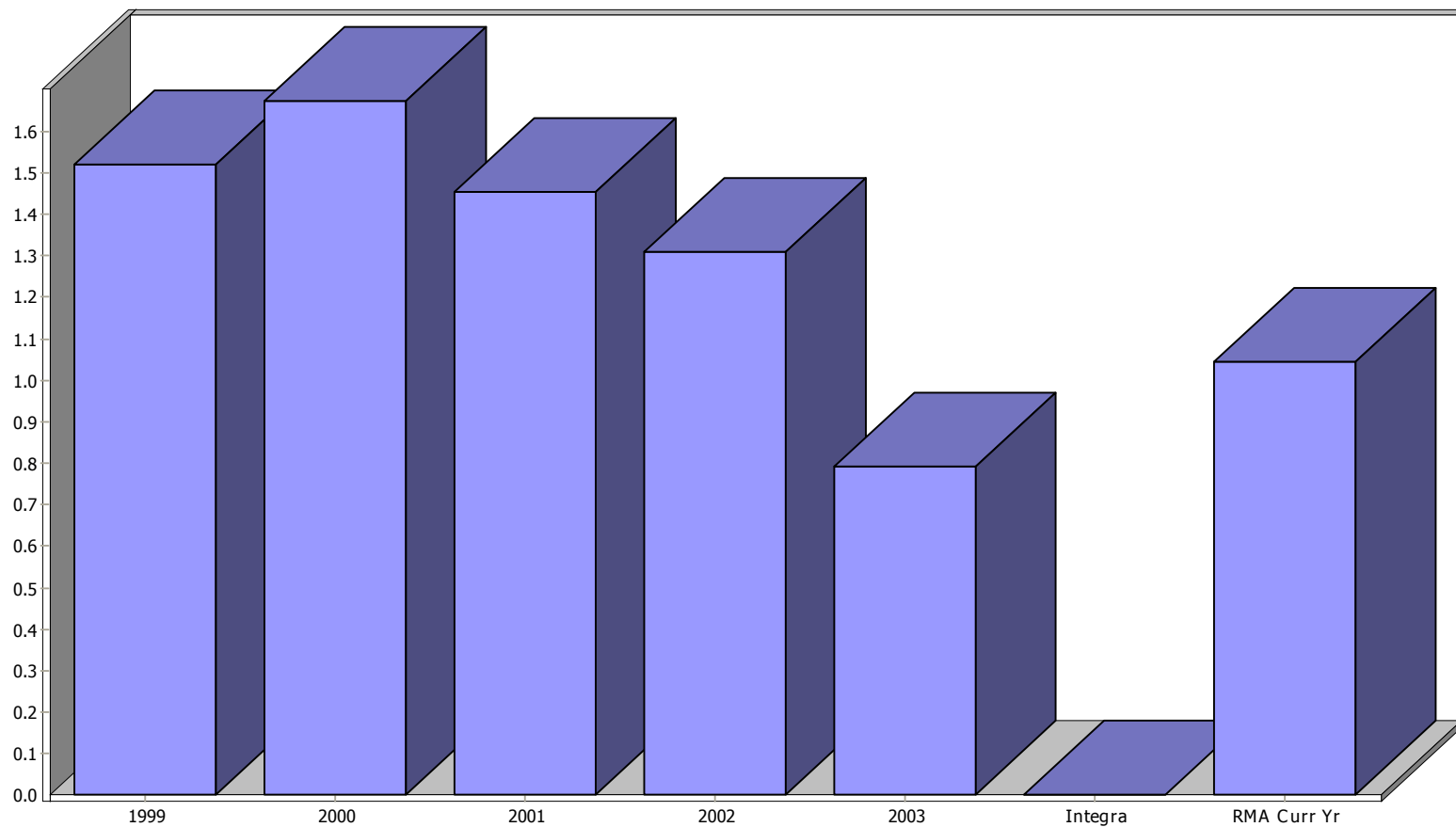
Childrens Clothing Store  
Debt-to-Tangible Net Worth Chart  
12/31/2003

BVMPPro



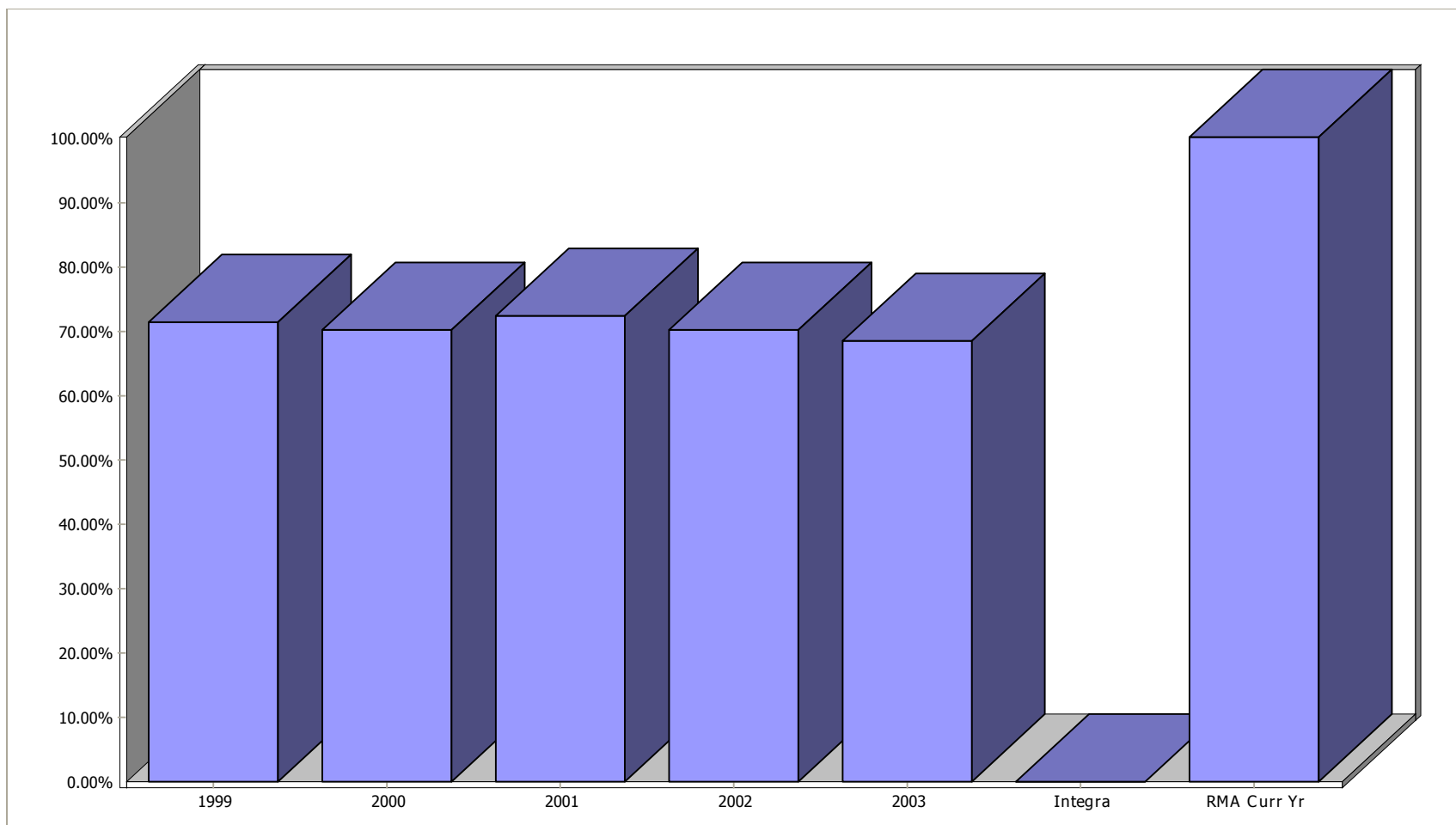
Childrens Clothing Store  
Debt-to-Equity Chart  
12/31/2003

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Childrens Clothing Store  
Gross Profit Margin Chart  
12/31/2003

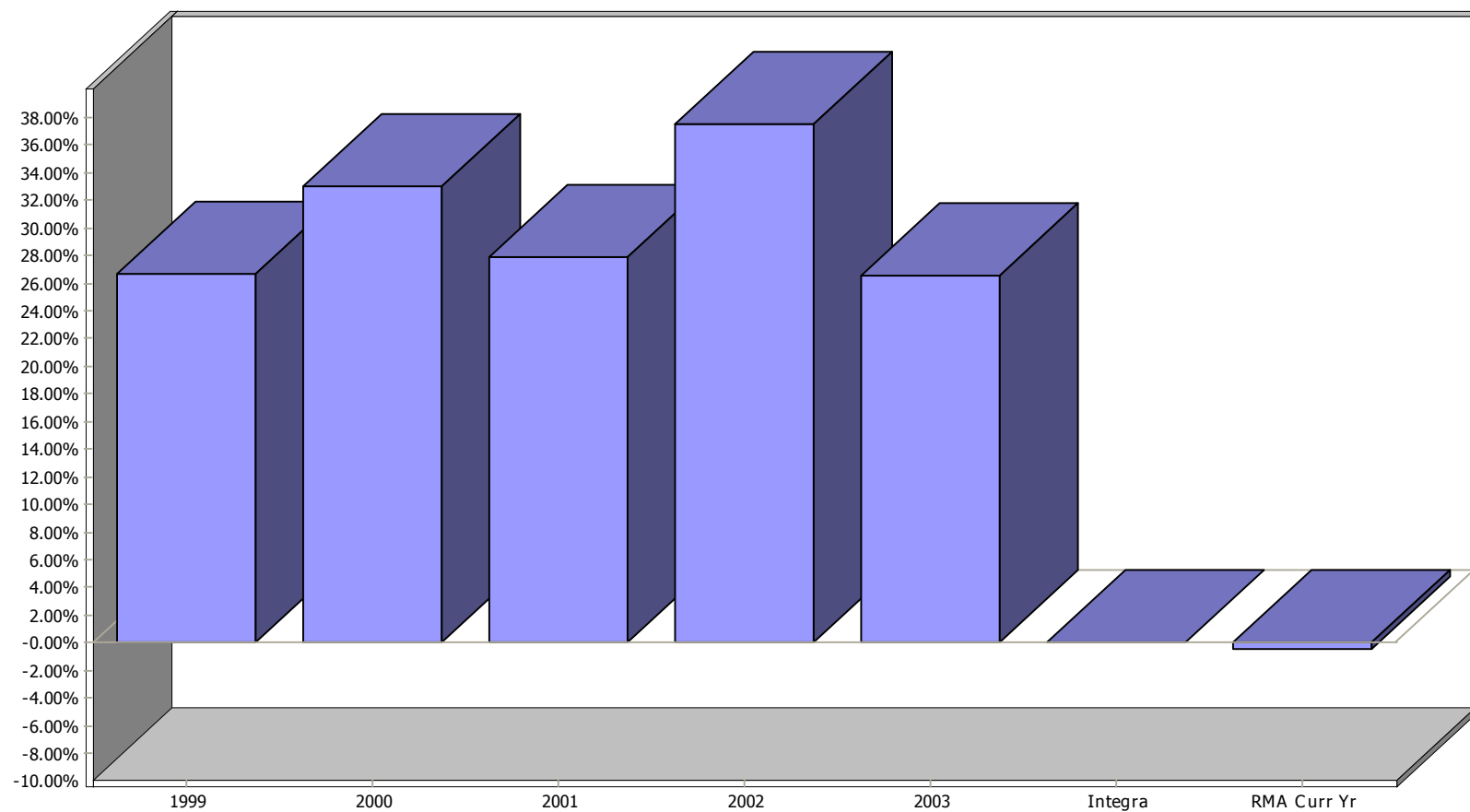
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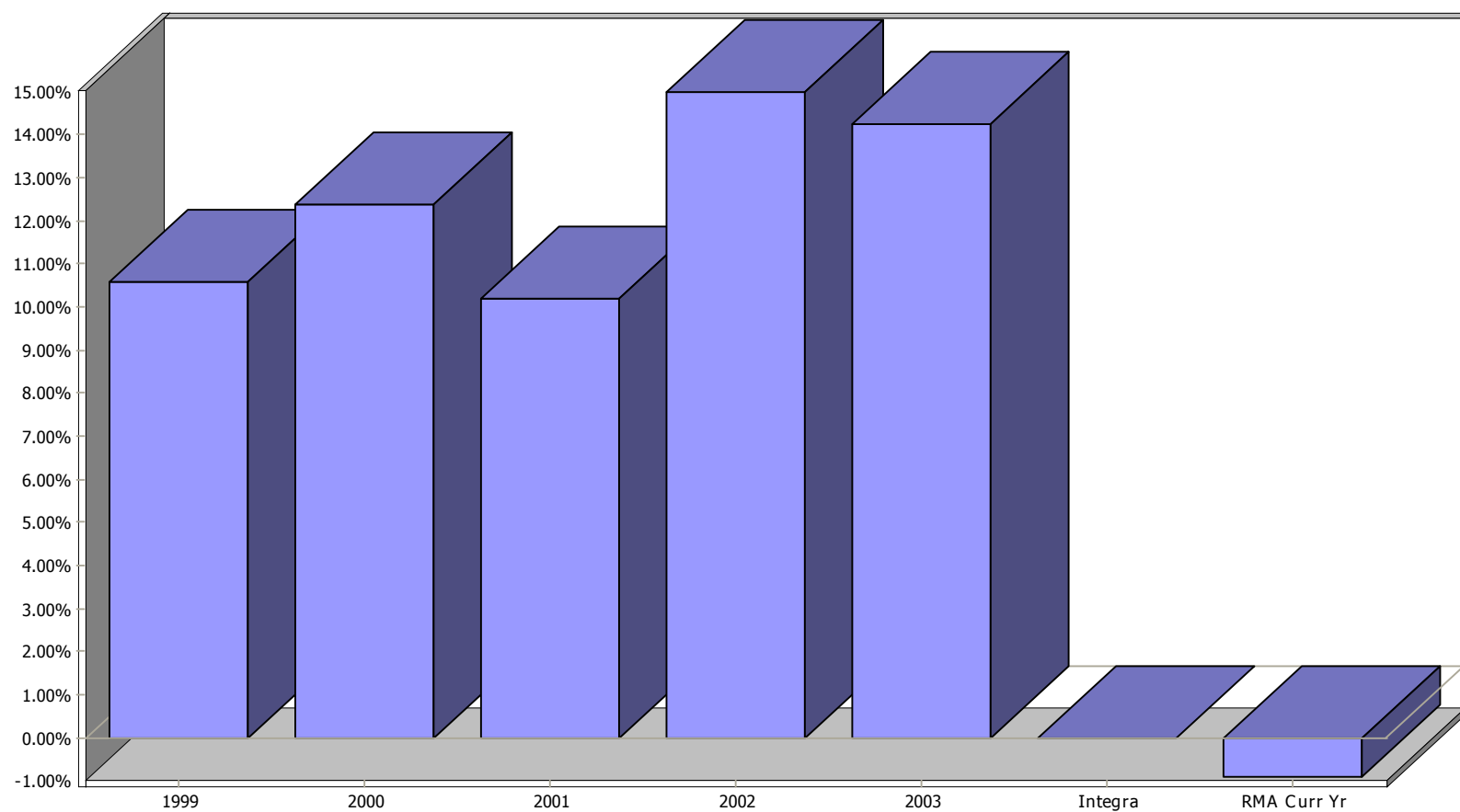
Childrens Clothing Store  
EBT / Tangible Worth Chart  
12/31/2003

BVMPPro



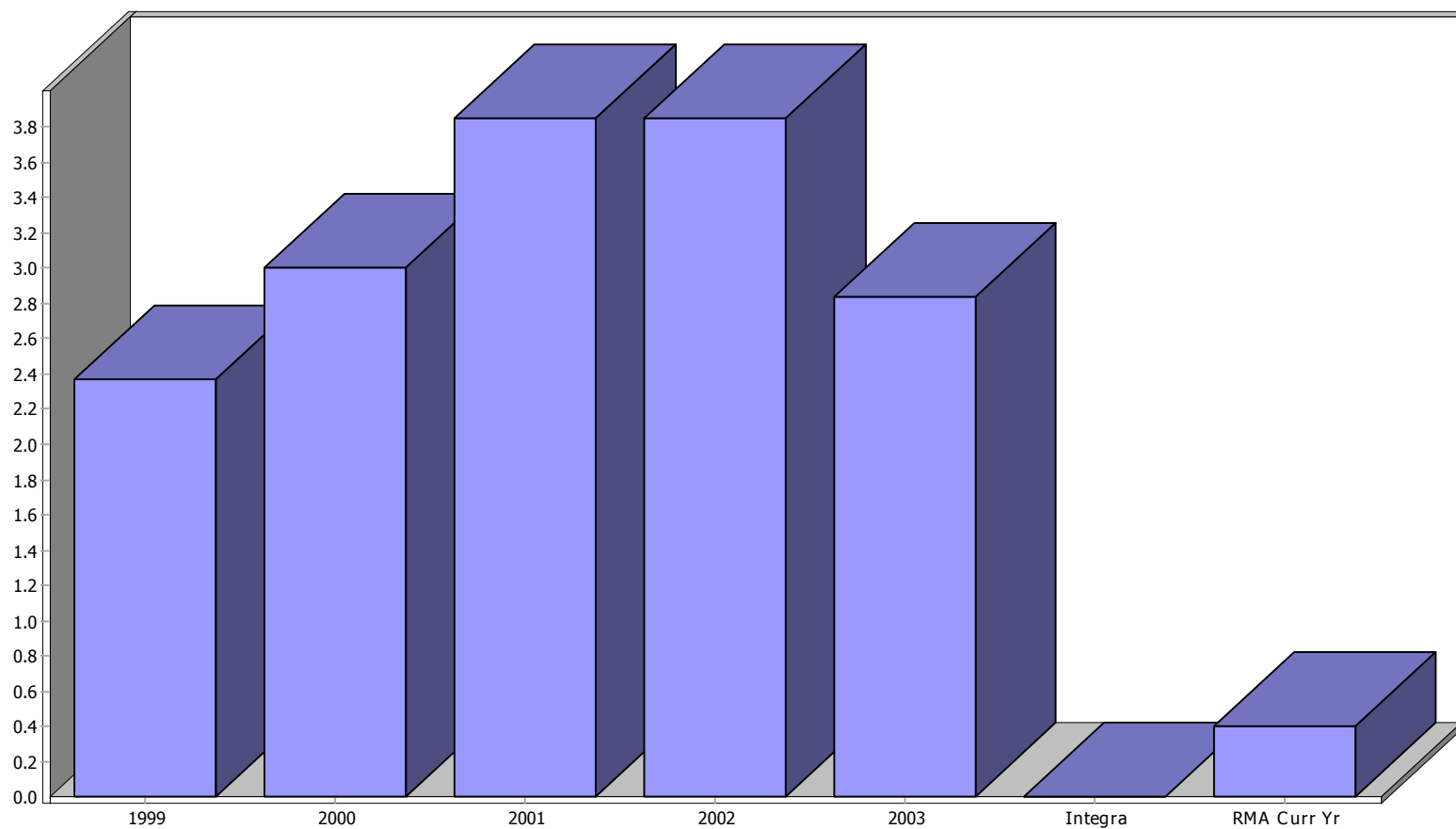
Childrens Clothing Store  
EBT / Total Assets Chart  
12/31/2003

BVMPPro



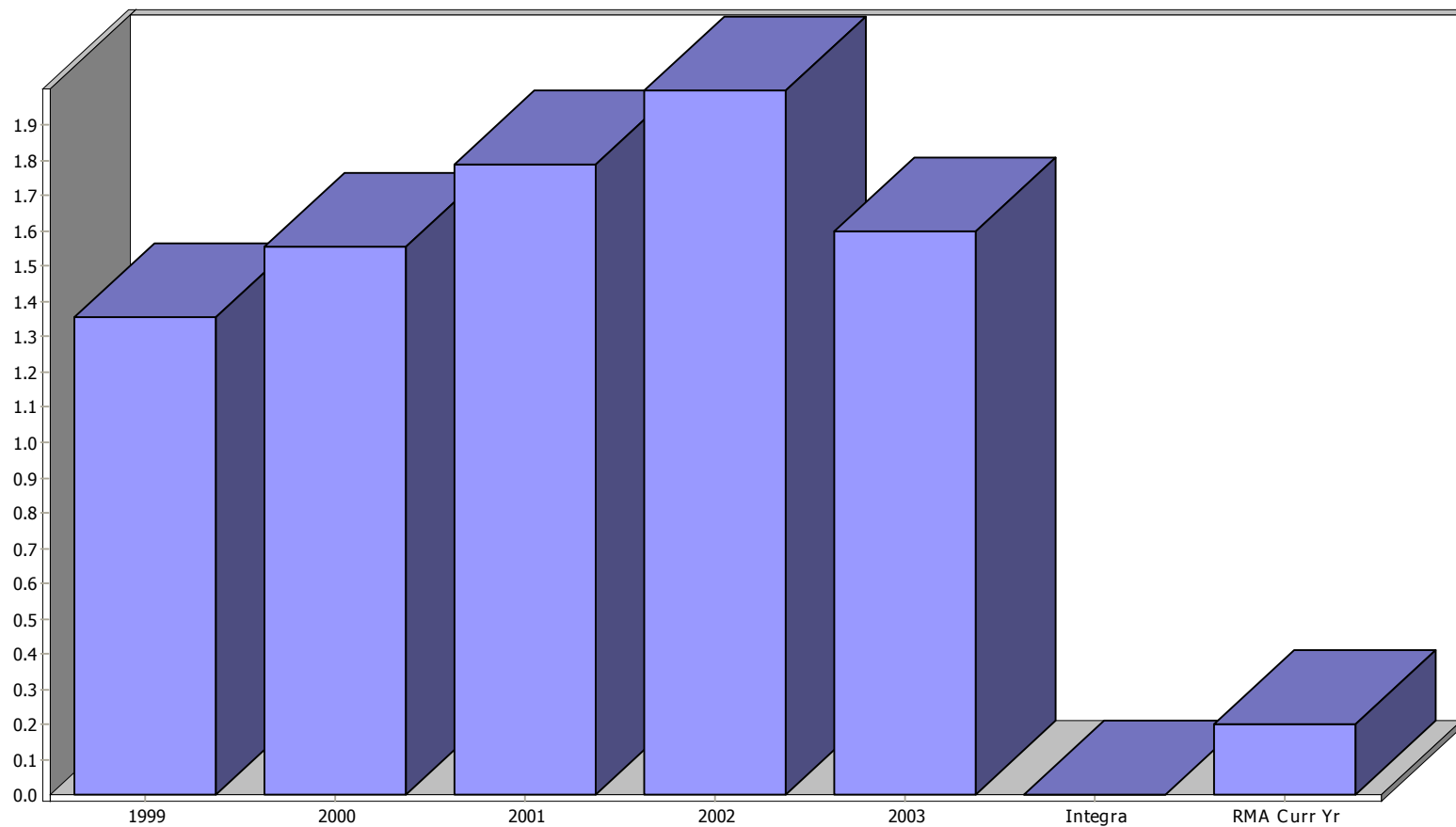
Childrens Clothing Store  
Fixed Asset Turnover Chart  
12/31/2003

BVMPPro



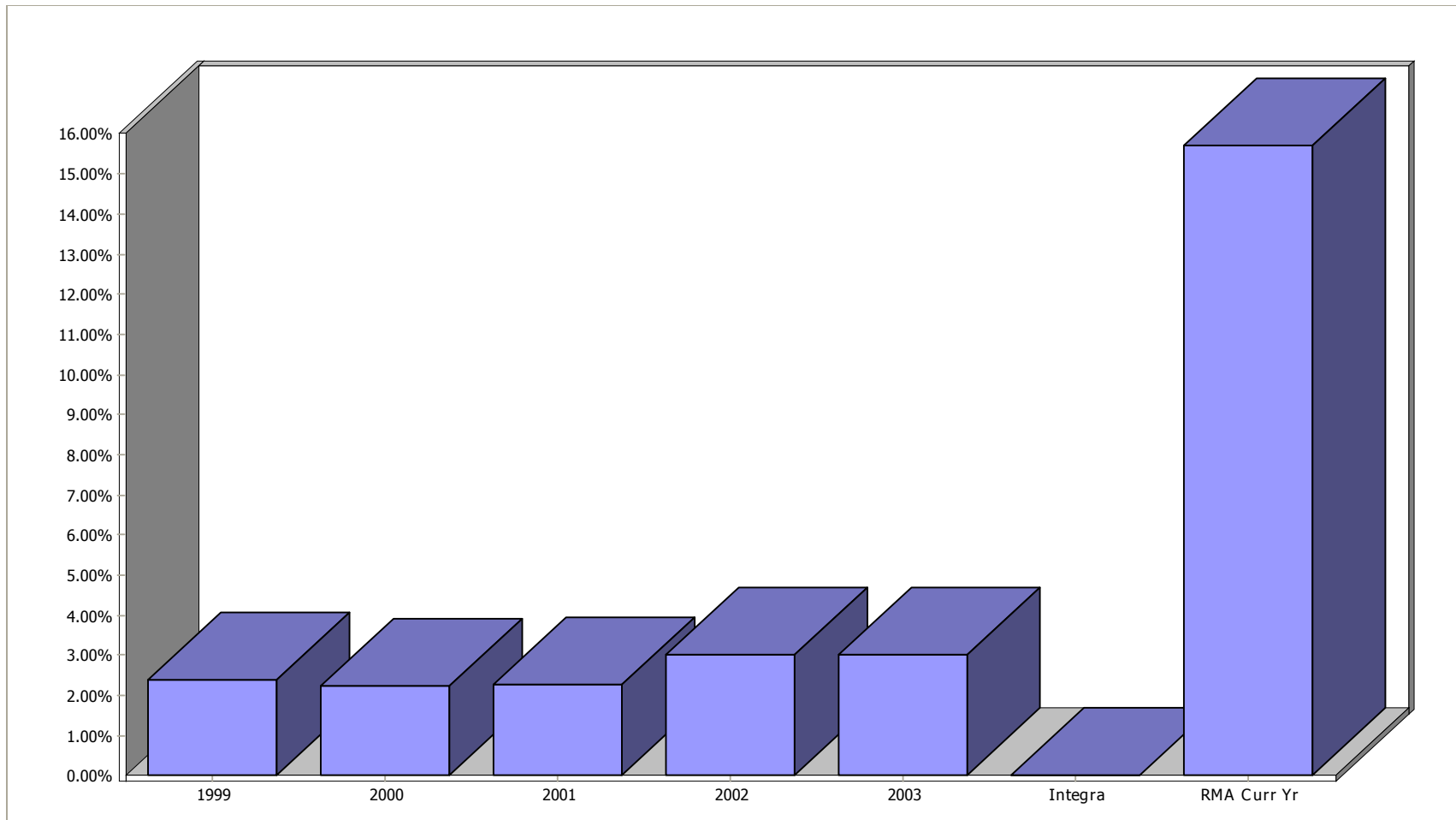
Childrens Clothing Store  
Total Asset Turnover  
12/31/2003

BVMPPro

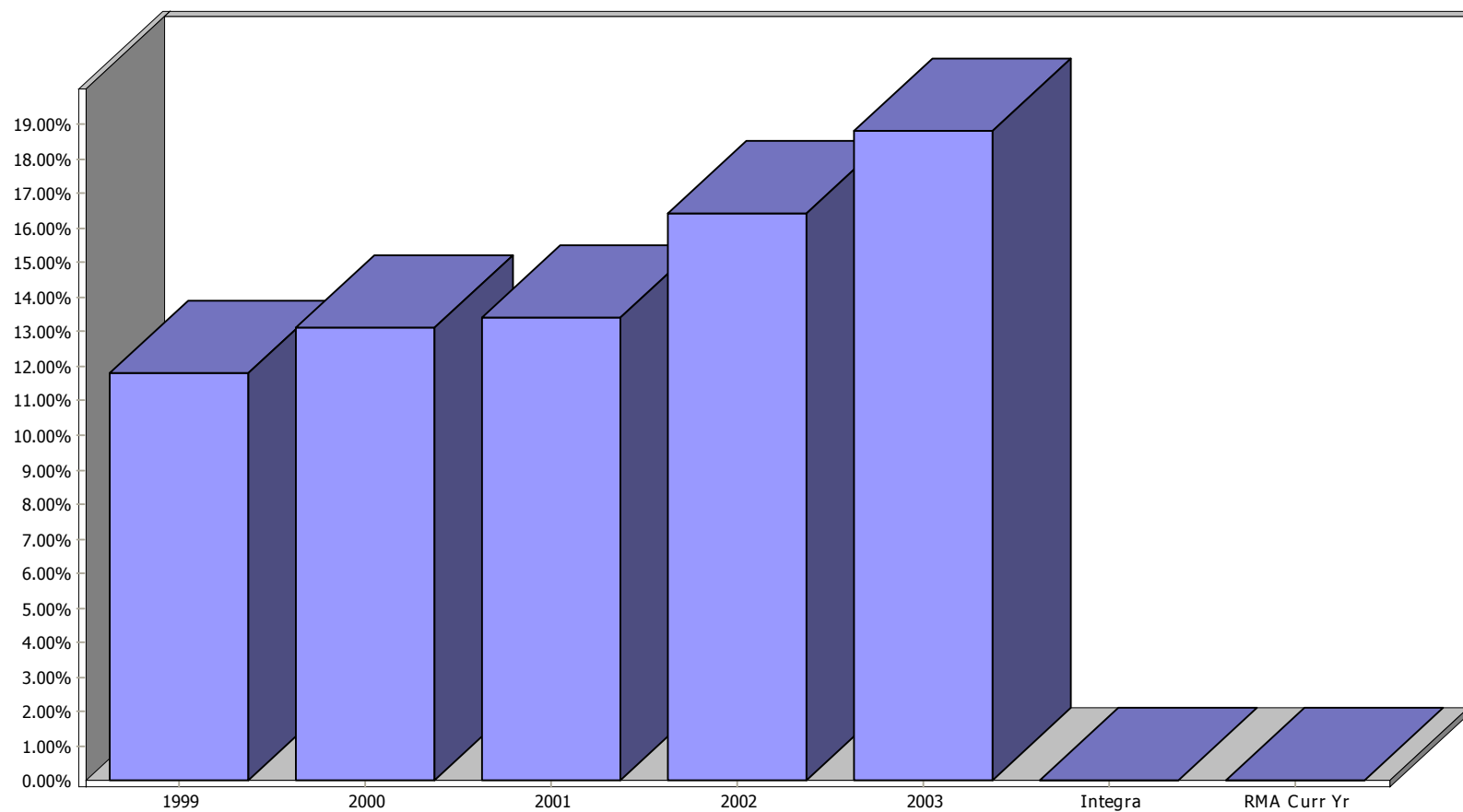


Childrens Clothing Store  
% Depreciation, Depletion, Amortization. / Revenue Chart  
12/31/2003

BVMPPro

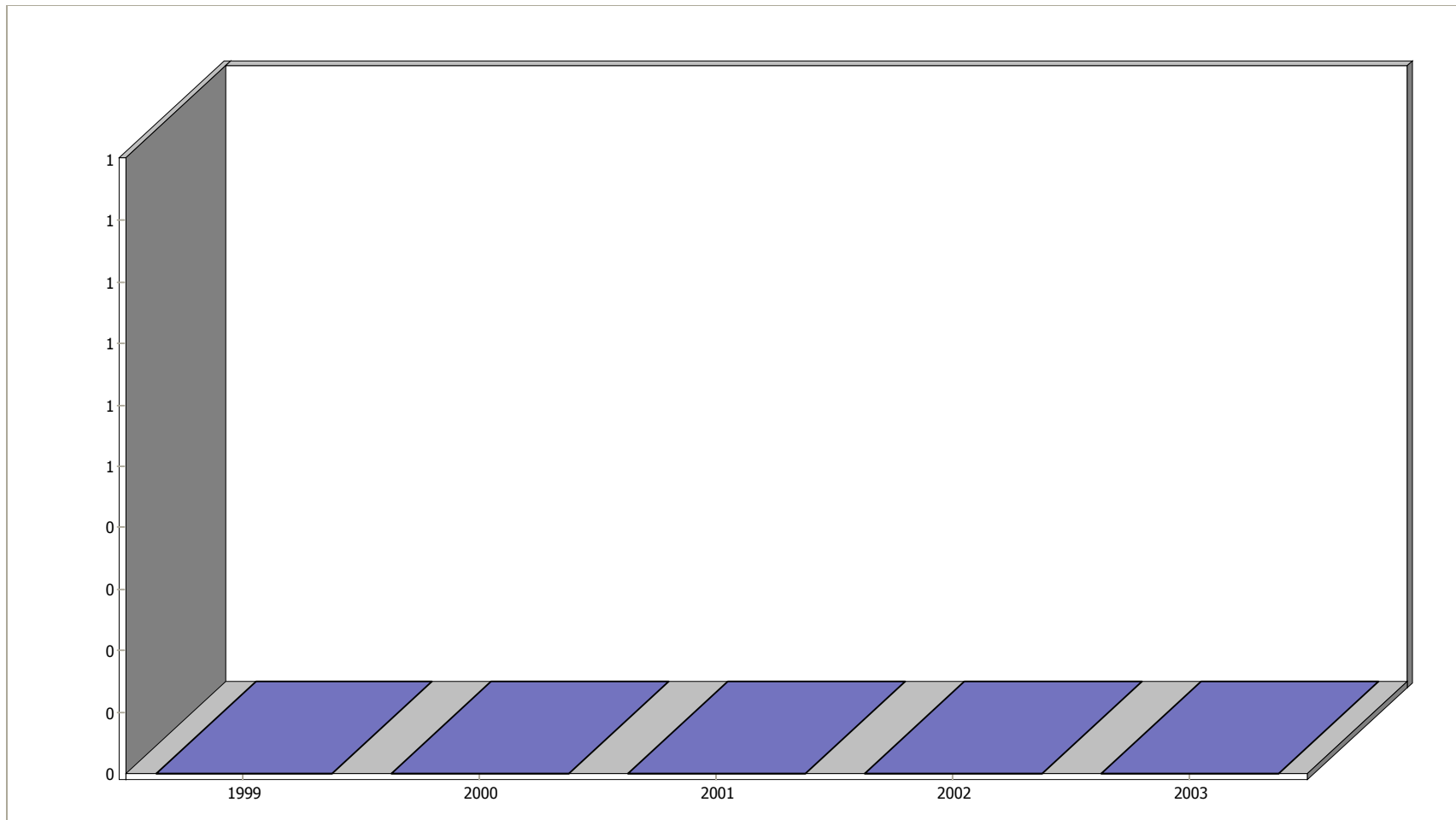


Childrens Clothing Store  
% Officers' and Owners' Compensation / Revenue Chart  
12/31/2003



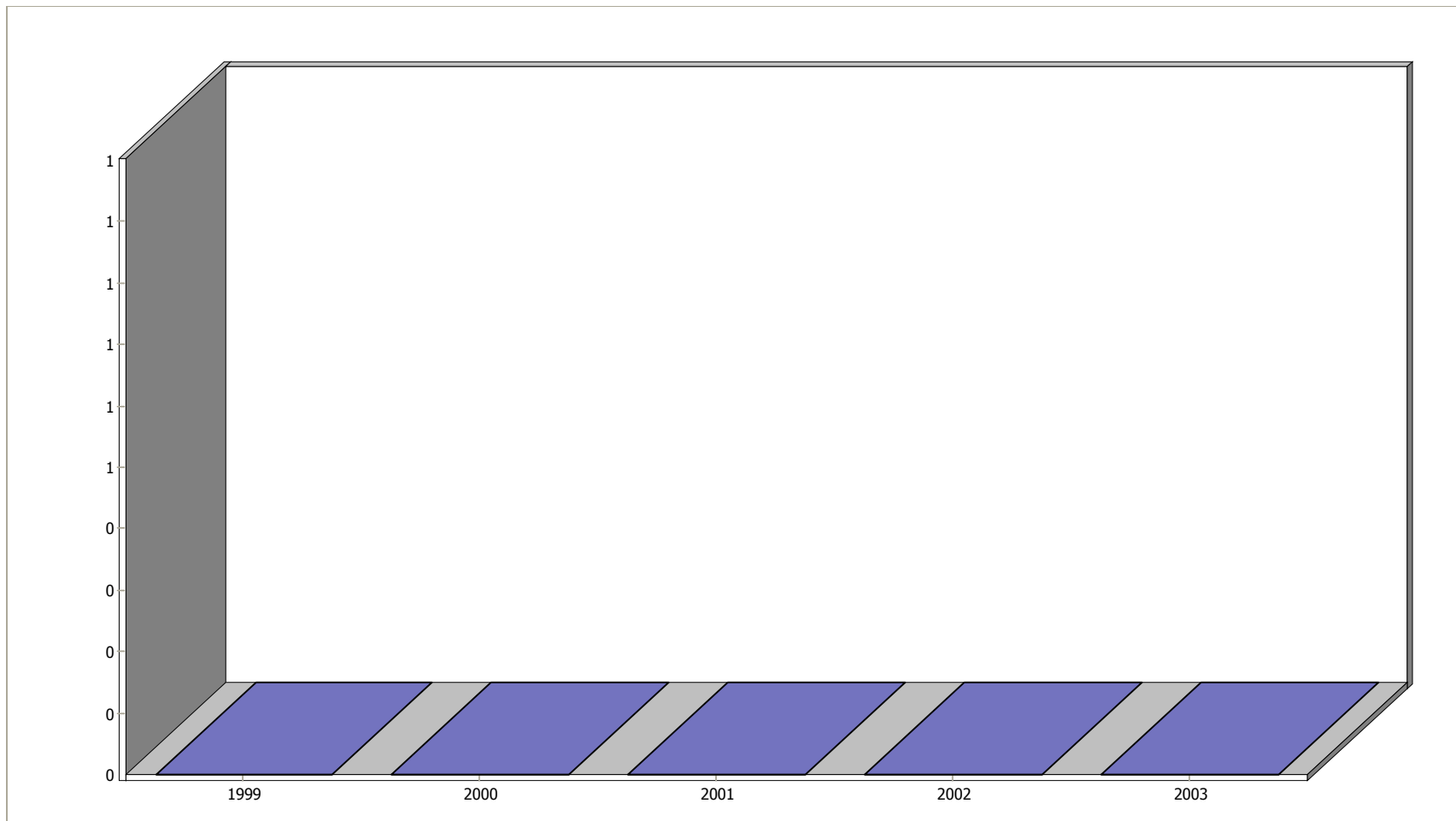
Childrens Clothing Store  
Operating Cash Flows (OCF) Chart  
12/31/2003

BVMPro



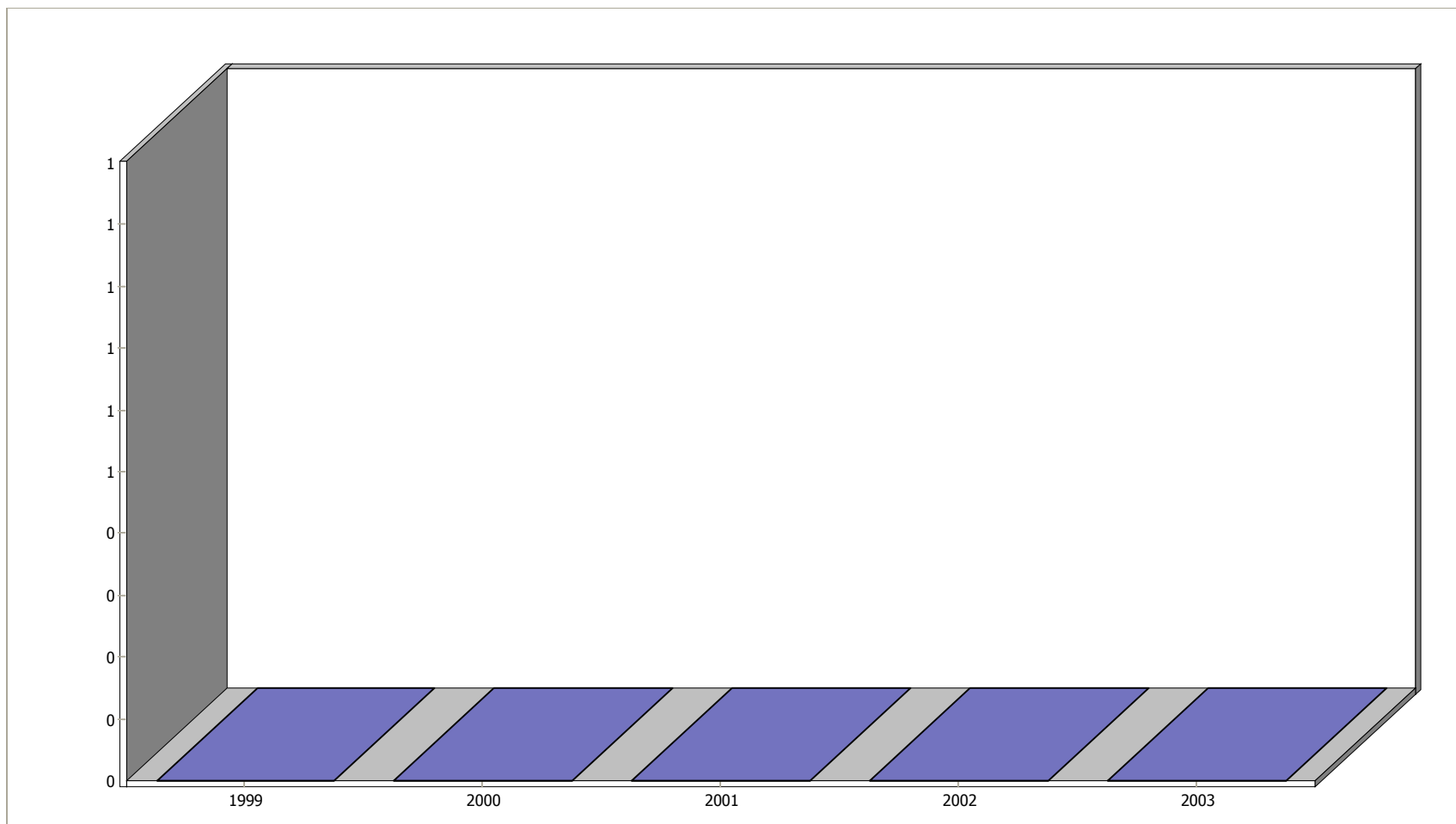


Childrens Clothing Store  
Cash Interest Coverage Chart  
12/31/2003



Childrens Clothing Store  
Cash Flow to Total Debt Chart  
12/31/2003

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Childrens Clothing Store  
Coverage and Operating Ratios  
12/31/2003

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	0	0	0	0	0	Low	High	Mean	Median
<b>COVERAGE RATIOS:</b>									
Integra Times Interest Earned	-	-	-	-	-	-	-	-	-
Subject Times Interest Earned	3.5	2.6	2.0	2.0	1.9	1.9	3.5	2.4	2.0
<b>LEVERAGE RATIOS:</b>									
Integra Fixed Assets/Net Worth	-	-	-	-	-	-	-	-	-
Subject Fixed Assets/Net Worth	0.9	1.2	1.1	1.4	1.4	0.9	1.4	1.2	1.2
Integra Debt-to-Net Worth	-	-	-	-	-	-	-	-	-
Subject Debt-to-Net Worth	1.1	1.3	1.5	1.7	1.5	1.1	1.7	1.4	1.5
<b>OPERATING RATIOS:</b>									
Integra Gross Profit Margin	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Subject Gross Profit Margin	68.5%	70.2%	72.3%	70.2%	71.4%	68.5%	72.3%	70.5%	70.2%
Integra EBT/Net Worth	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Subject EBT/Net Worth	36.7%	34.7%	25.0%	33.0%	26.7%	25.0%	36.7%	31.2%	33.0%
Integra EBT/Total Assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Subject EBT/Total Assets	17.2%	15.0%	10.2%	12.4%	10.6%	10.2%	17.2%	13.1%	12.4%
Integra Fixed Asset Turnover	-	-	-	-	-	-	-	-	-
Subject Fixed Asset Turnover	4.4	4.4	4.0	3.1	-	-	4.4	3.2	4.0
Integra Total Asset Turnover	-	-	-	-	-	-	-	-	-
Subject Total Asset Turnover	2.1	2.2	1.9	1.7	-	-	2.2	1.6	1.9
<b>Expense to Revenue Ratios:</b>									
Integra % Deprtn., Depltn., Amort./Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Subject % Deprtn., Depltn., Amort./Revenue	3.0%	3.0%	2.3%	2.2%	2.4%	2.2%	3.0%	2.6%	2.4%
Integra % Officer's &/or Owner's Compensation/Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Subject % Officer's &/or Owner's Compensation/Revenue	18.8%	16.4%	13.4%	13.1%	11.8%	11.8%	18.8%	14.7%	13.4%

Childrens Clothing Store  
Liquidity Ratios  
12/31/2003

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**LIQUIDITY RATIOS:**

	0	0	0	0	0	Low	High	Mean	Median
Integra Current Ratio	-	-	-	-	-	-	-	-	-
Subject Current Ratio	7.7	4.9	6.8	5.9	4.6	4.6	7.7	6.0	5.9
Integra Quick Ratio	-	-	-	-	-	-	-	-	-
Subject Quick Ratio	3.3	2.2	3.5	2.9	2.1	2.1	3.5	2.8	2.9
Integra Revenue/Accounts Receivable (Net)	-	-	-	-	-	-	-	-	-
Subject Revenue/Accounts Receivable (Net)	61.2	85.9	68.4	65.2	-	-	85.9	56.1	65.2
Integra Collection Period (days)	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Subject Collection Period (days)	<b>6</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>4</b>	<b>5</b>
Integra Inventory Turnover	-	-	-	-	-	-	-	-	-
Subject Inventory Turnover	2.8	3.3	2.7	2.7	-	-	3.3	2.3	2.7
Integra Days' Inventory	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Subject Days' Inventory Turnover	<b>129</b>	<b>110</b>	<b>135</b>	<b>134</b>	<b>0</b>	<b>0</b>	<b>135</b>	<b>102</b>	<b>129</b>
Integra COGS / Payables	-	-	-	-	-	-	-	-	-
Subject COGS / Payables	25.4	20.7	18.3	15.9	13.3	13.3	25.4	18.7	18.3
Integra Days' Payables	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Subject Days' Payables	<b>14</b>	<b>18</b>	<b>20</b>	<b>23</b>	<b>27</b>	<b>14</b>	<b>27</b>	<b>20</b>	<b>20</b>
Integra Revenue/Working Capital	-	-	-	-	-	-	-	-	-
Subject Revenue/Working Capital	4.3	6.5	4.6	4.3	4.6	4.3	6.5	4.9	4.6

Childrens Clothing Store  
Common Size IS Industry

12/31/2003

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	Integra 0	Integra 0	Integra 0	Integra 0	Integra 0	Low	High	Mean	Median
Revenue	100.0%	100.0%	100.0%	100.0%	100.0%				
Cost of Goods	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross Profit	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Operating Expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Operating Profit	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Other Income/(Expense) Net	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Pre-Tax Profit</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	100.0%	100.0%	100.0%	100.0%

Childrens Clothing Store  
Common Size IS Subject

12/31/2003

BVMPro

	Subject 2003	Subject 2002	Subject 2001	Subject 2000	Subject 1999	Low	High	Mean	Median
Revenue	100.00%	100.00%	100.00%	100.00%	100.00%				
Cost of Goods	31.51%	29.84%	27.71%	29.81%	28.57%	27.71%	31.51%	29.49%	29.81%
Gross Profit	68.49%	70.16%	72.29%	70.19%	71.43%	68.49%	72.29%	70.51%	70.19%
Total Operating Expenses	55.63%	57.57%	61.64%	57.00%	54.10%	54.10%	61.64%	57.19%	57.00%
Operating Profit	12.86%	12.59%	10.65%	13.19%	17.33%	10.65%	17.33%	13.32%	12.86%
Other Income/(Expense) Net	-3.96%	-5.08%	-4.96%	-5.25%	-9.52%	-9.52%	-3.96%	-5.75%	-5.08%
<b>Pre-Tax Profit</b>	<b>8.90%</b>	<b>7.51%</b>	<b>5.69%</b>	<b>7.94%</b>	<b>7.81%</b>	5.69%	8.90%	7.57%	7.81%

Childrens Clothing Store  
Common Size IS Year to Year  
12/31/2003

	Subject 2003	Subject 2003	Integra 0	Subject 2002	Subject 2002	Integra 0	Subject 2001	Subject 2001	Integra 0	Subject 2000	Subject 2000	Integra 0	Subject 1999	Subject 1999	Integra 0
Revenue	5,966,000	100.0%	100.0%	5,194,000	100.0%	100.0%	3,970,000	100.0%	100.0%	2,935,000	100.0%	100.0%	2,100,000	100.0%	100.0%
Cost of Goods	1,880,000	31.5%	0.0%	1,550,000	29.8%	0.0%	1,100,000	27.7%	0.0%	875,000	29.8%	0.0%	600,000	28.6%	0.0%
Gross Profit	4,086,000	68.5%	100.0%	3,644,000	70.2%	100.0%	2,870,000	72.3%	100.0%	2,060,000	70.2%	100.0%	1,500,000	71.4%	100.0%
Total Operating Expenses	3,319,000	55.6%	0.0%	2,990,000	57.6%	0.0%	2,447,000	61.6%	0.0%	1,673,000	57.0%	0.0%	1,136,000	54.1%	0.0%
Operating Profit	767,000	12.9%	100.0%	654,000	12.6%	100.0%	423,000	10.7%	100.0%	387,000	13.2%	100.0%	364,000	17.3%	100.0%
Other Income/(Expense) Net	(236,000)	-4.0%	0.0%	(264,000)	-5.1%	0.0%	(197,000)	-5.0%	0.0%	(154,000)	-5.2%	0.0%	(200,000)	-9.5%	0.0%
<b>Pre-Tax Profit</b>	<b>531,000</b>	<b>8.9%</b>	<b>100.0%</b>	<b>390,000</b>	<b>7.5%</b>	<b>100.0%</b>	<b>226,000</b>	<b>5.7%</b>	<b>100.0%</b>	<b>233,000</b>	<b>7.9%</b>	<b>100.0%</b>	<b>164,000</b>	<b>7.8%</b>	<b>100.0%</b>



Childrens Clothing Store  
Common Size BS Industry  
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BVMPro

	Integra 0	Integra 0	Integra 0	Integra 0	Integra 0	Low	High	Mean	Median
<b>ASSETS</b>									
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts Receivable	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Inventory	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Current	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Current Assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fixed Assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Intangible	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
All Other Non-Current	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total Assets</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>				
<b>LIABILITIES &amp; EQUITY</b>									
Accounts Payable	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Short Term Notes Payable	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current Portion of LT Debt	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Current Liabilities	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Current Liabilities	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Long Term Debt	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
All Other Non-Current Liabilities	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Liabilities	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Equity	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total Liabilities &amp; Equity</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>				

Childrens Clothing Store  
Common Size BS Subject  
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	Subject 2003	Subject 2002	Subject 2001	Subject 2000	Subject 1999	Low	High	Mean	Median
<b>ASSETS</b>									
Cash	17.7%	14.9%	21.0%	18.9%	14.8%	14.8%	21.0%	17.4%	17.7%
Accounts Receivable	4.5%	2.1%	3.0%	2.7%	2.6%	2.1%	4.5%	3.0%	2.7%
Inventory	27.1%	18.8%	19.8%	19.8%	17.4%	17.4%	27.1%	20.6%	19.8%
Other Current	2.6%	2.9%	2.3%	2.0%	2.6%	2.0%	2.9%	2.5%	2.6%
Total Current Assets	52.0%	38.7%	46.1%	43.3%	37.4%	37.4%	52.0%	43.5%	43.3%
Fixed Assets	43.2%	51.9%	46.5%	51.9%	57.2%	43.2%	57.2%	50.1%	51.9%
Net Intangible	2.4%	3.3%	4.3%	0.0%	0.0%	0.0%	4.3%	2.0%	2.4%
All Other Non-Current	2.4%	6.1%	3.2%	4.8%	5.5%	2.4%	6.1%	4.4%	4.8%
<b>Total Assets</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>				
<b>LIABILITIES &amp; EQUITY</b>									
Accounts Payable	2.4%	2.9%	2.7%	2.9%	2.9%	2.4%	2.9%	2.8%	2.9%
Short Term Notes Payable	1.1%	1.0%	0.8%	1.3%	1.6%	0.8%	1.6%	1.2%	1.1%
Current Portion of LT Debt	0.9%	1.0%	0.7%	0.7%	0.8%	0.7%	1.0%	0.8%	0.8%
Other Current Liabilities	2.4%	3.0%	2.6%	2.4%	2.8%	2.4%	3.0%	2.6%	2.6%
Total Current Liabilities	6.8%	7.9%	6.8%	7.4%	8.1%	6.8%	8.1%	7.4%	7.4%
Long Term Debt	44.3%	46.2%	50.0%	52.0%	48.4%	44.3%	52.0%	48.2%	48.4%
All Other Non-Current Liabilities	2.3%	2.7%	2.4%	3.3%	3.8%	2.3%	3.8%	2.9%	2.7%
Total Liabilities	53.3%	56.7%	59.2%	62.6%	60.3%	53.3%	62.6%	58.4%	59.2%
Total Equity	46.7%	43.3%	40.8%	37.4%	39.7%	37.4%	46.7%	41.6%	40.8%
<b>Total Liabilities &amp; Equity</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>				

Childrens Clothing Store  
Common Size BS Year to Year  
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	Subject 2003	Subject 2003	Integra 0	Subject 2002	Subject 2002	Integra 0	Subject 2001	Subject 2001	Integra 0	Subject 2000	Subject 2000	Integra 0	Subject 1999	Subject 1999	Integra 0
<b>ASSETS</b>															
Cash	549,000	17.7%	0.0%	387,000	14.9%	0.0%	465,000	21.0%	0.0%	356,000	18.9%	0.0%	229,000	14.8%	0.0%
Accounts Receivable	140,000	4.5%	0.0%	55,000	2.1%	0.0%	66,000	3.0%	0.0%	50,000	2.7%	0.0%	40,000	2.6%	0.0%
Inventory	840,000	27.1%	0.0%	490,000	18.8%	0.0%	440,000	19.8%	0.0%	373,000	19.8%	0.0%	270,000	17.4%	0.0%
Other Current	80,000	2.6%	0.0%	75,000	2.9%	0.0%	52,000	2.3%	0.0%	38,000	2.0%	0.0%	40,000	2.6%	0.0%
Total Current Assets	1,609,000	52.0%	0.0%	1,007,000	38.7%	0.0%	1,023,000	46.1%	0.0%	817,000	43.3%	0.0%	579,000	37.4%	0.0%
Fixed Assets	1,338,000	43.2%	0.0%	1,349,000	51.9%	0.0%	1,031,000	46.5%	0.0%	979,000	51.9%	0.0%	886,000	57.2%	0.0%
Net Intangible	75,000	2.4%	0.0%	85,000	3.3%	0.0%	95,000	4.3%	0.0%	0	0.0%	0.0%	0	0.0%	0.0%
All Other Non-Current	73,000	2.4%	0.0%	159,000	6.1%	0.0%	70,000	3.2%	0.0%	90,000	4.8%	0.0%	85,000	5.5%	0.0%
<b>Total Assets</b>	<b>3,095,000</b>	<b>100.0%</b>	<b>0.0%</b>	<b>2,600,000</b>	<b>100.0%</b>	<b>0.0%</b>	<b>2,219,000</b>	<b>100.0%</b>	<b>0.0%</b>	<b>1,886,000</b>	<b>100.0%</b>	<b>0.0%</b>	<b>1,550,000</b>	<b>100.0%</b>	<b>0.0%</b>
<b>LIABILITIES &amp; EQUITY</b>															
Accounts Payable	74,000	2.4%	0.0%	75,000	2.9%	0.0%	60,000	2.7%	0.0%	55,000	2.9%	0.0%	45,000	2.9%	0.0%
Short Term Notes Payable	33,000	1.1%	0.0%	27,000	1.0%	0.0%	18,000	0.8%	0.0%	25,000	1.3%	0.0%	25,000	1.6%	0.0%
Current Portion of LT Debt	28,000	0.9%	0.0%	26,000	1.0%	0.0%	16,000	0.7%	0.0%	14,000	0.7%	0.0%	12,000	0.8%	0.0%
Other Current Liabilities	74,000	2.4%	0.0%	77,000	3.0%	0.0%	57,000	2.6%	0.0%	45,000	2.4%	0.0%	44,000	2.8%	0.0%
Total Current Liabilities	209,000	6.8%	0.0%	205,000	7.9%	0.0%	151,000	6.8%	0.0%	139,000	7.4%	0.0%	126,000	8.1%	0.0%
Long Term Debt	1,370,000	44.3%	0.0%	1,200,000	46.2%	0.0%	1,110,000	50.0%	0.0%	980,000	52.0%	0.0%	750,000	48.4%	0.0%
All Other Non-Current Liabilities	71,000	2.3%	0.0%	70,000	2.7%	0.0%	53,000	2.4%	0.0%	62,000	3.3%	0.0%	59,000	3.8%	0.0%
Total Liabilities	1,650,000	53.3%	0.0%	1,475,000	56.7%	0.0%	1,314,000	59.2%	0.0%	1,181,000	62.6%	0.0%	935,000	60.3%	0.0%
Total Equity	1,445,000	46.7%	0.0%	1,125,000	43.3%	0.0%	905,000	40.8%	0.0%	705,000	37.4%	0.0%	615,000	39.7%	0.0%
<b>Total Liabilities &amp; Equity</b>	<b>3,095,000</b>	<b>100.0%</b>	<b>0.0%</b>	<b>2,600,000</b>	<b>100.0%</b>	<b>0.0%</b>	<b>2,219,000</b>	<b>100.0%</b>	<b>0.0%</b>	<b>1,886,000</b>	<b>100.0%</b>	<b>0.0%</b>	<b>1,550,000</b>	<b>100.0%</b>	<b>0.0%</b>

Childrens Clothing Store  
RMA Common Size BS Year to Year  
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	Subject 2003	Subject 2003	RMA 2001	Subject 2002	Subject 2002	RMA 2000	Subject 2001	Subject 2001	RMA 1999	Subject 2000	Subject 2000	RMA 1998	Subject 1999	Subject 1999	RMA 1997
<b>ASSETS</b>															
Cash	549,000	17.7%	7.2%	387,000	14.9%	9.0%	465,000	21.0%	9.9%	356,000	18.9%	12.1%	229,000	14.8%	4.4%
Accounts Receivable	140,000	4.5%	4.9%	55,000	2.1%	9.9%	66,000	3.0%	6.5%	50,000	2.7%	0.6%	40,000	2.6%	7.5%
Inventory	840,000	27.1%	25.7%	490,000	18.8%	21.8%	440,000	19.8%	15.3%	373,000	19.8%	10.5%	270,000	17.4%	33.7%
Other Current	80,000	2.6%	0.6%	75,000	2.9%	8.7%	52,000	2.3%	2.8%	38,000	2.0%	10.2%	40,000	2.6%	6.3%
Total Current Assets	1,609,000	52.0%	38.4%	1,007,000	38.7%	49.4%	1,023,000	46.1%	34.5%	817,000	43.3%	33.4%	579,000	37.4%	51.9%
Fixed Assets	1,338,000	43.2%	40.4%	1,349,000	51.9%	34.2%	1,031,000	46.5%	42.0%	979,000	51.9%	49.7%	886,000	57.2%	37.5%
Net Intangible	75,000	2.4%	7.8%	85,000	3.3%	1.0%	95,000	4.3%	5.2%	0	0.0%	1.8%	0	0.0%	0.0%
All Other Non-Current	73,000	2.4%	13.4%	159,000	6.1%	15.3%	70,000	3.2%	18.3%	90,000	4.8%	15.2%	85,000	5.5%	10.6%
<b>Total Assets</b>	<b>3,095,000</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2,600,000</b>	<b>100.0%</b>	<b>99.9%</b>	<b>2,219,000</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1,886,000</b>	<b>100.0%</b>	<b>100.1%</b>	<b>1,550,000</b>	<b>100.0%</b>	<b>100.0%</b>
<b>LIABILITIES &amp; EQUITY</b>															
Accounts Payable	74,000	2.4%	7.3%	75,000	2.9%	1.5%	60,000	2.7%	0.6%	55,000	2.9%	1.3%	45,000	2.9%	2.3%
Short Term Notes Payable	33,000	1.1%	30.0%	27,000	1.0%	26.8%	18,000	0.8%	28.1%	25,000	1.3%	24.6%	25,000	1.6%	33.2%
Current Portion of LT Debt	28,000	0.9%	1.3%	26,000	1.0%	0.4%	16,000	0.7%	0.5%	14,000	0.7%	2.5%	12,000	0.8%	0.8%
Other Current Liabilities	74,000	2.4%	6.1%	77,000	3.0%	6.1%	57,000	2.6%	4.1%	45,000	2.4%	1.2%	44,000	2.8%	8.2%
Total Current Liabilities	209,000	6.8%	44.7%	205,000	7.9%	34.8%	151,000	6.8%	33.3%	139,000	7.4%	29.6%	126,000	8.1%	44.5%
Long Term Debt	1,370,000	44.3%	21.1%	1,200,000	46.2%	13.9%	1,110,000	50.0%	15.9%	980,000	52.0%	17.0%	750,000	48.4%	5.4%
All Other Non-Current Liabilities	118,000	3.8%	0.6%	70,000	2.7%	5.6%	53,000	2.4%	0.6%	62,000	3.3%	3.8%	59,000	3.8%	1.2%
Total Liabilities	1,650,000	53.3%	66.4%	1,475,000	56.7%	54.3%	1,314,000	59.2%	49.8%	1,181,000	62.6%	50.4%	935,000	60.3%	51.1%
Total Equity	1,445,000	46.7%	33.7%	1,125,000	43.3%	45.6%	905,000	40.8%	50.3%	705,000	37.4%	49.5%	615,000	39.7%	48.9%
<b>Total Liabilities &amp; Equity</b>	<b>3,095,000</b>	<b>100.0%</b>	<b>100.1%</b>	<b>2,600,000</b>	<b>100.0%</b>	<b>99.9%</b>	<b>2,219,000</b>	<b>100.0%</b>	<b>100.1%</b>	<b>1,886,000</b>	<b>100.0%</b>	<b>99.9%</b>	<b>1,550,000</b>	<b>100.0%</b>	<b>100.0%</b>

Childrens Clothing Store  
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BVMPro

	Subject 2003	Subject 2002	Subject 2001	Subject 2000	Subject 1999	Low	High	Mean	Median
<b>ASSETS</b>									
Cash	17.7%	14.9%	21.0%	18.9%	14.8%	14.8%	21.0%	17.4%	17.7%
Accounts Receivable	4.5%	2.1%	3.0%	2.7%	2.6%	2.1%	4.5%	3.0%	2.7%
Inventory	27.1%	18.8%	19.8%	19.8%	17.4%	17.4%	27.1%	20.6%	19.8%
Other Current	2.6%	2.9%	2.3%	2.0%	2.6%	2.0%	2.9%	2.5%	2.6%
Total Current Assets	52.0%	38.7%	46.1%	43.3%	37.4%	37.4%	52.0%	43.5%	43.3%
Fixed Assets	43.2%	51.9%	46.5%	51.9%	57.2%	43.2%	57.2%	50.1%	51.9%
Net Intangible	2.4%	3.3%	4.3%	0.0%	0.0%	0.0%	4.3%	2.0%	2.4%
All Other Non-Current	2.4%	6.1%	3.2%	4.8%	5.5%	2.4%	6.1%	4.4%	4.8%
<b>Total Assets</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>				
<b>LIABILITIES &amp; EQUITY</b>									
Accounts Payable	2.4%	2.9%	2.7%	2.9%	2.9%	2.4%	2.9%	2.8%	2.9%
Short Term Notes Payable	1.1%	1.0%	0.8%	1.3%	1.6%	0.8%	1.6%	1.2%	1.1%
Current Portion of LT Debt	0.9%	1.0%	0.7%	0.7%	0.8%	0.7%	1.0%	0.8%	0.8%
Other Current Liabilities	2.4%	3.0%	2.6%	2.4%	2.8%	2.4%	3.0%	2.6%	2.6%
Total Current Liabilities	6.8%	7.9%	6.8%	7.4%	8.1%	6.8%	8.1%	7.4%	7.4%
Long Term Debt	44.3%	46.2%	50.0%	52.0%	48.4%	44.3%	52.0%	48.2%	48.4%
All Other Non-Current Liabilities	3.8%	2.7%	2.4%	3.3%	3.8%	2.4%	3.8%	3.2%	3.3%
Total Liabilities	53.3%	56.7%	59.2%	62.6%	60.3%	53.3%	62.6%	58.4%	59.2%
Total Equity	46.7%	43.3%	40.8%	37.4%	39.7%	37.4%	46.7%	41.6%	40.8%
<b>Total Liabilities &amp; Equity</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>				

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	RMA 2001	RMA 2000	RMA 1999	RMA 1998	RMA 1997	Low	High	Mean	Median
<b>ASSETS</b>									
Cash	7.2%	9.0%	9.9%	12.1%	4.4%	4.4%	12.1%	8.5%	9.0%
Accounts Receivable	4.9%	9.9%	6.5%	0.6%	7.5%	0.6%	9.9%	5.9%	6.5%
Inventory	25.7%	21.8%	15.3%	10.5%	33.7%	10.5%	33.7%	21.4%	21.8%
Other Current	0.6%	8.7%	2.8%	10.2%	6.3%	0.6%	10.2%	5.7%	6.3%
Total Current Assets	38.4%	49.4%	34.5%	33.4%	51.9%	33.4%	51.9%	41.5%	38.4%
Fixed Assets	40.4%	34.2%	42.0%	49.7%	37.5%	34.2%	49.7%	40.8%	40.4%
Net Intangible	7.8%	1.0%	5.2%	1.8%	0.0%	0.0%	7.8%	3.2%	1.8%
All Other Non-Current	13.4%	15.3%	18.3%	15.2%	10.6%	10.6%	18.3%	14.6%	15.2%
<b>Total Assets</b>	<b>100.0%</b>	<b>99.9%</b>	<b>100.0%</b>	<b>100.1%</b>	<b>100.0%</b>				
<b>LIABILITIES &amp; EQUITY</b>									
Accounts Payable	7.3%	1.5%	0.6%	1.3%	2.3%	0.6%	7.3%	2.6%	1.5%
Short Term Notes Payable	30.0%	26.8%	28.1%	24.6%	33.2%	24.6%	33.2%	28.5%	28.1%
Current Portion of LT Debt	1.3%	0.4%	0.5%	2.5%	0.8%	0.4%	2.5%	1.1%	0.8%
Other Current Liabilities	6.1%	6.1%	4.1%	1.2%	8.2%	1.2%	8.2%	5.1%	6.1%
Total Current Liabilities	44.7%	34.8%	33.3%	29.6%	44.5%	29.6%	44.7%	37.4%	34.8%
Long Term Debt	21.1%	13.9%	15.9%	17.0%	5.4%	5.4%	21.1%	14.7%	15.9%
All Other Non-Current Liabilities	0.6%	5.6%	0.6%	3.8%	1.2%	0.6%	5.6%	2.4%	1.2%
Total Liabilities	66.4%	54.3%	49.8%	50.4%	51.1%	49.8%	66.4%	54.4%	51.1%
Total Equity	33.7%	45.6%	50.3%	49.5%	48.9%	33.7%	50.3%	45.6%	48.9%
<b>Total Liabilities &amp; Equity</b>	<b>100.1%</b>	<b>99.9%</b>	<b>100.1%</b>	<b>99.9%</b>	<b>100.0%</b>				

Childrens Clothing Store  
RMA Common Size IS Year to Year  
12/31/2003

	Subject 2003	Subject 2003	RMA 2001	Subject 2002	Subject 2002	RMA 2000	Subject 2001	Subject 2001	RMA 1999	Subject 2000	Subject 2000	RMA 1998	Subject 1999	Subject 1999	RMA 1997
Revenue	5,966,000	100.0%	100.0%	5,194,000	100.0%	100.0%	3,970,000	100.0%	100.0%	2,935,000	100.0%	100.0%	2,100,000	100.0%	100.0%
Cost of Goods	1,880,000	31.5%	100.0%	1,550,000	29.8%	100.0%	1,100,000	27.7%	0.0%	875,000	29.8%	0.0%	600,000	28.6%	0.0%
Gross Profit	4,086,000	68.5%	0.0%	3,644,000	70.2%	0.0%	2,870,000	72.3%	100.0%	2,060,000	70.2%	100.0%	1,500,000	71.4%	100.0%
Total Operating Expenses	327,000	5.5%	75.9%	154,000	3.0%	131.9%	3,000	0.1%	100.9%	7,000	0.2%	81.2%	(20,000)	-1.0%	94.3%
Operating Profit	3,759,000	63.0%	-75.9%	3,490,000	67.2%	-131.9%	2,867,000	72.2%	-0.9%	2,053,000	69.9%	18.8%	1,520,000	72.4%	5.7%
Other Income/(Expense) Net	311,000	5.2%	6.9%	140,000	2.7%	-45.6%	16,000	0.4%	-42.9%	43,000	1.5%	6.0%	(28,000)	-1.3%	4.9%
<b>Pre-Tax Profit</b>	<b>4,070,000</b>	<b>68.2%</b>	<b>-82.8%</b>	<b>3,630,000</b>	<b>69.9%</b>	<b>-86.3%</b>	<b>2,883,000</b>	<b>72.6%</b>	<b>42.0%</b>	<b>2,096,000</b>	<b>71.4%</b>	<b>12.8%</b>	<b>1,492,000</b>	<b>71.0%</b>	<b>0.8%</b>



Childrens Clothing Store  
RMA Common Size IS Subject  
12/31/2003

BVMPro

	Subject 2003	Subject 2002	Subject 2001	Subject 2000	Subject 1999	Low	High	Mean	Median
Revenue	100.00%	100.00%	100.00%	100.00%	100.00%				
Cost of Goods	31.51%	29.84%	27.71%	29.81%	28.57%	27.71%	31.51%	29.49%	29.81%
Gross Profit	68.49%	70.16%	72.29%	70.19%	71.43%	68.49%	72.29%	70.51%	70.19%
Total Operating Expenses	5.48%	2.96%	0.08%	0.24%	-0.95%	-0.95%	5.48%	1.56%	0.24%
Operating Profit	63.01%	67.19%	72.22%	69.95%	72.38%	63.01%	72.38%	68.95%	69.95%
Other Income/(Expense) Net	5.21%	2.70%	0.40%	1.47%	-1.33%	-1.33%	5.21%	1.69%	1.47%
<b>Pre-Tax Profit</b>	<b>68.22%</b>	<b>69.89%</b>	<b>72.62%</b>	<b>71.41%</b>	<b>71.05%</b>	68.22%	72.62%	70.64%	71.05%

Childrens Clothing Store  
RMA Common Size IS Industry

12/31/2003

BVMPro

	RMA 2001	RMA 2000	RMA 1999	RMA 1998	RMA 1997	Low	High	Mean	Median
Revenue	100.0%	100.0%	100.0%	100.0%	100.0%				
Cost of Goods	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%	40.0%	0.0%
Gross Profit	0.0%	0.0%	100.0%	100.0%	100.0%	0.0%	100.0%	60.0%	100.0%
Total Operating Expenses	75.9%	131.9%	100.9%	81.2%	94.3%	75.9%	131.9%	96.8%	94.3%
Operating Profit	-75.9%	-131.9%	-0.9%	18.8%	5.7%	-131.9%	18.8%	-36.8%	-0.9%
Other Income/(Expense) Net	-45.6%	-45.6%	-42.9%	6.0%	4.9%	-45.6%	6.0%	-24.6%	-42.9%
<b>Pre-Tax Profit</b>	<b>-30.3%</b>	<b>-86.3%</b>	<b>42.0%</b>	<b>12.8%</b>	<b>0.8%</b>	-86.3%	42.0%	-12.2%	0.8%

Childrens Clothing Store  
RMA Liquidity Ratios  
12/31/2003

	2003	2002	2001	2000	1999	Low	High	Mean	Median
<b>LIQUIDITY RATIOS:</b>									
Upper Current Ratio	3.7	24.4	2.2	1.7	1.5	1.5	24.4	6.7	2.2
Median Current Ratio	1.0	1.3	0.8	1.4	1.1	0.8	1.4	1.1	1.1
Lower Current Ratio	0.1	0.6	0.4	0.9	0.9	0.1	0.9	0.6	0.6
Subject Current Ratio	7.7	4.9	6.8	5.9	4.6	4.6	7.7	6.0	5.9
Upper Quick (Acid-Test) Ratio	2.5	5.9	1.3	1.5	0.5	0.5	5.9	2.3	1.5
Median Quick (Acid-Test) Ratio	0.1	0.7	0.1	0.2	0.1	0.1	0.7	0.2	0.1
Lower Quick (Acid-Test) Ratio	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subject Quick (Acid-Test) Ratio	3.3	2.2	3.5	2.9	2.1	2.1	3.5	2.8	2.9
Upper Revenues/Accounts Receivable	0.0	0.0	999.9	999.9	999.9	0.0	999.9	599.9	999.9
Median Revenues/Accounts Receivable	0.0	0.0	999.9	999.9	999.9	0.0	999.9	599.9	999.9
Lower Revenues/Accounts Receivable	0.0	3.0	8.4	999.9	999.9	0.0	999.9	402.2	8.4
Subject Revenues/Accounts Receivable	42.6	94.4	60.2	58.7	52.5	42.6	94.4	61.7	58.7
Upper Average Collection Period	0	0	0	0	0	0	0	0	0
Median Average Collection Period	0	0	0	0	0	0	0	0	0
Lower Average Collection Period	0	122	43	0	0	0	122	33	0
Subject Average Collection Period	9	4	6	6	7	4	9	6	6
Upper Inventory Turnover	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Median Inventory Turnover	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lower Inventory Turnover	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subject Inventory Turnover	2.2	3.2	2.5	2.3	2.2	2.2	3.2	2.5	2.3
Upper Days' Inventory	0	0	0	0	0	0	0	0	0
Median Days' Inventory	0	0	0	0	0	0	0	0	0
Lower Days' Inventory	0	0	0	0	0	0	0	0	0
Subject Days' Inventory	166	114	146	159	166	114	166	150	159
Upper COGS/Payables	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Median COGS/Payables	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lower COGS/Payables	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subject COGS/Payables	25.4	20.7	18.3	15.9	13.3	13.3	25.4	18.7	18.3
Upper Days' Payables	0	0	0	0	0	0	0	0	0
Median Days' Payables	0	0	0	0	0	0	0	0	0
Lower Days' Payables	0	0	0	0	0	0	0	0	0
Subject days' Payables	14	18	20	23	27	14	27	20	20
Upper Revenue/Working Capital	4.9	0.9	1.6	3.1	5.7	0.9	5.7	3.2	3.1
Median Revenue/Working Capital	(58.1)	2.1	76.7	7.7	13.6	(58.1)	76.7	8.4	7.7
Lower Revenue/Working Capital	(2.6)	(5.4)	(2.0)	(999.9)	(28.3)	(999.9)	(2.0)	(207.6)	(5.4)
Subject Revenue/Working Capital	4.3	6.5	4.6	4.3	4.6	4.3	6.5	4.9	4.6

Childrens Clothing Store  
RMA Coverage Ratios  
12/31/2003

BVMPro

	2003	2002	2001	2000	1999	Low	High	Mean	Median
<b>COVERAGE RATIOS:</b>									
Upper Times Interest Earned	5.9	6.0	13.0	0.0	3.7	0.0	13.0	5.7	5.9
Median Times Interest Earned	3.9	2.8	3.5	0.0	1.5	0.0	3.9	2.3	2.8
Lower Times Interest Earned	0.8	0.7	1.8	0.0	(2.6)	(2.6)	1.8	0.1	0.7
Subject Times Interest Earned	1.8	1.6	1.3	1.3	1.3	1.3	1.8	1.5	1.3
Upper Net Profit + Depr.,Dep.,Amort./Cur.Mat.L/T/D	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Median Net Profit + Depr.,Dep.,Amort./Cur.Mat.L/T/D	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lower Net Profit + Depr.,Dep.,Amort./Cur.Mat.L/T/D	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subject Net Profit + Depr.,Dep.,Amort./Cur.Mat.L/T/D	6.4	6.0	5.6	4.7	4.2	4.2	6.4	5.4	5.6
<b>LEVERAGE RATIOS:</b>									
Upper Fixed Assets/Tangible Worth	0.3	0.2	0.3	0.4	0.1	0.1	0.4	0.3	0.3
Median Fixed Assets/Tangible Worth	1.1	0.6	1.0	0.8	0.8	0.6	1.1	0.9	0.8
Lower Fixed Assets/Tangible Worth	5.1	2.5	1.6	1.7	1.2	1.2	5.1	2.4	1.7
Subject Fixed Assets/Tangible Worth	1.0	1.3	1.3	1.4	1.4	1.0	1.4	1.3	1.3
Upper Debt-to-Tangible Net Worth	0.5	0.2	0.1	0.3	0.5	0.1	0.5	0.3	0.3
Median Debt-to-Tangible Net Worth	3.1	1.7	1.5	0.8	0.8	0.8	3.1	1.6	1.5
Lower Debt-to-Tangible Net Worth	11.9	8.7	4.4	4.2	3.0	3.0	11.9	6.4	4.4
Subject Debt-to-Tangible Net Worth	1.2	1.4	1.6	1.7	1.5	1.2	1.7	1.5	1.5
RMA Debt-to-Equity	2.0	1.2	(1.0)	2.0	1.0	(1.0)	2.0	1.0	1.2
Subject Debt-to-Equity	1.1	1.3	1.5	1.7	1.5	1.1	1.7	1.4	1.5

Childrens Clothing Store  
RMA Operating Ratios  
12/31/2003

BVMPro

	2003	2002	2001	2000	1999	Low	High	Mean	Median
<b>OPERATING RATIOS:</b>									
RMA Gross Profit Margin	0.0%	0.0%	100.0%	100.0%	100.0%	0.0%	100.0%	60.0%	100.0%
Subject Gross Profit Margin	68.5%	70.2%	72.3%	70.2%	71.4%	68.5%	72.3%	70.5%	70.2%
Upper EBT/Tangible Worth	91.3%	73.6%	30.1%	49.1%	20.4%	20.4%	91.3%	52.9%	49.1%
Median EBT/Tangible Worth	30.6%	11.6%	8.7%	12.5%	-2.9%	-2.9%	30.6%	12.1%	11.6%
Lower EBT/Tangible Worth	1.5%	-0.4%	-5.7%	6.9%	-16.2%	-16.2%	6.9%	-2.8%	-0.4%
Subject EBT/Tangible Worth	13.6%	13.5%	8.1%	8.4%	8.3%	8.1%	13.6%	10.4%	8.4%
Upper EBT/Total Assets	15.6%	25.8%	10.8%	18.1%	8.2%	8.2%	25.8%	15.7%	15.6%
Median EBT/Total Assets	7.2%	2.6%	7.7%	4.3%	-0.9%	-0.9%	7.7%	4.2%	4.3%
Lower EBT/Total Assets	0.3%	-0.9%	-1.6%	1.4%	-6.4%	-6.4%	1.4%	-1.4%	-0.9%
Subject EBT/Total Assets	6.0%	5.4%	3.0%	3.1%	3.3%	3.0%	6.0%	4.2%	3.3%
Upper Fixed Asset Turnover	7.1	8.7	3.9	12.4	999.9	3.9	999.9	206.4	8.7
Median Fixed Asset Turnover	1.5	1.9	0.8	1.8	3.1	0.8	3.1	1.8	1.8
Lower Fixed Asset Turnover	0.4	0.8	0.2	0.5	0.4	0.2	0.8	0.5	0.4
Subject Fixed Asset Turnover	4.5	3.9	3.9	3.0	2.4	2.4	4.5	3.5	3.9
Upper Total Asset Turnover	1.1	1.6	1.0	1.9	1.5	1.0	1.9	1.4	1.5
Median Total Asset Turnover	0.5	0.6	0.2	0.6	0.9	0.2	0.9	0.6	0.6
Lower Total Asset Turnover	0.2	0.1	0.1	0.2	0.2	0.1	0.2	0.2	0.2
Subject Total Asset Turnover	1.9	2.0	1.8	1.6	1.4	1.4	2.0	1.7	1.8
<b>EXPENSE TO REVENUE RATIOS:</b>									
Upper % Deprtn., Depltn., Amort./Revenue	4.7%	4.1%	5.5%	0.0%	1.4%	0.0%	5.5%	3.1%	4.1%
Median % Deprtn., Depltn., Amort./Revenue	8.1%	6.2%	7.5%	0.0%	2.7%	0.0%	8.1%	4.9%	6.2%
Lower % Deprtn., Depltn., Amort./Revenue	23.8%	7.6%	26.0%	0.0%	7.3%	0.0%	26.0%	12.9%	7.6%
Subject % Deprtn., Depltn., Amort./Revenue	3.0%	3.0%	2.3%	2.2%	2.4%	2.2%	3.0%	2.6%	2.4%
Upper % Officer's &/or Owner's Compensation/Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Median % Officer's &/or Owner's Compensation/Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Lower % Officer's &/or Owner's Compensation/Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Subject % Officer's &/or Owner's Compensation/Revenue	18.8%	16.4%	13.4%	13.1%	11.8%	11.8%	18.8%	14.7%	13.4%

Childrens Clothing Store  
IRS Common Size BS Year to Year  
12/31/2003

	Subject 2003	Subject 2003	IRS CURRENT	Subject 2002	Subject 2002	IRS CY-1	Subject 2001	Subject 2001	IRS CY-2	Subject 2000	Subject 2000	IRS CY-3	Subject 1999	Subject 1999	IRS CY-4
<b>ASSETS</b>															
Cash	549,000	17.7%	6.1%	387,000	14.9%	7.8%	465,000	21.0%	8.1%	356,000	18.9%	7.7%	229,000	14.8%	8.0%
Accounts Receivable	140,000	4.5%	19.0%	55,000	2.1%	15.6%	66,000	3.0%	12.8%	50,000	2.7%	13.2%	40,000	2.6%	10.4%
Inventory	840,000	27.1%	30.2%	490,000	18.8%	31.4%	440,000	19.8%	31.9%	373,000	19.8%	29.6%	270,000	17.4%	29.5%
Other Current Assets	80,000	2.6%	4.8%	75,000	2.9%	4.5%	52,000	2.3%	6.6%	38,000	2.0%	4.6%	40,000	2.6%	8.0%
Total Current Assets	1,609,000	52.0%	60.0%	1,007,000	38.7%	59.1%	1,023,000	46.1%	59.4%	817,000	43.3%	55.0%	579,000	37.4%	56.0%
Fixed Assets	1,338,000	43.2%	20.4%	1,349,000	51.9%	20.4%	1,031,000	46.5%	19.6%	979,000	51.9%	22.6%	886,000	57.2%	22.6%
Intangibles	75,000	2.4%	3.3%	85,000	3.3%	5.1%	95,000	4.3%	3.9%	-	0.0%	3.9%	-	0.0%	3.5%
Other Non-Current	73,000	2.4%	16.2%	159,000	6.1%	15.4%	70,000	3.2%	17.1%	90,000	4.8%	18.5%	85,000	5.5%	17.9%
<b>Total Assets</b>	<b>3,095,000</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2,600,000</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2,219,000</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1,886,000</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1,550,000</b>	<b>100.0%</b>	<b>100.0%</b>
<b>LIABILITIES &amp; EQUITY</b>															
Accounts Payable	74,000	2.4%	15.6%	75,000	2.9%	15.1%	60,000	2.7%	13.4%	55,000	2.9%	15.0%	45,000	2.9%	11.6%
Short Term Notes Payable	33,000	1.1%	5.8%	27,000	1.0%	6.1%	18,000	0.8%	5.0%	25,000	1.3%	4.5%	25,000	1.6%	6.8%
Current Portion of LT Debt	28,000	0.9%	0.0%	26,000	1.0%	0.0%	16,000	0.7%	0.0%	14,000	0.7%	0.0%	12,000	0.8%	0.0%
Other Current Liabilities	74,000	2.4%	17.0%	77,000	3.0%	15.6%	57,000	2.6%	12.9%	45,000	2.4%	10.8%	44,000	2.8%	10.7%
Total Current Liabilities	209,000	6.8%	38.4%	205,000	7.9%	36.8%	151,000	6.8%	31.3%	139,000	7.4%	30.3%	126,000	8.1%	29.1%
Long Term Debt	1,370,000	44.3%	16.1%	1,200,000	46.2%	17.3%	1,110,000	50.0%	20.9%	980,000	52.0%	23.8%	750,000	48.4%	22.2%
Other Non-Current Liabilities	71,000	2.3%	7.7%	70,000	2.7%	6.9%	53,000	2.4%	7.7%	62,000	3.3%	6.7%	59,000	3.8%	5.0%
Total Liabilities	1,650,000	53.3%	62.2%	1,475,000	56.7%	61.0%	1,314,000	59.2%	59.9%	1,181,000	62.6%	60.8%	935,000	60.3%	56.3%
Total Equity	1,445,000	46.7%	37.7%	1,125,000	43.3%	39.1%	905,000	40.8%	40.1%	705,000	37.4%	39.2%	615,000	39.7%	43.8%
<b>Total Liabilities &amp; Equity</b>	<b>3,095,000</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2,600,000</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2,219,000</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1,886,000</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1,550,000</b>	<b>100.0%</b>	<b>100.0%</b>

Childrens Clothing Store  
IRS Common Size BS Subject  
12/31/2003

BVMPro

	Subject 2003	Subject 2002	Subject 2001	Subject 2000	Subject 1999	Low	High	Mean	Median
<b>ASSETS</b>									
Cash	17.7%	14.9%	21.0%	18.9%	14.8%	14.8%	21.0%	17.4%	17.7%
Accounts Receivable	4.5%	2.1%	3.0%	2.7%	2.6%	2.1%	4.5%	3.0%	2.7%
Inventory	27.1%	18.8%	19.8%	19.8%	17.4%	17.4%	27.1%	20.6%	19.8%
Other Current Assets	2.6%	2.9%	2.3%	2.0%	2.6%	2.0%	2.9%	2.5%	2.6%
Total Current Assets	52.0%	38.7%	46.1%	43.3%	37.4%	37.4%	52.0%	43.5%	43.3%
Fixed Assets	43.2%	51.9%	46.5%	51.9%	57.2%	43.2%	57.2%	50.1%	51.9%
Intangibles	2.4%	3.3%	4.3%	0.0%	0.0%	0.0%	4.3%	2.0%	2.4%
Other Non-Current	2.4%	6.1%	3.2%	4.8%	5.5%	2.4%	6.1%	4.4%	4.8%
<b>Total Assets</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>				
<b>LIABILITIES &amp; EQUITY</b>									
Accounts Payable	2.4%	2.9%	2.7%	2.9%	2.9%	2.4%	2.9%	2.8%	2.9%
Short Term Notes Payable	1.1%	1.0%	0.8%	1.3%	1.6%	0.8%	1.6%	1.2%	1.1%
Current Portion of LT Debt	0.9%	1.0%	0.7%	0.7%	0.8%	0.7%	1.0%	0.8%	0.8%
Other Current Liabilities	2.4%	3.0%	2.6%	2.4%	2.8%	2.4%	3.0%	2.6%	2.6%
Total Current Liabilities	6.8%	7.9%	6.8%	7.4%	8.1%	6.8%	8.1%	7.4%	7.4%
Long Term Debt	44.3%	46.2%	50.0%	52.0%	48.4%	44.3%	52.0%	48.2%	48.4%
Other Non-Current Liabilities	2.3%	2.7%	2.4%	3.3%	3.8%	2.3%	3.8%	2.9%	2.7%
Total Liabilities	53.3%	56.7%	59.2%	62.6%	60.3%	53.3%	62.6%	58.4%	59.2%
Total Equity	46.7%	43.3%	40.8%	37.4%	39.7%	37.4%	46.7%	41.6%	40.8%
<b>Total Liabilities &amp; Equity</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>				



Childrens Clothing Store  
IRS Common Size BS Industry  
12/31/2003

BVMPro

	IRS CURRENT	IRS CY-1	IRS CY-2	IRS CY-3	IRS CY-4	Low	High	Mean	Median
<b>ASSETS</b>									
Cash	6.1%	7.8%	8.1%	7.7%	8.0%	6.1%	8.1%	7.5%	7.8%
Accounts Receivable	19.0%	15.6%	12.8%	13.2%	10.4%	10.4%	19.0%	14.2%	13.2%
Inventory	30.2%	31.4%	31.9%	29.6%	29.5%	29.5%	31.9%	30.5%	30.2%
Other Current Assets	4.8%	4.5%	6.6%	4.6%	8.0%	4.5%	8.0%	5.7%	4.8%
Total Current Assets	60.0%	59.1%	59.4%	55.0%	56.0%	55.0%	60.0%	57.9%	59.1%
Fixed Assets	20.4%	20.4%	19.6%	22.6%	22.6%	19.6%	22.6%	21.1%	20.4%
Intangibles	3.3%	5.1%	3.9%	3.9%	3.5%	3.3%	5.1%	3.9%	3.9%
Other Non-Current	16.2%	15.4%	17.1%	18.5%	17.9%	15.4%	18.5%	17.0%	17.1%
<b>Total Assets</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>				
<b>LIABILITIES &amp; EQUITY</b>									
Accounts Payable	15.6%	15.1%	13.4%	15.0%	11.6%	11.6%	15.6%	14.1%	15.0%
Short Term Notes Payable	5.8%	6.1%	5.0%	4.5%	6.8%	4.5%	6.8%	5.6%	5.8%
Current Portion of LT Debt	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Current Liabilities	17.0%	15.6%	12.9%	10.8%	10.7%	10.7%	17.0%	13.4%	12.9%
Total Current Liabilities	38.4%	36.8%	31.3%	30.3%	29.1%	29.1%	38.4%	33.2%	31.3%
Long Term Debt	16.1%	17.3%	20.9%	23.8%	22.2%	16.1%	23.8%	20.1%	20.9%
Other Non-Current Liabilities	7.7%	6.9%	7.7%	6.7%	5.0%	5.0%	7.7%	6.8%	6.9%
Total Liabilities	62.2%	61.0%	59.9%	60.8%	56.3%	56.3%	62.2%	60.0%	60.8%
Total Equity	37.7%	39.1%	40.1%	39.2%	43.8%	37.7%	43.8%	40.0%	39.2%
<b>Total Liabilities &amp; Equity</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>				

Childrens Clothing Store  
IRS Common Size IS Year to Year  
12/31/2003

	Subject 2003	Subject 2003	IRS CURRENT	Subject 2002	Subject 2002	IRS CY-1	Subject 2001	Subject 2001	IRS CY-2	Subject 2000	Subject 2000	IRS CY-3	Subject 1999	Subject 1999	IRS CY-4
Revenue	5,966,000	100.0%	100.0%	5,194,000	100.0%	100.0%	3,970,000	100.0%	100.0%	2,935,000	100.0%	100.0%	2,100,000	100.0%	100.0%
Cost of Goods	1,880,000	31.5%	55.9%	1,550,000	29.8%	56.0%	1,100,000	27.7%	57.8%	875,000	29.8%	58.7%	600,000	28.6%	59.1%
Gross Profit	4,086,000	68.5%	44.1%	3,644,000	70.2%	44.0%	2,870,000	72.3%	42.2%	2,060,000	70.2%	41.3%	1,500,000	71.4%	40.9%
Total Operating Expenses	3,539,000	59.3%	40.2%	3,240,000	62.4%	39.2%	2,657,000	66.9%	38.1%	1,863,000	63.5%	21.5%	1,328,000	63.2%	21.8%
Operating Profit	547,000	9.2%	3.9%	404,000	7.8%	4.8%	213,000	5.4%	4.1%	197,000	6.7%	19.8%	172,000	8.2%	19.1%
Other Income/(Expense) Net	(16,000)	-0.3%	2.1%	(14,000)	-0.3%	1.7%	13,000	0.3%	2.4%	36,000	1.2%	0.2%	(8,000)	-0.4%	0.4%
<b>Pre-Tax Profit</b>	<b>531,000</b>	<b>8.9%</b>	<b>6.0%</b>	<b>390,000</b>	<b>7.5%</b>	<b>6.5%</b>	<b>226,000</b>	<b>5.7%</b>	<b>6.5%</b>	<b>233,000</b>	<b>7.9%</b>	<b>20.0%</b>	<b>164,000</b>	<b>7.8%</b>	<b>19.5%</b>

Childrens Clothing Store  
IRS Common Size IS Subject  
12/31/2003

BVMPPro

	Subject 2003	Subject 2002	Subject 2001	Subject 2000	Subject 1999	Low	High	Mean	Median
Revenue	100.0%	100.0%	100.0%	100.0%	100.0%				
Cost of Goods	31.5%	29.8%	27.7%	29.8%	28.6%	27.7%	31.5%	29.5%	29.8%
Gross Profit	68.5%	70.2%	72.3%	70.2%	71.4%	68.5%	72.3%	70.5%	70.2%
Total Operating Expenses	59.3%	62.4%	66.9%	63.5%	63.2%	59.3%	66.9%	63.1%	63.2%
Operating Profit	9.2%	7.8%	5.4%	6.7%	8.2%	5.4%	9.2%	7.4%	7.8%
Other Income/(Expense) Net	-0.3%	-0.3%	0.3%	1.2%	-0.4%	-0.4%	1.2%	0.1%	-0.3%
<b>Pre-Tax Profit</b>	<b>8.9%</b>	<b>7.5%</b>	<b>5.7%</b>	<b>7.9%</b>	<b>7.8%</b>	5.7%	8.9%	7.6%	7.8%

Childrens Clothing Store  
IRS Common Size IS Industry  
12/31/2003

BVMPro

	IRS CURRENT	IRS CY-1	IRS CY-2	IRS CY-3	IRS CY-4	Low	High	Mean	Median
Revenue	100.0%	100.0%	100.0%	100.0%	100.0%				
Cost of Goods	55.9%	56.0%	57.8%	58.7%	59.1%	55.9%	59.1%	57.5%	57.8%
Gross Profit	44.1%	44.0%	42.2%	41.3%	40.9%	41.3%	44.1%	42.5%	42.2%
Total Operating Expenses	40.2%	39.2%	38.1%	21.5%	21.8%	21.5%	40.2%	32.2%	38.1%
Operating Profit	3.9%	4.8%	4.1%	19.8%	19.1%	3.9%	19.8%	10.3%	4.8%
Other Income/(Expense) Net	2.1%	1.7%	2.4%	0.2%	0.4%	0.2%	2.4%	1.4%	1.7%
<b>Pre-Tax Profit</b>	<b>6.0%</b>	<b>6.5%</b>	<b>6.5%</b>	<b>20.0%</b>	<b>19.5%</b>	6.0%	20.0%	11.7%	6.5%

Childrens Clothing Store  
IRS Liquidity Ratios  
12/31/2003

BVMPro

	CURRENT	CY-1	CY-2	CY-3	CY-4	Low	High	Mean	Median
<b>LIQUIDITY RATIOS:</b>									
IRS Current Ratio	1.6	1.6	1.9	1.8	1.9	1.6	1.9	1.8	1.8
Subject Current Ratio	7.1	4.9	6.8	5.9	4.6	4.6	7.1	5.8	5.9
IRS Quick Ratio	0.7	0.6	0.7	0.7	0.6	0.6	0.7	0.7	0.7
Subject Quick Ratio	2.9	2.2	3.5	2.9	2.1	2.1	3.5	2.7	2.9
IRS Revenue/Accounts Receivable (Net)	8.2	10.6	12.7	12.9	16.0	8.2	16.0	12.1	12.7
Subject Revenue/Accounts Receivable (Net)	59.7	94.4	60.2	58.7	52.5	52.5	94.4	65.1	59.7
IRS Collection Period (days)	<b>44</b>	<b>34</b>	<b>29</b>	<b>28</b>	<b>23</b>	<b>23</b>	<b>44</b>	<b>32</b>	<b>29</b>
Subject Collection Period (days)	<b>6</b>	<b>4</b>	<b>6</b>	<b>6</b>	<b>7</b>	<b>4</b>	<b>7</b>	<b>6</b>	<b>6</b>
IRS Inventory Turnover	2.9	2.9	2.9	3.4	3.3	2.9	3.4	3.1	2.9
Subject Inventory Turnover	2.4	3.2	2.5	2.3	2.2	2.2	3.2	2.5	2.4
IRS Days' Inventory	<b>127</b>	<b>124</b>	<b>124</b>	<b>109</b>	<b>110</b>	<b>109</b>	<b>127</b>	<b>119</b>	<b>124</b>
Subject Days' Inventory Turnover	<b>155</b>	<b>115</b>	<b>146</b>	<b>156</b>	<b>164</b>	<b>115</b>	<b>164</b>	<b>147</b>	<b>155</b>
IRS COGS / Payables	5.6	6.1	7.0	6.6	8.5	5.6	8.5	6.8	6.6
Subject COGS / Payables	25.4	20.7	18.3	15.9	13.3	13.3	25.4	18.7	18.3
IRS Days' Payables	<b>66</b>	<b>60</b>	<b>52</b>	<b>55</b>	<b>43</b>	<b>43</b>	<b>66</b>	<b>55</b>	<b>55</b>
Subject Days' Payables	<b>14</b>	<b>18</b>	<b>20</b>	<b>23</b>	<b>27</b>	<b>14</b>	<b>27</b>	<b>20</b>	<b>20</b>
IRS Revenue/Working Capital	7.2	7.4	5.8	6.9	6.2	5.8	7.4	6.7	6.9
Subject Revenue/Working Capital	4.7	6.5	4.6	4.3	4.6	4.3	6.5	4.9	4.6

Childrens Clothing Store  
IRS Coverage and Operating Ratios  
12/31/2003

BVMPro

	CURRENT	CY-1	CY-2	CY-3	CY-4	Low	High	Mean	Median
<b>COVERAGE RATIOS:</b>									
IRS Times Interest Earned	4.4	5.4	5.2	8.5	8.3	4.4	8.5	6.4	5.4
Subject Times Interest Earned	3.4	2.6	2.1	2.2	1.9	1.9	3.4	2.4	2.2
IRS net profit + depr., dep., amort/cur. mat. l/t/d	-	-	-	-	-	-	-	-	-
Subject net profit + depr., dep., amort/cur. mat. l/t/d	18.8	15.6	15.6	17.1	13.6	13.6	18.8	16.1	15.6
<b>LEVERAGE RATIOS:</b>									
IRS Fixed Assets/Tangible Worth	0.6	0.6	0.5	0.6	0.6	0.5	0.6	0.6	0.6
Subject Fixed Assets/Tangible Worth	1.0	1.3	1.3	1.4	1.4	1.0	1.4	1.3	1.3
IRS Debt-to-Tangible Net Worth	1.8	1.8	1.7	1.7	1.4	1.4	1.8	1.7	1.7
Subject Debt-to-Tangible Net Worth	0.8	1.4	1.6	1.7	1.5	0.8	1.7	1.4	1.5
<b>OPERATING RATIOS:</b>									
IRS Gross Profit Margin	44.1%	44.0%	42.2%	41.3%	40.9%	40.9%	44.1%	42.5%	42.2%
Subject Gross Profit Margin	68.5%	70.2%	72.3%	70.2%	71.4%	68.5%	72.3%	70.5%	70.2%
IRS EBT/Tangible Worth	26.7%	32.0%	29.0%	80.1%	70.0%	26.7%	80.1%	47.6%	32.0%
Subject EBT/Tangible Worth	26.5%	37.5%	27.9%	33.0%	26.7%	26.5%	37.5%	30.3%	27.9%
IRS EBT/Total Assets	9.2%	10.9%	10.5%	28.3%	28.2%	9.2%	28.3%	17.4%	10.9%
Subject EBT/Total Assets	14.2%	15.0%	10.2%	12.4%	10.6%	10.2%	15.0%	12.5%	12.4%
IRS Fixed Asset Turnover	7.6	8.1	8.3	7.5	7.4	7.4	8.3	7.8	7.6
Subject Fixed Asset Turnover	2.8	3.9	3.9	3.0	2.4	2.4	3.9	3.2	3.0
IRS Total Asset Turnover	1.6	1.7	1.6	1.7	1.7	1.6	1.7	1.6	1.7
Subject Total Asset Turnover	1.6	2.0	1.8	1.6	1.4	1.4	2.0	1.7	1.6
<b>Expense to Revenue Ratios:</b>									
IRS % Deprtn., Depltn., Amort./Revenue	2.2%	2.1%	2.0%	2.1%	2.1%	2.0%	2.2%	2.1%	2.1%
Subject % Deprtn., Depltn., Amort./Revenue	3.0%	3.0%	2.3%	2.2%	2.4%	2.2%	3.0%	2.6%	2.4%
IRS % Officer's &/or Owner's Compensation/Revenue	1.9%	2.0%	1.9%	1.4%	1.5%	1.4%	2.0%	1.7%	1.9%
Subject % Officer's &/or Owner's Compensation/Revenue	18.8%	16.4%	13.4%	13.1%	11.8%	11.8%	18.8%	14.7%	13.4%

Childrens Clothing Store  
Multi-Year Averages  
12/31/2003

Averages Based On Adjusted Income Statements

	1 Year 2003	2 Years 2002-2003	3 Years 2001-2003	4 Years 2000-2003	5 Years 1999-2003
Revenue	5,966,000	5,580,000	5,043,333	4,516,250	4,033,000
Gross Profit	4,086,000	3,865,000	3,533,333	3,165,000	2,832,000
Operating Profit	602,000	503,000	406,333	354,000	317,600
Pretax Income	586,000	488,000	400,667	358,750	319,800
Net Income	351,600	300,800	253,867	233,900	209,720



Childrens Clothing Store  
Historic Growth Rates  
12/31/2003

Averages Based On Historical Income Statements

<b>Average Annual</b>	1 Year 2002-2003	2 Years 2001-2003	3 Years 2000-2003	4 Years 1999-2003
Revenue	14.9%	22.8%	27.0%	30.2%
Cost of Goods	21.3%	31.1%	29.3%	33.4%
Gross Profit	12.1%	19.5%	26.1%	28.9%
Operating Expenses	9.2%	15.6%	24.6%	28.5%
Operating EBITDA	17.0%	34.1%	25.3%	24.1%
DepreciatIon/Amortization	15.4%	44.4%	41.7%	39.3%
Operating EBIT	17.3%	32.1%	22.4%	21.5%
Operating Profit	35.4%	62.5%	44.4%	36.9%
Other Income/Expense	14.3%	N/A	-24.8%	N/A
Pretax Income	36.2%	54.4%	35.2%	36.9%
Net Income	38.0%	47.1%	28.7%	35.0%

<b>Compound Annual</b>	1 Year 2002-2003	2 Years 2001-2003	3 Years 2000-2003	4 Years 1999-2003
Revenue	14.9%	22.6%	26.7%	29.8%
Cost of Goods	21.3%	30.7%	29.0%	33.0%
Gross Profit	12.1%	19.3%	25.6%	28.5%
Operating Expenses	9.2%	15.4%	23.8%	27.8%
Operating EBITDA	17.0%	33.0%	23.9%	23.1%
DepreciatIon/Amortization	15.4%	41.4%	39.7%	37.7%
Operating EBIT	17.3%	31.2%	21.1%	20.5%
Operating Profit	35.4%	60.3%	40.6%	33.5%
Other Income/Expense	14.3%	N/A	N/A	18.9%
Pretax Income	36.2%	53.3%	31.6%	34.1%
Net Income	38.0%	46.8%	25.6%	32.2%

<b>Annual</b>	2002-2003	2001-2002	2000-2001	1999-2000
Revenue	14.9%	30.8%	35.3%	39.8%
Cost of Goods	21.3%	40.9%	25.7%	45.8%
Gross Profit	12.1%	27.0%	39.3%	37.3%
Operating Expenses	9.2%	21.9%	42.6%	40.3%
Operating EBITDA	17.0%	51.3%	7.6%	20.4%
DepreciatIon/Amortization	15.4%	73.3%	36.4%	32.0%
Operating EBIT	17.3%	46.8%	3.1%	18.8%
Operating Profit	35.4%	89.7%	8.1%	14.5%
Other Income/Expense	14.3%	N/A	-63.9%	N/A
Pretax Income	36.2%	72.6%	-3.0%	42.1%
Net Income	38.0%	56.3%	-8.0%	54.0%

Childrens Clothing Store  
Adjusted Growth Rates  
12/31/2003

Growths Based On Adjusted Income Statements

<b>Average Annual</b>	1 Year 2002-2003	2 Years 2001-2003	3 Years 2000-2003	4 Years 1999-2003
Revenue	14.9%	22.8%	27.0%	30.2%
Cost of Goods	21.3%	31.1%	29.3%	33.4%
Gross Profit	12.1%	19.5%	26.1%	28.9%
Operating Expenses	7.5%	14.7%	24.0%	28.1%
Operating EBITDA	23.9%	37.6%	27.6%	25.8%
DepreciatIon/Amortization	15.4%	44.4%	41.7%	39.3%
Operating EBIT	25.9%	36.4%	25.3%	23.7%
Operating Profit	49.0%	69.3%	48.9%	40.3%
Other Income/Expense	14.3%	N/A	-24.8%	N/A
Pretax Income	50.3%	61.4%	39.9%	40.5%
Net Income	40.6%	48.4%	29.6%	35.7%

<b>Compound Annual</b>	1 Year 2002-2003	2 Years 2001-2003	3 Years 2000-2003	4 Years 1999-2003
Revenue	14.9%	22.6%	26.7%	29.8%
Cost of Goods	21.3%	30.7%	29.0%	33.0%
Gross Profit	12.1%	19.3%	25.6%	28.5%
Operating Expenses	7.5%	14.5%	23.2%	27.3%
Operating EBITDA	23.9%	36.9%	26.3%	24.8%
DepreciatIon/Amortization	15.4%	41.4%	39.7%	37.7%
Operating EBIT	25.9%	36.0%	24.0%	22.7%
Operating Profit	49.0%	68.1%	45.1%	36.8%
Other Income/Expense	14.3%	N/A	N/A	18.9%
Pretax Income	50.3%	61.0%	36.0%	37.5%
Net Income	40.6%	48.2%	26.4%	32.8%

<b>Annual</b>	2002-2003	2001-2002	2000-2001	1999-2000
Revenue	14.9%	30.8%	35.3%	39.8%
Cost of Goods	21.3%	40.9%	25.7%	45.8%
Gross Profit	12.1%	27.0%	39.3%	37.3%
Operating Expenses	7.5%	21.9%	42.6%	40.3%
Operating EBITDA	23.9%	51.3%	7.6%	20.4%
DepreciatIon/Amortization	15.4%	73.3%	36.4%	32.0%
Operating EBIT	25.9%	46.8%	3.1%	18.8%
Operating Profit	49.0%	89.7%	8.1%	14.5%
Other Income/Expense	14.3%	N/A	-63.9%	N/A
Pretax Income	50.3%	72.6%	-3.0%	42.1%
Net Income	40.6%	56.3%	-8.0%	54.0%

# Childrens Clothing Store Historic Margin Analysis 12/31/2003

Margins Based On Historical Income Statements

	2003	2002	2001	2000	1999
Revenue	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Goods Sold	31.5%	29.8%	27.7%	29.8%	28.6%
Gross Profits	68.5%	70.2%	72.3%	70.2%	71.4%
Operating Expense	59.3%	62.4%	66.9%	63.5%	63.2%
Operating Profit	9.2%	7.8%	5.4%	6.7%	8.2%
Other Income/(Expense)	-0.3%	-0.3%	0.3%	1.2%	-0.4%
<b>Reported Pretax Income/(Loss)</b>	<b>8.9%</b>	<b>7.5%</b>	<b>5.7%</b>	<b>7.9%</b>	<b>7.8%</b>
<b>Memo: Reported EBIT</b>	<b>12.6%</b>	<b>12.3%</b>	<b>11.0%</b>	<b>14.4%</b>	<b>17.0%</b>
<b>Reported EBITDA</b>	<b>15.6%</b>	<b>15.3%</b>	<b>13.2%</b>	<b>16.7%</b>	<b>19.3%</b>

Childrens Clothing Store  
Adjusted Margin Analysis  
12/31/2003

Margins Based On Adjusted Income Statements

	2003	2002	2001	2000	1999
Revenue	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Goods Sold	31.5%	29.8%	27.7%	29.8%	28.6%
Gross Profits	68.5%	70.2%	72.3%	70.2%	71.4%
Operating Expense	58.4%	62.4%	66.9%	63.5%	63.2%
Operating Profit	10.1%	7.8%	5.4%	6.7%	8.2%
Other Income/(Expense)	-0.3%	-0.3%	0.3%	1.2%	-0.4%
<b>Adjusted Pretax Income/(Loss)</b>	<b>9.8%</b>	<b>7.5%</b>	<b>5.7%</b>	<b>7.9%</b>	<b>7.8%</b>
<b>Memo: Adjusted EBIT</b>	<b>13.5%</b>	<b>12.3%</b>	<b>11.0%</b>	<b>14.4%</b>	<b>17.0%</b>
<b>Adjusted EBITDA</b>	<b>16.5%</b>	<b>15.3%</b>	<b>13.2%</b>	<b>16.7%</b>	<b>19.3%</b>

Childrens Clothing Store  
Return on Average Equity  
12/31/2003

Based On Unadjusted Financial Statements

<b>Return on Average Equity</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>
Operating Profit Margin	12.9%	12.6%	10.7%	13.2%	17.3%
Non-Operating Profit Margin	-4.0%	-5.1%	-5.0%	-5.2%	-9.5%
= Pretax Operating Margin	8.9%	7.5%	5.7%	7.9%	7.8%
X 1-Effective Tax Rate	65.0%	64.1%	70.8%	74.7%	68.9%
= After-Tax Profit Margin	5.8%	4.8%	4.0%	5.9%	5.4%
X Average Asset Turnover	209.5%	215.6%	193.4%	170.8%	N/A
= Return on Average Assets	12.1%	10.4%	7.8%	10.1%	N/A
X Average Leverage (Assets/Equity)	221.6%	237.4%	255.0%	260.3%	N/A
<b>= Return on Avg Equity (ROAE)</b>	<b>26.8%</b>	<b>24.6%</b>	<b>19.9%</b>	<b>26.4%</b>	<b>N/A</b>

Childrens Clothing Store  
Historic Benefit Stream Analysis

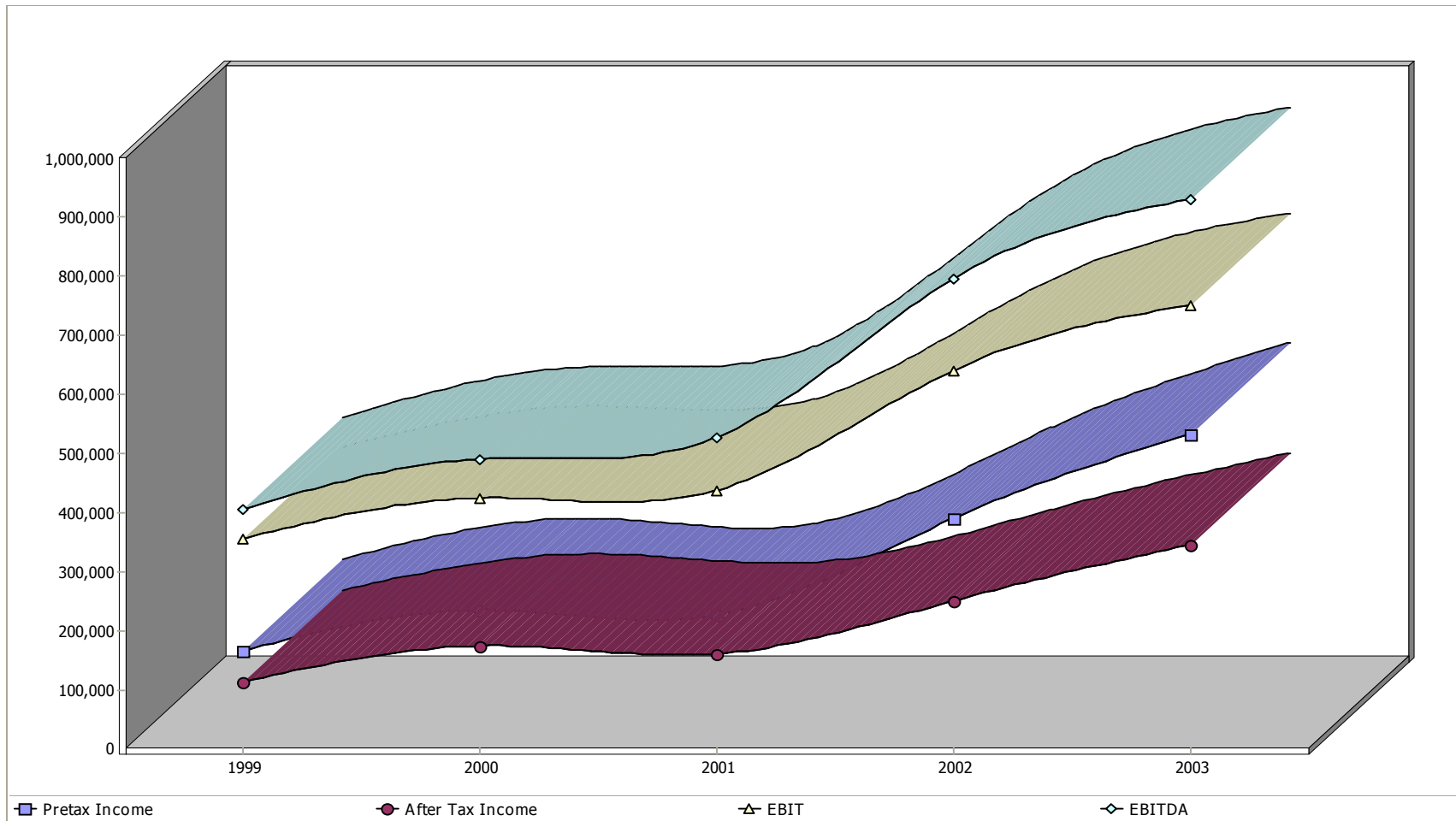
12/31/2003

BVMPro

Historical Economic Benefit Streams		2003	2002	2001	2000	1999
Pretax Income		531,000	390,000	226,000	233,000	164,000
	Regression Equation is $Y=aX+B$ Correlation is $R^2 =$	$Y = 41500X + 89100$ 0.89				
After Tax Income		345,000	250,000	160,000	174,000	113,000
	Regression Equation is $Y=aX+B$ Correlation is $R^2$	$Y = 46400X + 54000$ 0.88				
EBIT		751,000	640,000	436,000	423,000	356,000
	Regression Equation is $Y=aX+B$ Correlation is $R^2$	$Y = 219100X + 100700$ 0.91				
EBITDA		931,000	796,000	526,000	489,000	406,000
	Regression Equation is $Y=aX+B$ Correlation is $R^2$	$Y = 222500X + 135700$ 0.93				

Childrens Clothing Store  
Historic Benefit Stream Analysis Chart  
12/31/2003

BVMPPro





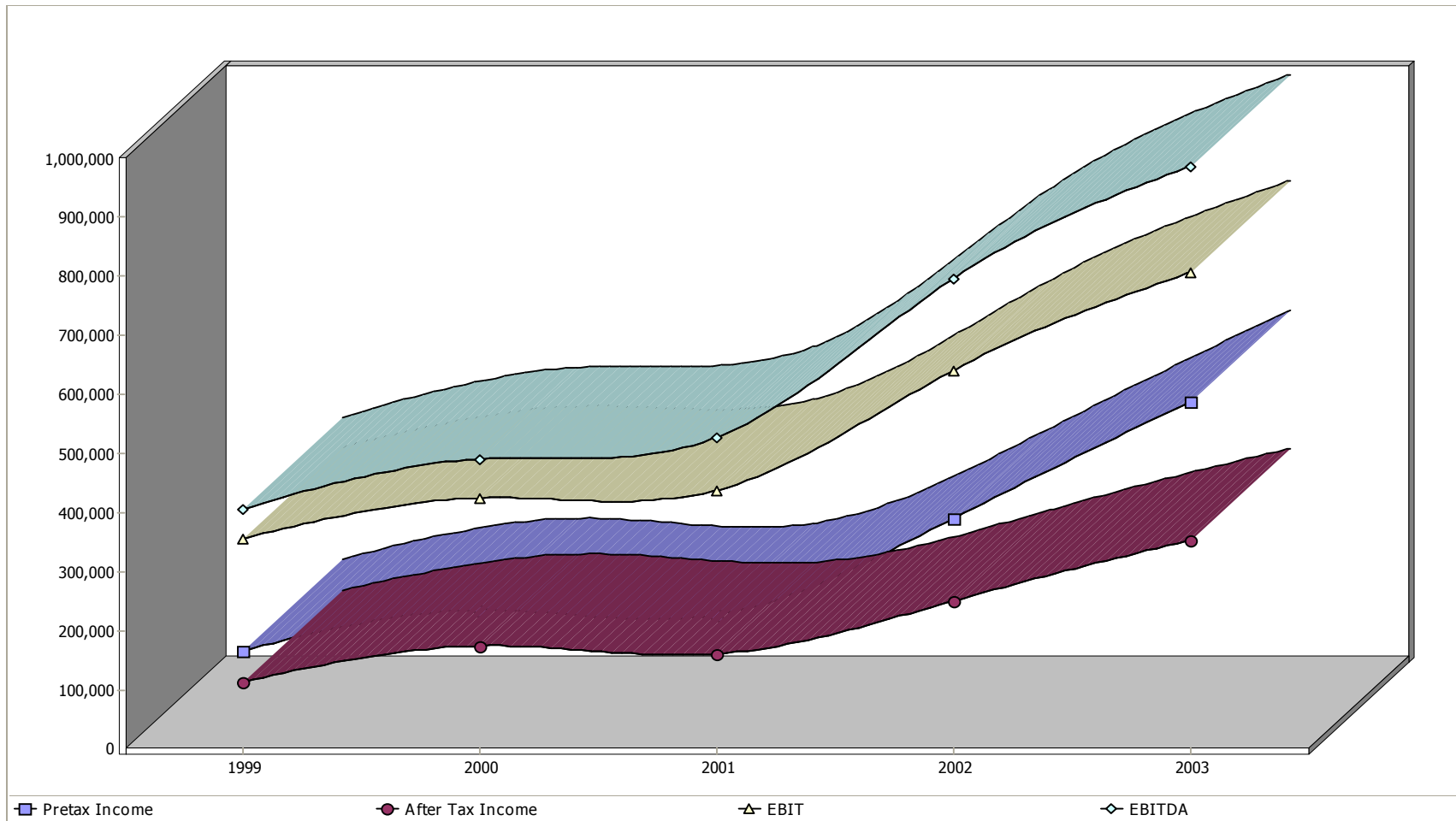
Childrens Clothing Store  
Adjusted Benefit Stream Analysis  
12/31/2003

BVMPro

Adjusted Economic Benefit Streams		2003	2002	2001	2000	1999
Pretax Income		586,000	390,000	226,000	233,000	164,000
	Regression Equation is $Y=aX+B$ Correlation is $R^2 =$	$Y = 19500X + 100100$ 0.86				
After Tax Income		351,600	250,000	160,000	174,000	113,000
	Regression Equation is $Y=aX+B$ Correlation is $R^2$	$Y = 43760X + 55320$ 0.88				
EBIT		806,000	640,000	436,000	423,000	356,000
	Regression Equation is $Y=aX+B$ Correlation is $R^2$	$Y = 197100X + 111700$ 0.90				
EBITDA		986,000	796,000	526,000	489,000	406,000
	Regression Equation is $Y=aX+B$ Correlation is $R^2$	$Y = 200500X + 146700$ 0.92				

Childrens Clothing Store  
Adjusted Benefit Stream Analysis Chart  
12/31/2003

BVMPPro



Childrens Clothing Store  
Reconciliation of Equity  
12/31/2003

BVMPro

	2003	2002	2001	2000	1999
Beginning Shareholders' Equity	1,125,000	905,000	705,000	615,000	0
Net Income/(Loss)	345,000	250,000	160,000	174,000	113,000
Dividends Paid-Common Stock		30,000			
Dividends Paid-Preferred Stock					
Common Stock Issued					
Treasury Stock Purchased					
Treasury Stock Sold					
Change Acct Method-Inventory					
Change Acct Method-Depreciation					
Additions to ESOP Liability					
Reduction of ESOP Liability					
Prior Period Adjustments					
Other Restatements, Net					
<b>Ending Shareholders' Equity</b>	<b><u>1,470,000</u></b>	<b><u>1,125,000</u></b>	<b><u>865,000</u></b>	<b><u>789,000</u></b>	<b><u>113,000</u></b>

Childrens Clothing Store  
Shares Outstanding  
12/31/2003

Common Shares Outstanding	2003	2002	2001	2000	1999
Beginning Shares Outstanding	5,000				
Less Treasury Share Purchases					
Plus Treasury Share Sales					
Plus New Shares Issued					
Common Shares Outstanding	5,000	0	0	0	0
Shares in Treasury					
Other Unissued Shares					
<b>Total Shares Authorized</b>	<b>5,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Book Value Per Common Share</b>	<b>289.00</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

Memo: N/A

Childrens Clothing Store  
Integra Growth Model  
12/31/2003

**INTEGRA INDUSTRY GROWTH OUTLOOK**

Historical Years  
Industry Revenue Growth

0	0.00%
0	0.00%
0	0.00%
0	0.00%
0	0.00%

Forecasted Years  
Industry Revenue Growth

0	0.00%
0	0.00%
0	0.00%
0	0.00%
0	0.00%

	GDP Growth	Inflation Indicator
0	0.00%	0.00%
0	0.00%	0.00%
0	0.00%	0.00%
0	0.00%	0.00%
0	0.00%	0.00%

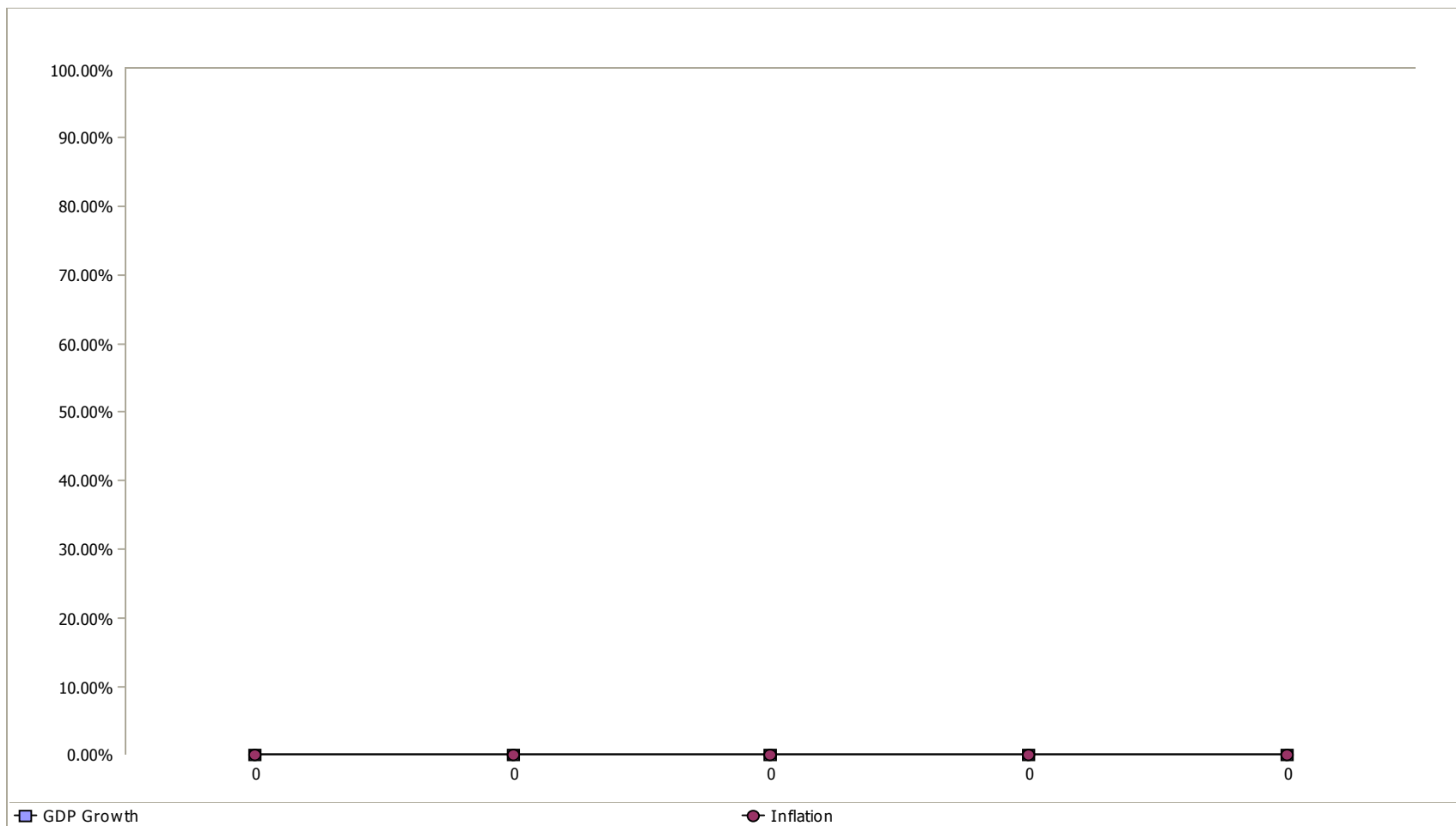
	GDP Growth	Inflation Indicator
0	0.00%	0.00%
0	0.00%	0.00%
0	0.00%	0.00%
0	0.00%	0.00%
0	0.00%	0.00%

These numbers reflect the growth of the industry. These numbers need to be analyzed and input into the yearly(DCF Models), sustainable or terminal growth schedules.

SIC -

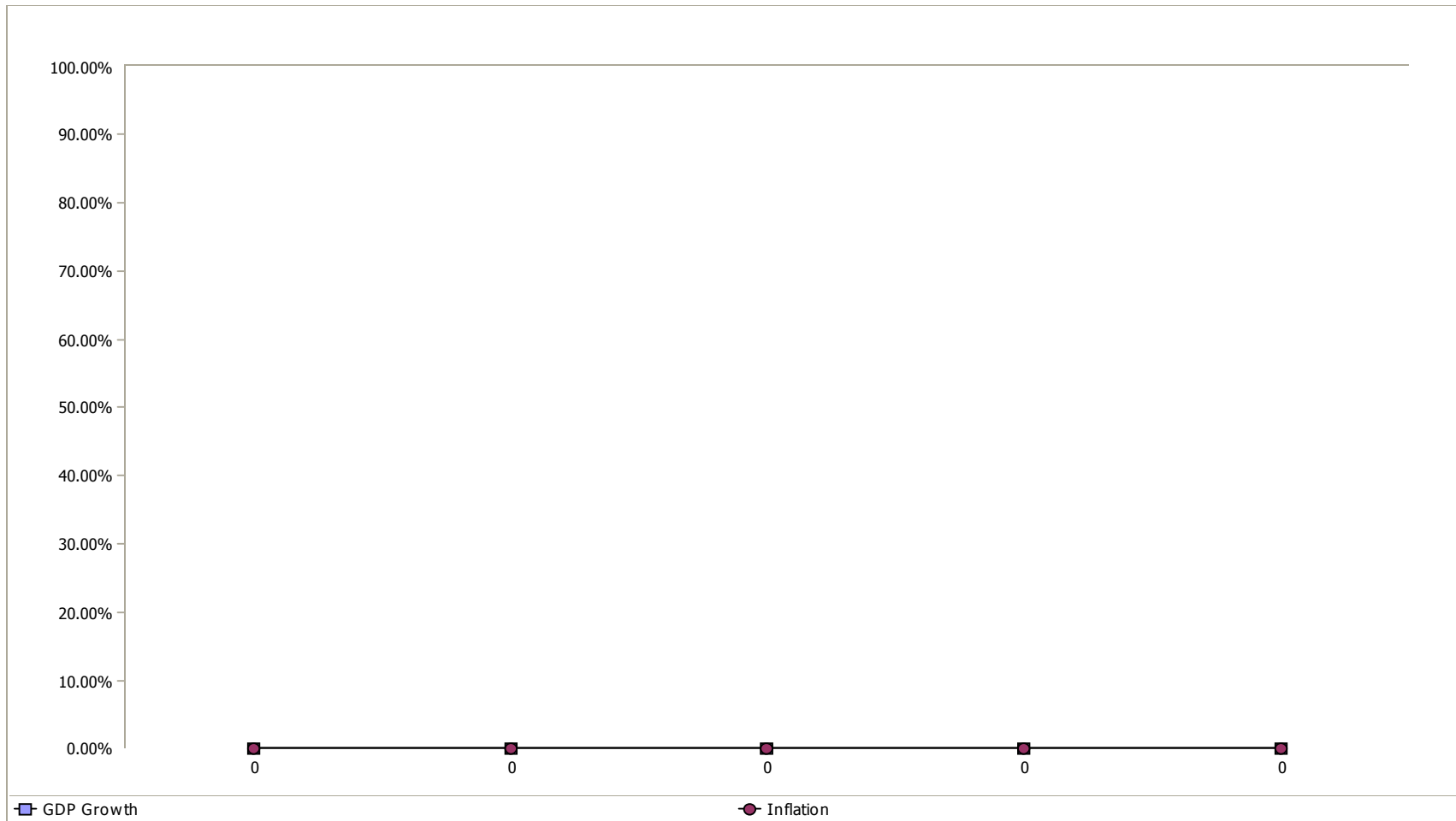
Childrens Clothing Store  
Integra Forecast Economic Indicators  
12/31/2003

BVMPPro



Childrens Clothing Store  
Integra Historic Economic Indicators  
12/31/2003

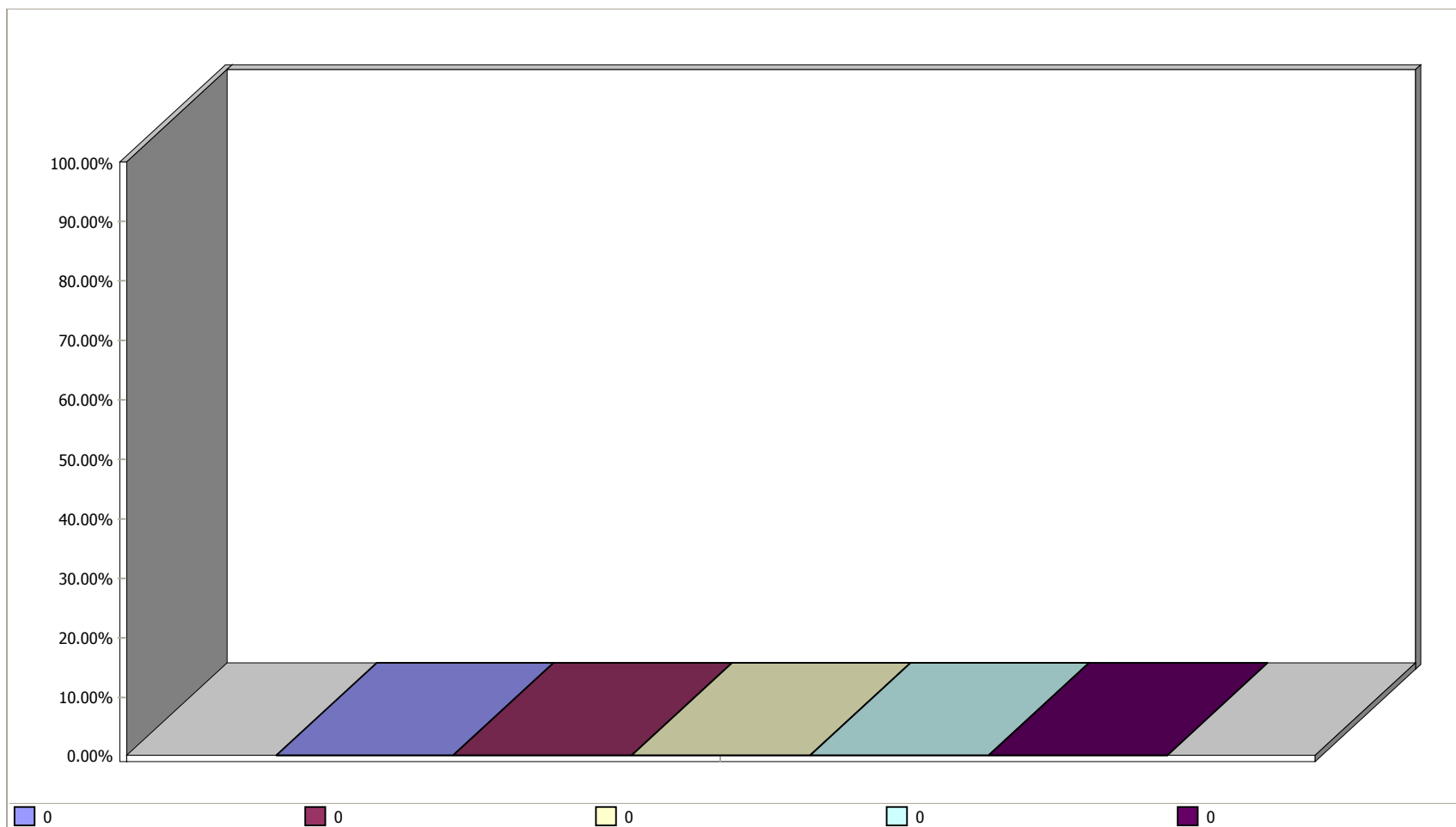
BVMPPro





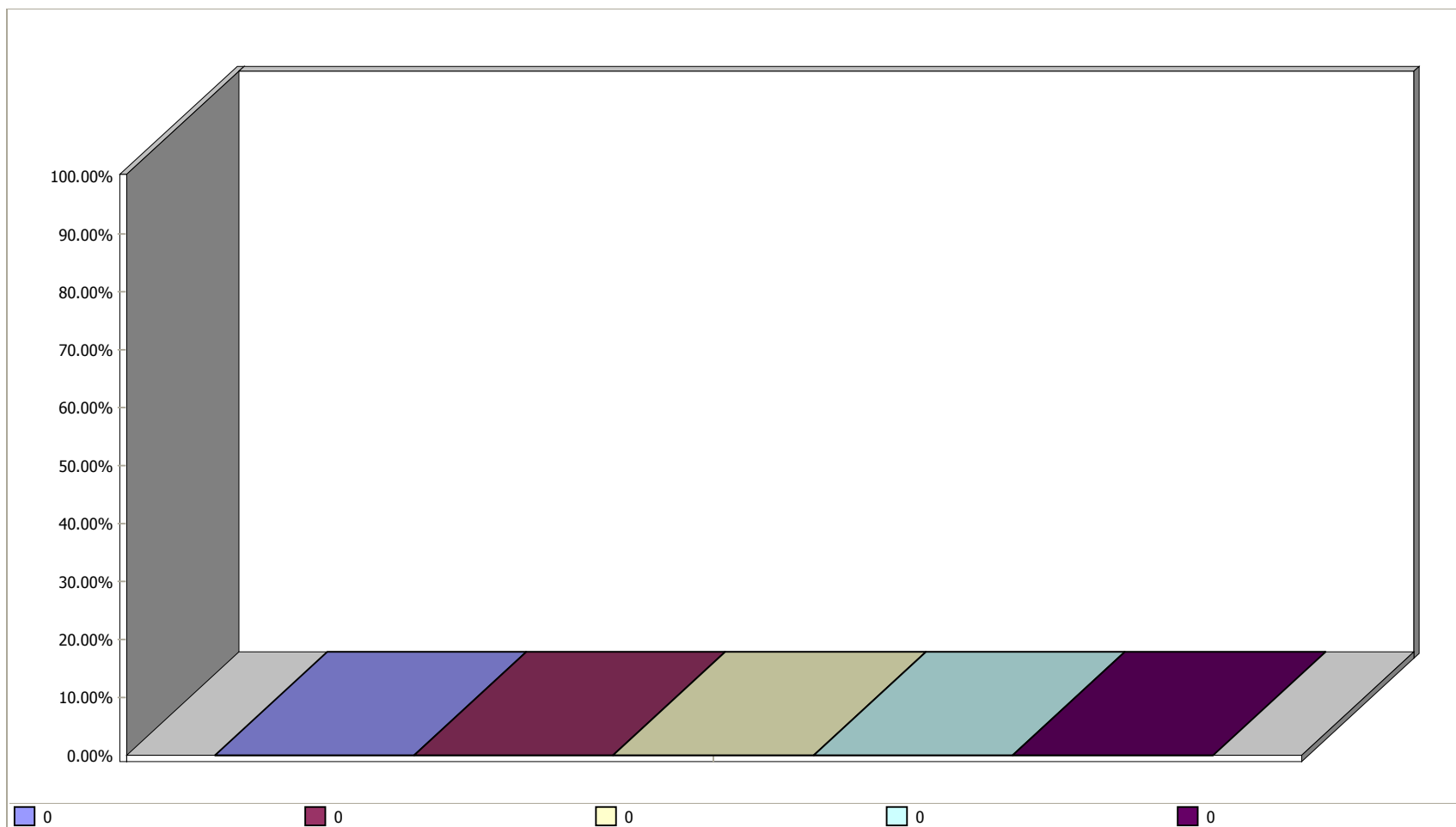
Childrens Clothing Store  
Integra Forecast Revenue Growth  
12/31/2003

BVMPPro



Childrens Clothing Store  
Integra Historic Revenue Growth  
12/31/2003

BVMPPro



Childrens Clothing Store  
 Control Premium and Minority Discount  
 12/31/2003

Industry Class: Retail

	<u>Acquisition Year</u>	<u>Number of Transactions</u>	<u>Average Control Premium</u>	<u>Implied * Minority Discount</u>
Year 5	1998	23	43.7%	30.4%
Year 4	1999	21	66.7%	40.0%
Year 3	2000	13	58.6%	36.9%
Year 2	2001	15	88.2%	46.9%
Year 1	2002	9	48.6%	32.7%
<b>Five year weighted average</b>			<b><u>60.8%</u></b>	<b><u>37.3%</u></b>

\* Formula:  $1 - (1 / (1 + \text{Average Premium Paid}))$   
 Industry Data Provided by Merrill Lynch  
 Mergerstat Review 2002

Childrens Clothing Store  
Marketability Discount  
12/31/2003

Data Source	Study Name	Discount Percentage
The Source	The Study Name	25.0%

Total	<u>25.0%</u>
Average	25.0%
Median	25.0%
<b>Selected</b>	<u><b>25.0%</b></u>

Childrens Clothing Store  
Excess and Non-Operating Assets  
12/31/2003

	<u>Adjusted Business</u>	<u>Integra Industry</u>	<u>Variance</u>	<u>Excess Adjustment</u>	<u>Selected</u>
Cash & Equivalent	13.4%	0.0%	13.4%	0	245,799
Accounts Receivable	2.7%	0.0%	2.7%	0	0
Inventory	21.5%	0.0%	21.5%	0	0
Other Current	2.1%	0.0%	2.1%	0	0
Net Fixed Assets	56.3%	0.0%	56.3%	0	0
Other Non-Current	1.2%	0.0%	1.2%	0	0
Intangibles (Net)	2.0%	0.0%	2.0%	0	0
Total Excess Assets					245,799
Adjusted Non-Operating Assets (Net)					18,000
<b>Total Excess / Non-Operating Assets</b>					<b>263,799</b>

Childrens Clothing Store  
Company Specific Premium  
12/31/2003

Further Size Adjustment	2.0%
Depth of Management	0.5%
Importance of Key Personnel	0.5%
Stability of Industry	0.5%
Diversification of Product Line	0.5%
Diversification of Customer Base	0.5%
Diversification/Stability of Suppliers	0.5%
Geographic Location	0.5%
Stability of Earnings	0.5%
Earnings Margins	0.5%
Financial Structure	0.5%
Other	0.5%
<b>Company Specific Premium</b>	<b><u>7.5%</u></b>

Memo: N/A

Childrens Clothing Store  
Built In Gains  
12/31/2003

Current Market Value of Assets	1,400,000	
Holding Period	8	
Appreciation Rate	<u>3.00%</u>	
Appreciated Value of Assets		1,773,478
Ending Book Value of Assets		<u>1,200,000</u>
Built In Gain		573,478
Discount Rate	30.00%	
Present Value of Built In Gain		91,393
Tax Rate to Apply		<u>34.0%</u>
<b>Tax Effect of Built-in Gain</b>		<b><u><u>31,074</u></u></b>

Memo: N/A



Childrens Clothing Store  
Adjusted Book Value  
12/31/2003

	<u>2003</u>
Unadjusted Equity	1,445,000
Tax Effect of Built-in Gain	(31,074)
Total Adjustments	<u>633,000</u>
Adjusted Equity - Going Concern Value	2,046,926
Less Minority Interest Discount	<u>37.3%</u>
Subtotal	1,283,423
Less Marketability Discount	<u>25.0%</u>
<b>Indicated Value</b>	<b><u><u>962,567</u></u></b>
 <b>SELECTED GOING CONCERN VALUE</b>	 <b><u><u>963,000</u></u></b>

Childrens Clothing Store  
Liquidation Value  
12/31/2003

	<u>2003</u>
Unadjusted Equity	1,445,000
Tax Effect of Built-in Gain	(31,074)
Total Adjustments	<u>(1,279,500)</u>
Adjusted Equity - Liquidation Value	134,426
Less Minority Interest Discount	<u>37.3%</u>
Subtotal	84,285
Less Marketability Discount	<u>25.0%</u>
<b>Indicated Value</b>	<b><u><u>63,214</u></u></b>
 <b>SELECTED LIQUIDATION VALUE</b>	 <b><u><u>63,000</u></u></b>

Childrens Clothing Store  
COE Earnings/Cash Flow Base  
12/31/2003

BVMPro

**Net of Debt After Tax Cash Flow**

*Earning Power Based on*

	2003	2002	2001	2000	1999
Adjusted Pretax Income	586,000	390,000	226,000	233,000	164,000
Add Depreciation/Amortization	180,000	156,000	90,000	66,000	50,000
Total	766,000	546,000	316,000	299,000	214,000
Weight	5	4	3	2	1
<b>Ongoing Earning Power</b>	<b>518,267</b>				

*Earning Power Based on Margin Analysis*

Adjusted Revenue	5,966,000	5,194,000	3,970,000	2,935,000	2,100,000
Weight on Adjusted Revenue	5	4	3	2	1
Ongoing Revenue	4,699,067				
Net of Debt After Tax Cash Flow Margin	12.8%	10.5%	8.0%	10.2%	10.2%
Weight Applied to Adjusted Margin	5	4	3	2	1
Ongoing Margin	10.7%				

**Ongoing Earning Power Based on Margin Analysis**

**503,395**

**Net of Debt After Tax Cash Flow Before Adjustment**

**510,831**

Less Ongoing Depreciation/Amortization	131,733
Taxable Base	379,098
Less Estimated State Income Taxes - Effective Rate: 10.0%	37,910
Before Federal Taxes	341,188
Less Federal Taxes	116,004
After Tax Cash Flow Base Before Adjustment	225,184
Depreciation/Amortization	131,733
Other Adjustments	0
Adjust for Working Capital Requirements	(127,100)
Adjust for Capital Expenditure Requirements	(74,000)
Adjust for Long Term Debt Requirements	139,800
<b>Calculated Ongoing Net of Debt After Tax Cash Flow</b>	<b>295,617</b>

**SELECTED ONGOING NET OF DEBT AFTER TAX CASH FLOW**

**295,600**

Memo: N/A

Childrens Clothing Store  
COE Tax Calculation  
12/31/2003

FEDERAL TAX CALCULATION

Taxable Income	Times Tax Rate	Tax
50,000	15.0%	7,500
25,000	25.0%	6,250
25,000	34.0%	8,500
235,000	39.0%	91,650
6,188	34.0%	2,104
0	35.0%	0
0	38.0%	0
0	35.0%	0
<b><u>341,188</u></b>		<b><u>116,004</u></b>

Childrens Clothing Store  
COE Cash Flow Calculations  
12/31/2003

CHANGE IN WORKING CAPITAL

Working Capital From Adjusted Balance Sheet	1,271,000
Times Estimated Growth Rate	10.0%
<b>Equal Estimated Growth In Working Capital</b>	<b><u>127,100</u></b>

CHANGE IN LONG TERM DEBT

Long Term Debt From Adjusted Balance Sheet	1,398,000
Times Estimated Growth Rate	10.0%
<b>Equals Estimated Growth In Long Term Debt</b>	<b><u>139,800</u></b>

Childrens Clothing Store  
COE Capitalization Rate  
12/31/2003

BUILDUP CAPITALIZATION RATE

Risk-Free Rate of Return	5.0%
Equity Risk Premium	6.0%
Small Stock Risk Premium	7.0%
Plus/Minus Industry Risk Premium	4.5%
Company Specific Premium	7.5%
Discount Rate	30.0%
Sustainable Growth	4.0%
<b>Capitalization Rate To Apply To Next Year Stream</b>	<b><u>26.0%</u></b>

Memo: N/A

Childrens Clothing Store  
COE WACC  
12/31/2003

Debt

Enter Long Term Debt Interest rate

Enter Marginal Tax Rate

WACC Calculation

Percent of Debt In Capital Structure

Percent of Equity In Capital Structure 100.0%

Cost of Equity 30.0%

Multiplied By:

Percentage of Equity in Capital Structure 100.0%

**Weighted Cost of Equity** **30.0%** **A**

Long Term Debt Interest Rate 0.0%

Multiplied By:

1-Tax Rate 100.0%

Cost of Debt 0.0%

Multiplied By:

Percentage of Debt in Capital Structure 0.0%

**Weighted Cost of Debt** **0.0%** **B**

**WEIGHTED AVERAGE COST OF CAPITAL** **30.0%** **A + B**



Childrens Clothing Store  
COE Sustainable Growth  
12/31/2003

Net of Debt After Tax Cash Flow Ending	2002	546,000
Net of Debt After Tax Cash Flow Beginning	1999	214,000
Number of Years of Growth		3
<b>Sustainable Growth <math>((546000/214000)^{(1/3)}-1)</math></b>		<b><u>36.6%</u></b>
<b>SELECTED SUSTAINABLE GROWTH COE</b>		<b><u>4.0%</u></b>

Childrens Clothing Store  
COE Conversions

12/31/2003

BVMPro

Childrens Clothing Store  
COE Indicated Value  
12/31/2003

Net of Debt After Tax Cash Flow	295,600	
Sustainable Growth Rate	<u>4.0%</u>	
Subtotal Assuming Midyear Convention		350,517
Capitalization Rate		<u>26.0%</u>
Subtotal		1,348,143
Minority Interest Discount		<u>37.3%</u>
Subtotal		845,286
Marketability Discount		<u>25.0%</u>
Subtotal		633,964
Excess/Non-Operating Assets		<u>124,051</u>
<b>Indicated Value</b>		<b><u>758,016</u></b>
<b>SELECTED VALUE - COE</b>		<b><u>758,000</u></b>

Midyear convention calculation is  $295600 \times (1 + 0.04) \times (1 + 0.3)^{0.5}$   
Memo: N/A

Childrens Clothing Store  
COE Sensitivity Analysis  
12/31/2003

BVMPro

Sustainable Growth

	2.5%	3.0%	3.5%	4.0%	4.5%	5.0%	5.5%
27.0%	1,430,683	1,460,489	1,491,563	1,523,988	1,557,855	1,593,260	1,630,313
28.0%	1,374,578	1,402,069	1,430,683	1,460,489	1,491,563	1,523,988	1,557,855
29.0%	1,322,707	1,348,143	1,374,578	1,402,069	1,430,683	1,460,489	1,491,563
Discount Rate 30.0%	1,274,608	1,298,212	1,322,707	1,348,143	1,374,578	1,402,069	1,430,683
31.0%	1,229,885	1,251,847	1,274,608	1,298,212	1,322,707	1,348,143	1,374,578
32.0%	1,188,194	1,208,680	1,229,885	1,251,847	1,274,608	1,298,212	1,322,707
33.0%	1,149,237	1,168,391	1,188,194	1,208,680	1,229,885	1,251,847	1,274,608

Childrens Clothing Store  
Summary DCF Earnings/Cash Flow Base  
12/31/2003

BVMPro

**Net of Debt After Tax Cash Flow**

*Earning Power Based on*

	2003	2002	2001	2000	1999
Adjusted Pretax Income	586,000	390,000	226,000	233,000	164,000
Add Depreciation/Amortization	180,000	156,000	90,000	66,000	50,000
Total	766,000	546,000	316,000	299,000	214,000
Weight	5	4	3	2	1
<b>Ongoing Earning Power</b>	<b>518,267</b>				

*Earning Power Based on Margin Analysis*

Adjusted Revenue	5,966,000	5,194,000	3,970,000	2,935,000	2,100,000
Weight on Adjusted Revenue	5	4	3	2	1
Ongoing Revenue	4,699,067				
Net of Debt After Tax Cash Flow Margin	12.8%	10.5%	8.0%	10.2%	10.2%
Weight Applied to Adjusted Margin	5	4	3	2	1
Ongoing Margin	10.7%				

**Ongoing Earning Power Based on Margin Analysis**

**503,395**

**Net of Debt After Tax Cash Flow Before Adjustment**

**510,831**

Less Ongoing Depreciation/Amortization	131,733
Taxable Base	379,098
Less Estimated State Income Taxes	37,910
Before Federal Taxes	341,188
Less Federal Taxes	116,004
After Tax Cash Flow Base Before Adjustment	225,184
Depreciation/Amortization	131,733
Other Adjustments	
Adjust for Working Capital Requirements	(127,100)
Adjust for Capital Expenditure Requirements	(74,000)
Adjust for Long Term Debt Requirements	139,800
<b>Calculated Ongoing Net of Debt After Tax Cash Flow</b>	<b>295,617</b>

**SELECTED ONGOING NET OF DEBT AFTER TAX CASH FLOW**

**295,600**

Memo: N/A

Childrens Clothing Store  
Summary DCF Tax Calculation  
12/31/2003

FEDERAL TAX CALCULATION

Taxable Income	Times Tax Rate	Tax
50,000	15.0%	7,500
25,000	25.0%	6,250
25,000	34.0%	8,500
235,000	39.0%	91,650
6,188	34.0%	2,104
0	35.0%	0
0	38.0%	0
0	35.0%	0
<b><u>341,188</u></b>		<b><u>116,004</u></b>

Childrens Clothing Store  
Summary DCF Cash Flow Calculations  
12/31/2003

CHANGE IN WORKING CAPITAL

Working Capital From Adjusted Balance Sheet	1,271,000
Times Estimated Growth Rate	10.0%
<b>Equal Estimated Growth In Working Capital</b>	<b><u>127,100</u></b>

CHANGE IN LONG TERM DEBT

Long Term Debt From Adjusted Balance Sheet	1,398,000
Times Estimated Growth Rate	10.0%
<b>Equals Estimated Growth In Long Term Debt</b>	<b><u>139,800</u></b>



Childrens Clothing Store  
Summary DCF Projection Assumptions  
12/31/2003

Two-Stage Gordon Growth Model

Percent

1st Stage

10.0%

BVMPro

Childrens Clothing Store  
Summary DCF Discount Rate  
12/31/2003

BUILDUP DISCOUNT RATE

Risk-Free Rate of Return	5.0%
Equity Risk Premium	6.0%
Small Stock Risk Premium	7.0%
Plus/Minus Industry Risk Premium	4.5%
Company Specific Premium	7.5%
<b>Discount Rate To Apply To Next Year Stream</b>	<b><u>30.0%</u></b>

Childrens Clothing Store  
Summary DCF WACC  
12/31/2003

Debt

Enter Long Term Debt Interest rate

Enter Marginal Tax Rate

WACC Calculation

Percent of Debt In Capital Structure

Percent of Equity In Capital Structure 100.0%

Cost of Equity 30.0%

Multiplied By:

Percentage of Equity in Capital Structure 100.0%

**Weighted Cost of Equity** 30.0% **A**

Long Term Debt Interest Rate 0.0%

Multiplied By:

1-Tax Rate 100.0%

Cost of Debt 0.0%

Multiplied By:

Percentage of Debt in Capital Structure 0.0%

**Weighted Cost of Debt** 0.0% **B**

**WEIGHTED AVERAGE COST OF CAPITAL** 30.0% **A + B**

Childrens Clothing Store  
Summary DCF Conversions  
12/31/2003

BVMPro

Childrens Clothing Store  
Summary DCF Indicated Value  
12/31/2003

Forecast Period	After Tax Cash Flow	Growth Rate	Terminal Value	P.V. Using 30.0% Discount Rate	Discounted Cash Flow
2004	325,160	10.0%		0.87706	285,185
2005	357,676	10.0%		0.67466	241,310
2006	393,444	10.0%		0.51897	204,185
2007	432,788	10.0%		0.39921	172,773
2008	476,067	10.0%		0.30708	146,191
2008-Forever	495,109	4.0%	1,904,265 *	0.30708	584,762
Subtotal					1,634,406
Minority Interest Discount					37.3%
Subtotal					1,024,773
Marketability Discount					25.0%
Subtotal					768,580
Excess/Non-Operating Assets					197,849
<b>Indicated Value</b>					<b>966,429</b>
<b>SELECTED VALUE - DCF</b>					<b>966,000</b>

Midyear Convention is used

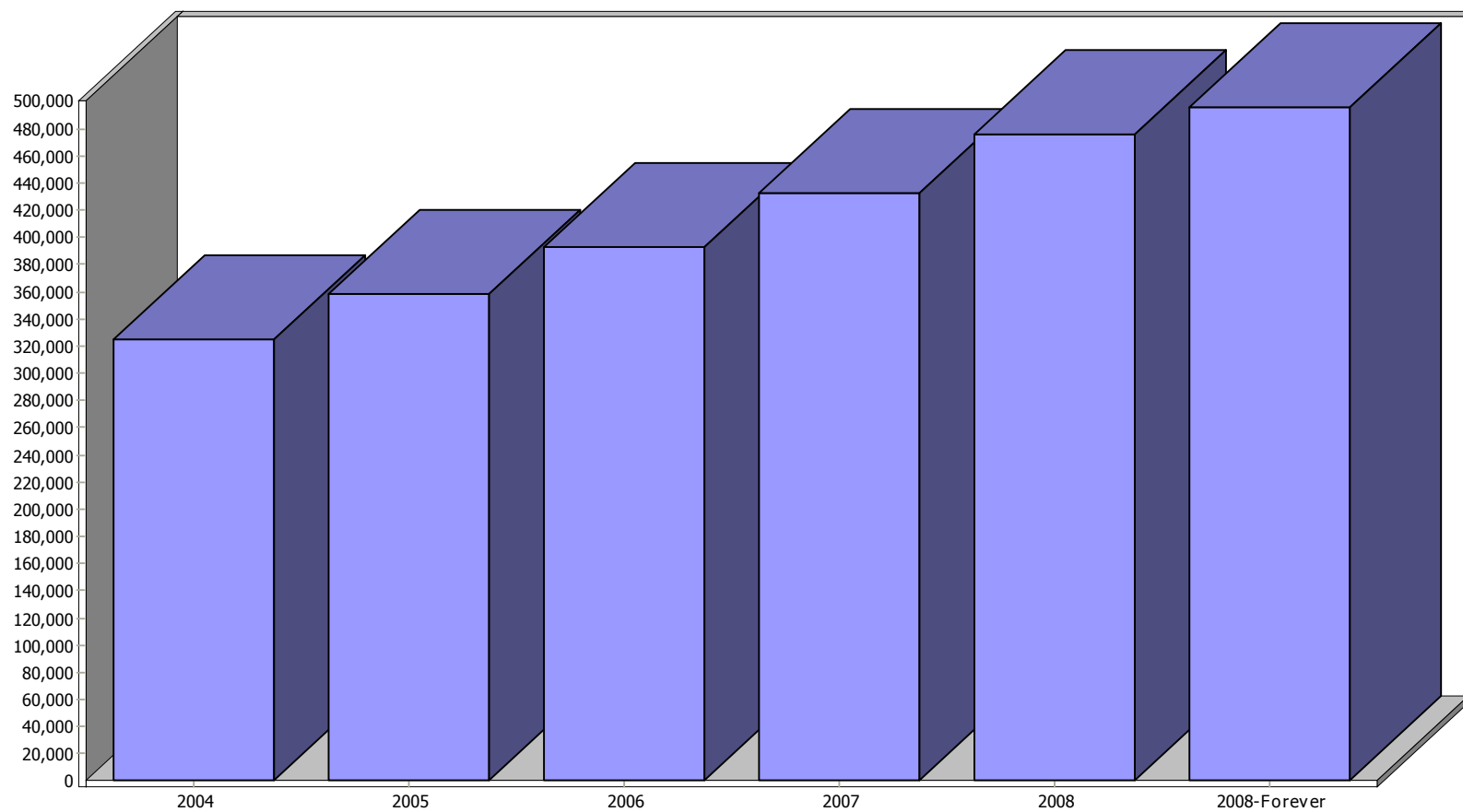
\*Calculated As  $495109 / 0.3 - 0.04$

Childrens Clothing Store  
Summary DCF Terminal Growth  
12/31/2003

Net of Debt After Tax Cash Flow Ending	2002	546,000
Net of Debt After Tax Cash Flow Beginning	1999	214,000
Number of Years of Growth		3
<b>Terminal Growth <math>((546000/214000)^{(1/3)}-1)</math></b>		<b><u>36.6%</u></b>
<b>SELECTED TERMINAL GROWTH DCF</b>		<b><u>4.0%</u></b>

Childrens Clothing Store  
Summary DCF Future Economic Stream Chart  
12/31/2003

BVMPPro





Childrens Clothing Store  
Summary DCF Sensitivity Analysis  
12/31/2003

BVMPro

Sustainable Growth

	2.5%	3.0%	3.5%	4.0%	4.5%	5.0%	5.5%
27.0%	1,784,144	1,801,681	1,819,964	1,839,042	1,858,967	1,879,799	1,901,599
28.0%	1,715,897	1,731,634	1,748,013	1,765,075	1,782,862	1,801,423	1,820,809
29.0%	1,652,891	1,667,061	1,681,786	1,697,100	1,713,039	1,729,642	1,746,952
Discount Rate 30.0%	1,594,536	1,607,334	1,620,615	1,634,406	1,648,739	1,663,644	1,679,158
31.0%	1,540,337	1,551,930	1,563,944	1,576,403	1,589,332	1,602,759	1,616,712
32.0%	1,489,887	1,500,416	1,511,315	1,522,603	1,534,302	1,546,434	1,559,024
33.0%	1,442,810	1,452,398	1,462,311	1,472,566	1,483,181	1,494,175	1,505,569

Childrens Clothing Store  
Detailed DCF BS Projection Assumptions  
12/31/2003

BVMPro

Account Name	Projected Balance Sheet										
	Adjusted Balance Sheet	Adjustments	Pro Forma Balance Sheet	Year 2004	Year 2005	Year 2006	Year 2007	Year 2008	Year 2009	Year 2010	Year 2011
Minimum Cash Required	500,000	0	500,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Accounts Receivable	100,000	0	100,000	111,564	122,721	134,993	148,492	163,341	179,675	197,643	217,407
Inventory	800,000	0	800,000	656,260	721,886	794,075	873,482	960,830	1,056,913	1,162,605	1,278,865
Other Current Assets	80,000	0	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Fixed Assets at Cost	2,100,000	0	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Accumulated Depreciation	0	0	0	(210,000)	(420,000)	(630,000)	(840,000)	(1,050,000)	(1,260,000)	(1,470,000)	(1,680,000)
Intangible Assets at Cost	100,000	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Accumulated Amortization	-25,000	0	(25,000)	(35,000)	(45,000)	(55,000)	(65,000)	(75,000)	(85,000)	(95,000)	(100,000)
Other Assets	73,000	0	73,000	76,650	80,483	84,507	88,732	93,169	97,827	102,718	107,854
Accounts Payable	74,000	0	74,000	81,400	89,540	98,494	108,343	119,178	131,096	144,205	158,626
Minimum Short Term Note Balance	33,000	0	33,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Short Term Debt Interest Rate				9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Other Current Liabilities	74,000	0	74,000	81,400	89,540	98,494	108,343	119,178	131,096	144,205	158,626
Long Term Notes	1,370,000	0	1,370,000	1,285,962	1,193,123	1,090,564	977,265	852,102	713,833	561,086	392,343
Current Portion of Long Term Notes	28,000	0	28,000	92,838	102,560	113,299	125,163	138,269	152,748	168,742	186,412
Other Liabilities	71,000	0	71,000	78,100	85,910	94,501	103,951	114,346	125,781	138,359	152,195
Stock issued				0	0	0	0	0	0	0	0
Preferred Stock Issued				0	0	0	0	0	0	0	0
Treasury Stock Purchases				0	0	0	0	0	0	0	0
Common Stock Dividends				0	0	0	0	0	0	0	0
Preferred Stock Dividends				0	0	0	0	0	0	0	0

Childrens Clothing Store  
Detailed DCF BS Projection Assumptions  
12/31/2003

BVMPro

Projection Calculation Factor												
Year 2012	Year 2013	Projection Method	Year 2004	Year 2005	Year 2006	Year 2007	Year 2008	Year 2009	Year 2010	Year 2011	Year 2012	Year 2013
100,000	100,000	Manual Annual Dollars	100000	100000	100000	100000	100000	100000	100000	100000	100000	100000
239,148	263,063	Percent of Sales	0.017	0.017	0.017	0.017	0.017	0.017	0.017	0.017	0.017	0.017
1,406,752	1,547,427	Percent of Sales	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
80,000	80,000	Manual Percentage	0	0	0	0	0	0	0	0	0	0
2,100,000	2,100,000	Capital Expenditures	0	0	0	0	0	0	0	0	0	0
(1,890,000)	(2,100,000)	Capital Expenditures	0	0	0	0	0	0	0	0	0	0
100,000	100,000	Manual Annual Dollars	100000	100000	100000	100000	100000	100000	100000	100000	100000	100000
(100,000)	(100,000)	Manual Annual Dollars	35000	45000	55000	65000	75000	85000	95000	100000	100000	100000
113,247	118,909	Historic Percentage	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
174,488	191,937	Historic Percentage	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
50,000	50,000	Manual Annual Dollars	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000
9.00%	9.00%	Manual Percentage	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09
174,488	191,937	Historic Percentage	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
205,932	(0)	Long Term Debt	0	0	0	0	0	0	0	0	0	0
205,932	(0)	Long Term Debt	0	0	0	0	0	0	0	0	0	0
167,414	184,156	Historic Percentage	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
0	0	Manual Annual Dollars										
0	0	Manual Annual Dollars										
0	0	Manual Annual Dollars										
0	0	Manual Annual Dollars										
0	0	Manual Annual Dollars										

Childrens Clothing Store  
Detailed DCF IS Pro Forma/Projection Assumptions  
12/31/2003

Account Name	Pro Forma Adjustments			Projected Income Statement							
	Adjusted Income Statement	Adjustments	Pro Forma Income Statement	Year 2004	Year 2005	Year 2006	Year 2007	Year 2008	Year 2009	Year 2010	Year 2011
Revenues											
Sales	4,500,000	0	4,500,000	4,950,000	5,445,000	5,989,500	6,588,450	7,247,295	7,972,025	8,769,227	9,646,150
Revenue	1,345,000	0	1,345,000	1,479,500	1,627,450	1,790,195	1,969,215	2,166,136	2,382,750	2,621,024	2,883,127
Miscellaneous Income	121,000	0	121,000	133,100	146,410	161,051	177,156	194,872	214,359	235,795	259,374
Total Revenues	5,966,000	0	5,966,000	6,562,600	7,218,860	7,940,746	8,734,821	9,608,303	10,569,133	11,626,046	12,788,651
Cost of Goods Sold											
Raw Materials Consumed	1,000,000	0	1,000,000	1,080,000	1,166,400	1,259,712	1,360,489	1,469,328	1,586,874	1,713,824	1,850,930
Direct Labor	800,000	0	800,000	864,000	933,120	1,007,770	1,088,391	1,175,462	1,269,499	1,371,059	1,480,744
Overhead	80,000	0	80,000	86,400	93,312	100,777	108,839	117,546	126,950	137,106	148,074
COGS Depreciation	0	0	0	0	0	0	0	0	0	0	0
Total Cost of Goods Sold	1,880,000	0	1,880,000	2,030,400	2,192,832	2,368,259	2,557,719	2,762,337	2,983,324	3,221,990	3,479,749
Gross Profit	4,086,000	0	4,086,000	4,532,200	5,026,028	5,572,487	6,177,101	6,845,966	7,585,809	8,404,057	9,308,902
Operating Expenses	1,963,000	0	1,963,000	2,120,040	2,289,643	2,472,815	2,670,640	2,884,291	3,115,034	3,364,237	3,633,376
Officers' Compensation											
Salaries	900,000	0	900,000	990,953	1,090,048	1,199,053	1,318,958	1,450,854	1,595,939	1,755,533	1,931,086
Bonuses	221,000	0	221,000	254,150	292,273	336,113	386,530	444,510	511,186	587,864	676,044
Total Officers' Compensation	1,121,000	0	1,121,000	1,245,103	1,382,320	1,535,166	1,705,488	1,895,364	2,107,126	2,343,397	2,607,130
Subtotal	1,002,000	0	1,002,000	1,167,057	1,354,064	1,564,507	1,800,973	2,066,311	2,363,649	2,696,422	3,068,396
Depreciation and Amortization											
Depreciation	170,000	0	170,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000
Amortization	10,000	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	5,000	0
Total Depreciation and Amortization	180,000	0	180,000	220,000	220,000	220,000	220,000	220,000	220,000	215,000	210,000
Subtotal	822,000	0	822,000	947,057	1,134,064	1,344,507	1,580,973	1,846,311	2,143,649	2,481,422	2,858,396
Miscellaneous Income/(Expense)											
Interest Income	18,000	0	18,000	18,846	19,732	20,659	21,630	22,647	23,711	24,826	25,992
Gain/Loss on Sale of Fixed Assets	0	0	0	0	0	0	0	0	0	0	0
Other Income	0	0	0	0	0	0	0	0	0	0	0
Other Expense	(34,000)	0	(34,000)	(37,502)	(41,365)	(45,625)	(50,325)	(55,508)	(61,225)	(67,532)	(74,487)
Total Miscellaneous Income/(Expenses)	(16,000)	0	(16,000)	(18,656)	(21,633)	(24,966)	(28,695)	(32,861)	(37,514)	(42,706)	(48,495)
Interest Expense	220,000	0	220,000	0	0	0	0	0	0	0	0
Pre-Tax Income	586,000	0	586,000	923,901	1,107,931	1,315,041	1,547,779	1,808,950	2,101,635	2,434,216	2,805,401
Less: Income Taxes	234,400	0	234,400	314,126	376,697	447,114	526,245	615,043	714,556	827,633	953,836
Net Income/(Loss)	351,600	0	351,600	609,775	731,235	867,927	1,021,534	1,193,907	1,387,079	1,606,583	1,851,564

Childrens Clothing Store  
Detailed DCF IS Pro Forma/Projection Assumptions  
12/31/2003

		Projection Calculation Factor										
year 2012	Year 2013	Projection Method	Year 2004	Year 2005	Year 2006	Year 2007	Year 2008	Year 2009	Year 2010	Year 2011	year 2012	Year 2013
10,610,765	11,671,841	Use Detail										
3,171,440	3,488,584	Historic Percentage	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
285,312	313,843	Historic Percentage	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
14,067,516	15,474,268	Historic Percentage	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
1,999,005	2,158,925	Use Detail										
1,599,204	1,727,140	Historic Percentage	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08
159,920	172,714	Historic Percentage	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08
0	0	Historic Percentage	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08
3,758,129	4,058,779	Manual Annual Dollars										
10,309,387	11,415,489	Manual Annual Dollars										
3,924,046	4,237,970	Historic Percentage	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08
2,124,195	2,336,614	Use Detail										
777,451	894,068	Percent of Sales	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151	0.151
2,901,646	3,230,683	Historic Percentage	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
3,483,696	3,946,836	Historic Percentage										
210,000	210,000	Use Detail										
0	0	Capital Expenditures	0	0	0	0	0	0	0	0	0	0
210,000	210,000	Manual Annual Dollars	10000	10000	10000	10000	10000	10000	5000	0	0	0
3,273,696	3,736,836	Manual Annual Dollars										
27,214	28,493	Use Detail										
0	0	Historic Percentage	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047
0	0	Manual Annual Dollars										
(82,160)	(90,622)	Manual Annual Dollars										
(54,946)	(62,129)	Historic Percentage	0.103	0.103	0.103	0.103	0.103	0.103	0.103	0.103	0.103	0.103
0	0	Historic Percentage										
3,214,250	3,670,207	Manual Annual Dollars										
1,092,845	1,247,870	Single Tax Rate Each Yea	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34
2,121,405	2,422,337	Single Tax Rate Each Yea										

Childrens Clothing Store  
Detailed DCF Capital Expenditures  
12/31/2003

\*Start Year: For existing assets, set year first projected year

\*Method 1=SL, 2=150%DB, 3=200%DB, 4=SYD, 5=MACRS(3yr,5yr,7yr,10yr,15yr,20yr)

<u>Capital Expenditure Name</u>	<u>Amount</u>	<u>Salvage Value</u>	<u>Method</u>	<u>Life in Full Years</u>	<u>Purchase Year</u>
Pro Forma	2,100,000	0	1	10	2004

Childrens Clothing Store  
Detailed DCF Long Term Debt  
12/31/2003

\*Start Year: For existing notes, set year first projected year

Note	Amount	Interest	Payments Based on # Mos.	*Year	Interest Only Until Yr	Payoff in Year
Pro Forma	1,370,000	10.0%	120	2004		

Childrens Clothing Store  
Detailed DCF Balance Sheets  
12/31/2003

BVMPro

	Adjusted 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Cash	500,000	1,385,162	2,187,034	3,110,415	4,170,667	5,384,841	6,771,846	8,350,928	10,145,266	12,182,184	14,489,976
Accounts Receivable	100,000	111,564	122,721	134,993	148,492	163,341	179,675	197,643	217,407	239,148	263,063
Inventory	800,000	656,260	721,886	794,075	873,482	960,830	1,056,913	1,162,605	1,278,865	1,406,752	1,547,427
Other Current Assets	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Total Current Assets	1,480,000	2,232,987	3,111,641	4,119,483	5,272,641	6,589,013	8,088,435	9,791,175	11,721,539	13,908,084	16,380,466
Fixed Assets	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Accumulated Depreciation	0	(210,000)	(420,000)	(630,000)	(840,000)	(1,050,000)	(1,260,000)	(1,470,000)	(1,680,000)	(1,890,000)	(2,100,000)
Net Fixed Assets	2,100,000	1,890,000	1,680,000	1,470,000	1,260,000	1,050,000	840,000	630,000	420,000	210,000	0
Intangible Assets	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Accumulated Amortization	(25,000)	(35,000)	(45,000)	(55,000)	(65,000)	(75,000)	(85,000)	(95,000)	(100,000)	(100,000)	(100,000)
Net Intangible Assets	75,000	65,000	55,000	45,000	35,000	25,000	15,000	5,000	0	0	0
Other Assets	73,000	76,650	80,483	84,507	88,732	93,169	97,827	102,718	107,854	113,247	118,909
<b>Total Assets</b>	<b>3,728,000</b>	<b>4,264,637</b>	<b>4,927,123</b>	<b>5,718,989</b>	<b>6,656,373</b>	<b>7,757,181</b>	<b>9,041,261</b>	<b>10,528,894</b>	<b>12,249,393</b>	<b>14,231,331</b>	<b>16,499,375</b>
Accounts Payable	74,000	81,400	89,540	98,494	108,343	119,178	131,096	144,205	158,626	174,488	191,937
Notes Payable	33,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Credit Line Notes Payable		0	0	0	0	0	0	0	0	0	0
Current Portion - LTD	28,000	92,838	102,560	113,299	125,163	138,269	152,748	168,742	186,412	205,932	(0)
Other Current Liabilities	74,000	81,400	89,540	98,494	108,343	119,178	131,096	144,205	158,626	174,488	191,937
Total Current Liabilities	209,000	305,638	331,640	360,287	391,850	426,624	464,939	507,152	553,663	604,908	433,874
Long Term Debt	1,370,000	1,193,123	1,090,564	977,265	852,102	713,833	561,086	392,343	205,932	(0)	0
Other Liabilities	71,000	78,100	85,910	94,501	103,951	114,346	125,781	138,359	152,195	167,414	184,156
Total Liabilities	1,650,000	1,576,862	1,508,113	1,432,053	1,347,903	1,254,804	1,151,805	1,037,855	911,789	772,322	618,030
Equity	2,078,000	2,687,775	3,419,010	4,286,937	5,308,470	6,502,377	7,889,457	9,491,039	11,337,604	13,459,009	15,881,345
<b>Total Liabilities &amp; Equity</b>	<b>3,728,000</b>	<b>4,264,637</b>	<b>4,927,123</b>	<b>5,718,989</b>	<b>6,656,373</b>	<b>7,757,181</b>	<b>9,041,261</b>	<b>10,528,894</b>	<b>12,249,393</b>	<b>14,231,331</b>	<b>16,499,375</b>



Childrens Clothing Store  
Detailed DCF Common Size Balance Sheets  
12/31/2003

BVMPro

	Adjusted 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Cash	13.4%	32.5%	44.4%	54.4%	62.7%	69.4%	74.9%	79.3%	82.8%	85.6%	87.8%
Accounts Receivable	2.7%	2.6%	2.5%	2.4%	2.2%	2.1%	2.0%	1.9%	1.8%	1.7%	1.6%
Inventory	21.5%	15.4%	14.7%	13.9%	13.1%	12.4%	11.7%	11.0%	10.4%	9.9%	9.4%
Other Current Assets	2.1%	1.9%	1.6%	1.4%	1.2%	1.0%	0.9%	0.8%	0.7%	0.6%	0.5%
Total Current Assets	39.7%	52.4%	63.2%	72.0%	79.2%	84.9%	89.5%	93.0%	95.7%	97.7%	99.3%
Fixed Assets	56.3%	49.2%	42.6%	36.7%	31.5%	27.1%	23.2%	19.9%	17.1%	14.8%	12.7%
Accumulated Depreciation	0.0%	-4.9%	-8.5%	-11.0%	-12.6%	-13.5%	-13.9%	-14.0%	-13.7%	-13.3%	-12.7%
Net Fixed Assets	56.3%	44.3%	34.1%	25.7%	18.9%	13.5%	9.3%	6.0%	3.4%	1.5%	0.0%
Intangible Assets	2.7%	2.3%	2.0%	1.7%	1.5%	1.3%	1.1%	0.9%	0.8%	0.7%	0.6%
Accumulated Amortization	-0.7%	-0.8%	-0.9%	-1.0%	-1.0%	-1.0%	-0.9%	-0.9%	-0.8%	-0.7%	-0.6%
Net Intangible Assets	2.0%	1.5%	1.1%	0.8%	0.5%	0.3%	0.2%	0.0%	0.0%	0.0%	0.0%
Other Assets	2.0%	1.8%	1.6%	1.5%	1.3%	1.2%	1.1%	1.0%	0.9%	0.8%	0.7%
<b>Total Assets</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Accounts Payable	2.0%	1.9%	1.8%	1.7%	1.6%	1.5%	1.4%	1.4%	1.3%	1.2%	1.2%
Notes Payable	0.9%	1.2%	1.0%	0.9%	0.8%	0.6%	0.6%	0.5%	0.4%	0.4%	0.3%
Current Portion - LTD	0.8%	2.2%	2.1%	2.0%	1.9%	1.8%	1.7%	1.6%	1.5%	1.4%	0.0%
Other Current Liabilities	2.0%	1.9%	1.8%	1.7%	1.6%	1.5%	1.4%	1.4%	1.3%	1.2%	1.2%
Total Current Liabilities	5.6%	7.2%	6.7%	6.3%	5.9%	5.5%	5.1%	4.8%	4.5%	4.3%	2.6%
Long Term Debt	36.7%	28.0%	22.1%	17.1%	12.8%	9.2%	6.2%	3.7%	1.7%	0.0%	0.0%
Other Liabilities	1.9%	1.8%	1.7%	1.7%	1.6%	1.5%	1.4%	1.3%	1.2%	1.2%	1.1%
Total Liabilities	44.3%	37.0%	30.6%	25.0%	20.2%	16.2%	12.7%	9.9%	7.4%	5.4%	3.7%
Equity	55.7%	63.0%	69.4%	75.0%	79.8%	83.8%	87.3%	90.1%	92.6%	94.6%	96.3%
<b>Total Liabilities &amp; Equity</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Childrens Clothing Store  
Detailed DCF Income Statements  
12/31/2003

BVMPro

	Pro Forma 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenue	5,966,000	6,562,600	7,218,860	7,940,746	8,734,821	9,608,303	10,569,133	11,626,046	12,788,651	14,067,516	15,474,268
Cost of Goods Sold	1,880,000	2,030,400	2,192,832	2,368,259	2,557,719	2,762,337	2,983,324	3,221,990	3,479,749	3,758,129	4,058,779
Gross Profit	4,086,000	4,532,200	5,026,028	5,572,487	6,177,101	6,845,966	7,585,809	8,404,057	9,308,902	10,309,387	11,415,489
Operating Expenses	1,963,000	2,120,040	2,289,643	2,472,815	2,670,640	2,884,291	3,115,034	3,364,237	3,633,376	3,924,046	4,237,970
Officers' Salary	1,121,000	1,245,103	1,382,320	1,535,166	1,705,488	1,895,364	2,107,126	2,343,397	2,607,130	2,901,646	3,230,683
Depreciation & Amortization	180,000	220,000	220,000	220,000	220,000	220,000	220,000	215,000	210,000	210,000	210,000
Interest Expense	220,000	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Operating Profit	602,000	942,557	1,129,564	1,340,007	1,576,473	1,841,811	2,139,149	2,476,922	2,853,896	3,269,196	3,732,336
Other Income/(Expense)	(16,000)	(18,656)	(21,633)	(24,966)	(28,695)	(32,861)	(37,514)	(42,706)	(48,495)	(54,946)	(62,129)
Income Before Taxes	586,000	923,901	1,107,931	1,315,041	1,547,779	1,808,950	2,101,635	2,434,216	2,805,401	3,214,250	3,670,207
Income Taxes	234,400	314,126	376,697	447,114	526,245	615,043	714,556	827,633	953,836	1,092,845	1,247,870
<b>Adjusted Net Income</b>	<b>351,600</b>	<b>609,775</b>	<b>731,235</b>	<b>867,927</b>	<b>1,021,534</b>	<b>1,193,907</b>	<b>1,387,079</b>	<b>1,606,583</b>	<b>1,851,564</b>	<b>2,121,405</b>	<b>2,422,337</b>

Childrens Clothing Store  
Detailed DCF Common Size Income Statements  
12/31/2003

BVMPro

	Pro Forma 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of Goods Sold	31.5%	30.9%	30.4%	29.8%	29.3%	28.7%	28.2%	27.7%	27.2%	26.7%	26.2%
Gross Profit	68.5%	69.1%	69.6%	70.2%	70.7%	71.3%	71.8%	72.3%	72.8%	73.3%	73.8%
Operating Expenses	32.9%	32.3%	31.7%	31.1%	30.6%	30.0%	29.5%	28.9%	28.4%	27.9%	27.4%
Officers' Salary	18.8%	19.0%	19.1%	19.3%	19.5%	19.7%	19.9%	20.2%	20.4%	20.6%	20.9%
Depreciation/Amortization	3.0%	3.4%	3.0%	2.8%	2.5%	2.3%	2.1%	1.8%	1.6%	1.5%	1.4%
Interest Expense	3.7%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Operating Profit	10.1%	14.4%	15.6%	16.9%	18.0%	19.2%	20.2%	21.3%	22.3%	23.2%	24.1%
Other Income/(Expense)	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%
Income Before Taxes	9.8%	14.1%	15.3%	16.6%	17.7%	18.8%	19.9%	20.9%	21.9%	22.8%	23.7%
Income Taxes	3.9%	4.8%	5.2%	5.6%	6.0%	6.4%	6.8%	7.1%	7.5%	7.8%	8.1%
<b>Adjusted Net Income</b>	<b>5.9%</b>	<b>9.3%</b>	<b>10.1%</b>	<b>10.9%</b>	<b>11.7%</b>	<b>12.4%</b>	<b>13.1%</b>	<b>13.8%</b>	<b>14.5%</b>	<b>15.1%</b>	<b>15.7%</b>

Childrens Clothing Store  
Detailed DCF Financial Performance  
12/31/2003

	Pro Forma 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>LIQUIDITY :</b>											
Current Ratio	7.1	7.3	9.4	11.4	13.5	15.4	17.4	19.3	21.2	23.0	37.8
Quick Ratio	2.9	4.9	7.0	9.0	11.0	13.0	15.0	16.9	18.7	20.5	34.0
Working Capital	1,271,000	1,927,348	2,780,001	3,759,196	4,880,792	6,162,388	7,623,496	9,284,023	11,167,876	13,303,176	15,946,592
Working Capital % of Revenue	21.3%	29.4%	38.5%	47.3%	55.9%	64.1%	72.1%	79.9%	87.3%	94.6%	103.1%
<b>LEVERAGE :</b>											
Total Liabilities/Assets	44.3%	37.0%	30.6%	25.0%	20.2%	16.2%	12.7%	9.9%	7.4%	5.4%	3.7%
Long Term Debt/Equity	65.9%	44.4%	31.9%	22.8%	16.1%	11.0%	7.1%	4.1%	1.8%	0.0%	0.0%
EBIT/Interest	3.7	206.3	247.2	293.2	345.0	403.0	468.0	541.9	624.4	715.3	816.6
Interest Bearing Debt/Equity	68.9%	49.7%	36.4%	26.6%	19.4%	13.9%	9.7%	6.4%	3.9%	1.9%	0.3%
Interest Bearing Debt/Assets	38.4%	31.3%	25.2%	19.9%	15.4%	11.6%	8.4%	5.8%	3.6%	1.8%	0.3%
<b>PERFORMANCE :</b>											
Gross Margin	68.5%	69.1%	69.6%	70.2%	70.7%	71.3%	71.8%	72.3%	72.8%	73.3%	73.8%
Operating Margin (EBITDA)	16.8%	17.8%	18.8%	19.7%	20.6%	21.5%	22.4%	23.2%	24.0%	24.8%	25.5%
Pretax Margin	9.8%	14.1%	15.3%	16.6%	17.7%	18.8%	19.9%	20.9%	21.9%	22.8%	23.7%
Net Margin	5.9%	9.3%	10.1%	10.9%	11.7%	12.4%	13.1%	13.8%	14.5%	15.1%	15.7%
<b>YEAR-TO-YEAR-GROWTH :</b>											
Revenue	N/A	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Gross Profit	N/A	10.9%	10.9%	10.9%	10.8%	10.8%	10.8%	10.8%	10.8%	10.7%	10.7%
Operating Income (EBITDA)	N/A	16.5%	16.0%	15.5%	15.1%	14.7%	14.4%	14.1%	13.8%	13.5%	13.3%
Pretax Income	N/A	57.7%	19.9%	18.7%	17.7%	16.9%	16.2%	15.8%	15.2%	14.6%	14.2%
Net Income	N/A	73.4%	19.9%	18.7%	17.7%	16.9%	16.2%	15.8%	15.2%	14.6%	14.2%

Childrens Clothing Store  
Detailed DCF Cash Flow Requirements  
12/31/2003

BVMPro

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Minimum Cash	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
<b>Cash From (For) Operations</b>										
Net Income/(Loss) (Before Credit Line)	609,775	731,235	867,927	1,021,534	1,193,907	1,387,079	1,606,583	1,851,564	2,121,405	2,422,337
Credit Line Interest	0	0	0	0	0	0	0	0	0	0
Depreciation & Amortization	220,000	220,000	220,000	220,000	220,000	220,000	215,000	210,000	210,000	210,000
Change in Working Capital	228,814	(50,781)	(55,813)	(61,344)	(67,423)	(74,103)	(81,445)	(89,514)	(98,382)	(335,624)
Change in Other Assets	(3,650)	(3,833)	(4,024)	(4,225)	(4,437)	(4,658)	(4,891)	(5,136)	(5,393)	(5,662)
Change in Other Liabilities	7,100	7,810	8,591	9,450	10,395	11,435	12,578	13,836	15,219	16,741
Cash From Operations	1,062,039	904,431	1,036,680	1,185,415	1,352,443	1,539,752	1,747,824	1,980,750	2,242,849	2,307,792
<b>Cash From (For) Investing</b>										
Capital Expenditures	0	0	0	0	0	0	0	0	0	0
Intangible Asset Acquisitions	0	0	0	0	0	0	0	0	0	0
Cash From Investments	0	0	0	0	0	0	0	0	0	0
<b>Cash From (For) Financing</b>										
Change in Long Term Debt	(176,877)	(102,560)	(113,299)	(125,163)	(138,269)	(152,748)	(168,742)	(186,412)	(205,932)	0
Stock Issues	0	0	0	0	0	0	0	0	0	0
Treasury Stock Purchases	0	0	0	0	0	0	0	0	0	0
Dividend Payments - Common	0	0	0	0	0	0	0	0	0	0
Dividend Payments - Preferred	0	0	0	0	0	0	0	0	0	0
Cash From Financing	(176,877)	(102,560)	(113,299)	(125,163)	(138,269)	(152,748)	(168,742)	(186,412)	(205,932)	0
Total Increase (Decrease) in Cash	885,162	801,872	923,381	1,060,252	1,214,174	1,387,005	1,579,082	1,794,338	2,036,918	2,307,792
Beginning Cash	500,000	1,385,162	2,187,034	3,110,415	4,170,667	5,384,841	6,771,846	8,350,928	10,145,266	12,182,184
Total Cash Before Credit Line	1,385,162	2,187,034	3,110,415	4,170,667	5,384,841	6,771,846	8,350,928	10,145,266	12,182,184	14,489,976
Advances (Reductions) on Credit Line	0	0	0	0	0	0	0	0	0	0
<b>ENDING CASH</b>	<b>1,385,162</b>	<b>2,187,034</b>	<b>3,110,415</b>	<b>4,170,667</b>	<b>5,384,841</b>	<b>6,771,846</b>	<b>8,350,928</b>	<b>10,145,266</b>	<b>12,182,184</b>	<b>14,489,976</b>

Childrens Clothing Store  
Detailed DCF EBI  
12/31/2003

BVMPro

	Pro Forma 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Projected Net Income	351,600	609,775	731,235	867,927	1,021,534	1,193,907	1,387,079	1,606,583	1,851,564	2,121,405	2,422,337
Projected Interest Expense	220,000	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Tax Shield of Interest Expense	(88,000)	(1,530)	(1,530)	(1,530)	(1,530)	(1,530)	(1,530)	(1,530)	(1,530)	(1,530)	(1,530)
<b>Projected EBI</b>	<b>483,600</b>	<b>612,745</b>	<b>734,205</b>	<b>870,897</b>	<b>1,024,504</b>	<b>1,196,877</b>	<b>1,390,049</b>	<b>1,609,553</b>	<b>1,854,534</b>	<b>2,124,375</b>	<b>2,425,307</b>

Childrens Clothing Store  
Detailed DCF EBIT  
12/31/2003

BVMPro

	Pro Forma 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Projected Pretax Income	586,000	923,901	1,107,931	1,315,041	1,547,779	1,808,950	2,101,635	2,434,216	2,805,401	3,214,250	3,670,207
Projected Interest Expense	220,000	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
<b>Projected EBIT</b>	<b>806,000</b>	<b>928,401</b>	<b>1,112,431</b>	<b>1,319,541</b>	<b>1,552,279</b>	<b>1,813,450</b>	<b>2,106,135</b>	<b>2,438,716</b>	<b>2,809,901</b>	<b>3,218,750</b>	<b>3,674,707</b>

Childrens Clothing Store  
Detailed DCF EBITDA  
12/31/2003

BVMPro

	Pro Forma 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Projected Pretax Income	586,000	923,901	1,107,931	1,315,041	1,547,779	1,808,950	2,101,635	2,434,216	2,805,401	3,214,250	3,670,207
Projected Interest Expense	220,000	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Projected Depreciation/Amortization	180,000	220,000	220,000	220,000	220,000	220,000	220,000	215,000	210,000	210,000	210,000
<b>Projected EBITDA</b>	<b>986,000</b>	<b>1,148,401</b>	<b>1,332,431</b>	<b>1,539,541</b>	<b>1,772,279</b>	<b>2,033,450</b>	<b>2,326,135</b>	<b>2,653,716</b>	<b>3,019,901</b>	<b>3,428,750</b>	<b>3,884,707</b>



Childrens Clothing Store  
Detailed DCF After Tax Cash Flow  
12/31/2003

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Projected After Tax Income	609,775	731,235	867,927	1,021,534	1,193,907	1,387,079	1,606,583	1,851,564	2,121,405	2,422,337
Common Stock Dividend Adjustment	0	0	0	0	0	0	0	0	0	0
Projected Depreciation/Amortization	220,000	220,000	220,000	220,000	220,000	220,000	215,000	210,000	210,000	210,000
After Tax Gross Cash Flow	829,775	951,235	1,087,927	1,241,534	1,413,907	1,607,079	1,821,583	2,061,564	2,331,405	2,632,337
Decrease / (Increase) in Working Capital	228,814	(50,781)	(55,813)	(61,344)	(67,423)	(74,103)	(81,445)	(89,514)	(98,382)	(335,624)
Decrease / (Increase) in Investments.	0	0	0	0	0	0	0	0	0	0
Decrease / (Increase) in Other Assets	(3,650)	(3,833)	(4,024)	(4,225)	(4,437)	(4,658)	(4,891)	(5,136)	(5,393)	(5,662)
(Decrease) / Increase in Other Liabilities	7,100	7,810	8,591	9,450	10,395	11,435	12,578	13,836	15,219	16,741
Cash Available for Financing	1,062,039	904,431	1,036,680	1,185,415	1,352,443	1,539,752	1,747,824	1,980,750	2,242,849	2,307,792
(Decrease) / Increase in Long Term Debt	(176,877)	(102,560)	(113,299)	(125,163)	(138,269)	(152,748)	(168,742)	(186,412)	(205,932)	0
Less Preferred Stock Dividends	0	0	0	0	0	0	0	0	0	0
Net Cash Flow	885,162	801,872	923,381	1,060,252	1,214,174	1,387,005	1,579,082	1,794,338	2,036,918	2,307,792
Plus Beginning Cash Balance	500,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Preliminary Cash Available	1,385,162	901,872	1,023,381	1,160,252	1,314,174	1,487,005	1,679,082	1,894,338	2,136,918	2,407,792
Less Minimum Required Cash Balance	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
<b>Available for Dividend - Net Free Cash Flow</b>	<b>1,285,162</b>	<b>801,872</b>	<b>923,381</b>	<b>1,060,252</b>	<b>1,214,174</b>	<b>1,387,005</b>	<b>1,579,082</b>	<b>1,794,338</b>	<b>2,036,918</b>	<b>2,307,792</b>

Childrens Clothing Store  
Detailed DCF Pretax Cash Flow  
12/31/2003

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Projected Pretax Income	923,901	1,107,931	1,315,041	1,547,779	1,808,950	2,101,635	2,434,216	2,805,401	3,214,250	3,670,207
Common Stock Dividend Adjustment	0	0	0	0	0	0	0	0	0	0
Projected Depreciation/Amortization	220,000	220,000	220,000	220,000	220,000	220,000	215,000	210,000	210,000	210,000
Pretax Gross Cash Flow	1,143,901	1,327,931	1,535,041	1,767,779	2,028,950	2,321,635	2,649,216	3,015,401	3,424,250	3,880,207
Decrease / (Increase) in Working Capital	228,814	(50,781)	(55,813)	(61,344)	(67,423)	(74,103)	(81,445)	(89,514)	(98,382)	(335,624)
Decrease / (Increase) in Investments	0	0	0	0	0	0	0	0	0	0
Decrease / (Increase) in Other Assets	(3,650)	(3,833)	(4,024)	(4,225)	(4,437)	(4,658)	(4,891)	(5,136)	(5,393)	(5,662)
(Decrease) / Increase in Other Liabilities	7,100	7,810	8,591	9,450	10,395	11,435	12,578	13,836	15,219	16,741
Cash Available for Financing	1,376,165	1,281,128	1,483,794	1,711,659	1,967,486	2,254,308	2,575,458	2,934,586	3,335,694	3,555,662
(Decrease) / Increase in Long Term Debt	(176,877)	(102,560)	(113,299)	(125,163)	(138,269)	(152,748)	(168,742)	(186,412)	(205,932)	0
Less Preferred Stock Dividends	0	0	0	0	0	0	0	0	0	0
Net Cash Flow	1,199,289	1,178,568	1,370,495	1,586,497	1,829,217	2,101,561	2,406,715	2,748,175	3,129,763	3,555,662
Plus Beginning Cash Balance	500,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Preliminary Cash Available	1,699,289	1,278,568	1,470,495	1,686,497	1,929,217	2,201,561	2,506,715	2,848,175	3,229,763	3,655,662
Less Minimum Required Cash Balance	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
<b>Available for Dividend - Net Free Cash Flow</b>	<b>1,599,289</b>	<b>1,178,568</b>	<b>1,370,495</b>	<b>1,586,497</b>	<b>1,829,217</b>	<b>2,101,561</b>	<b>2,406,715</b>	<b>2,748,175</b>	<b>3,129,763</b>	<b>3,555,662</b>

Childrens Clothing Store  
Detailed DCF Discount Rate  
12/31/2003

BUILDUP DISCOUNT RATE

Risk-Free Rate of Return	5.0%
Equity Risk Premium	6.0%
Small Stock Risk Premium	7.0%
Plus/Minus Industry Risk Premium	4.5%
Company Specific Premium	7.5%
<b>Discount Rate To Apply To Next Year Stream</b>	<b><u>30.0%</u></b>

Childrens Clothing Store  
Detailed DCF WACC  
12/31/2003

Debt

Enter Long Term Debt Interest rate

Enter Marginal Tax Rate

WACC Calculation

Percent of Debt In Capital Structure

Percent of Equity In Capital Structure 100.0%

Cost of Equity 30.0%

Multiplied By:

Percentage of Equity in Capital Structure 100.0%

**Weighted Cost of Equity** **30.0%** **A**

Long Term Debt Interest Rate 0.0%

Multiplied By:

1-Tax Rate 100.0%

Cost of Debt 0.0%

Multiplied By:

Percentage of Debt in Capital Structure 0.0%

**Weighted Cost of Debt** **0.0%** **B**

**WEIGHTED AVERAGE COST OF CAPITAL** **30.0%** **A + B**

Childrens Clothing Store  
Detailed DCF Conversions  
12/31/2003

BVMPro

Childrens Clothing Store  
Detailed DCF Indicated Value  
12/31/2003

Forecast Period	After Tax Cash Flow	Growth Rate	Terminal Value	P.V. Using 30.0% Discount Rate	Discounted Cash Flow
2004	1,285,162	N/A		0.76923	988,585
2005	801,872	-37.6%		0.59172	474,483
2006	923,381	15.2%		0.45517	420,296
2007	1,060,252	14.8%		0.35013	371,226
2008	1,214,174	14.5%		0.26933	327,013
2009	1,387,005	14.2%		0.20718	287,360
2010	1,579,082	13.8%		0.15937	251,658
2011	1,794,338	13.6%		0.12259	219,968
2012	2,036,918	13.5%		0.09430	192,081
2013	2,307,792	13.3%		0.07254	167,407
2013-Forever	2,307,792	0.0%	7,692,640 *	0.07254	558,024
Subtotal					4,258,102
Minority Interest Discount					37.3%
Subtotal					2,669,830
Marketability Discount					25.0%
Subtotal					2,002,372
Excess/Non-Operating Assets					124,051
<b>Indicated Value</b>					<b>2,126,424</b>
<b>SELECTED VALUE - DCF</b>					<b>2,126,000</b>

\*Calculated As  $2307792 / 0.3 - 0$

Childrens Clothing Store  
Detailed DCF Terminal Growth  
12/31/2003

Net of Debt After Tax Cash Flow Ending	2002	0
Net of Debt After Tax Cash Flow Beginning	1998	0
Number of Years of Growth		4
<b>Terminal Growth (((0/0)^(1/4))-1)</b>		<b>0.0%</b>
<b>SELECTED TERMINAL GROWTH DCF</b>		<b>0.0%</b>

Childrens Clothing Store  
Detailed DCF Sensitivity Analysis  
12/31/2003

BVMPro

Sustainable Growth

	-1.5%	-1.0%	-0.5%	0.0%	0.5%	1.0%	1.5%
27.0%	4,806,075	4,822,898	4,840,333	4,858,414	4,877,177	4,896,662	4,916,911
28.0%	4,595,983	4,610,606	4,625,742	4,641,419	4,657,666	4,674,514	4,691,999
29.0%	4,402,369	4,415,117	4,428,296	4,441,931	4,456,043	4,470,660	4,485,808
Discount Rate 30.0%	4,223,558	4,234,701	4,246,210	4,258,102	4,270,398	4,283,117	4,296,283
31.0%	4,057,933	4,067,699	4,077,775	4,088,176	4,098,918	4,110,017	4,121,494
32.0%	3,904,177	3,912,756	3,921,600	3,930,720	3,940,129	3,949,842	3,959,873
33.0%	3,761,182	3,768,737	3,776,517	3,784,532	3,792,794	3,801,315	3,810,106



Childrens Clothing Store  
COEE Earnings/Cash Flow Base  
12/31/2003

BVMPro

**Net of Debt After Tax Cash Flow**

*Earning Power Based on*

	2003	2002	2001	2000	1999
Adjusted Pretax Income	586,000	390,000	226,000	233,000	164,000
Add Depreciation/Amortization	180,000	156,000	90,000	66,000	50,000
Total	766,000	546,000	316,000	299,000	214,000
Weight	5	4	3	2	1
<b>Ongoing Earning Power</b>	<b>518,267</b>				

*Earning Power Based on Margin Analysis*

Adjusted Revenue	5,966,000	5,194,000	3,970,000	2,935,000	2,100,000
Weight on Adjusted Revenue	5	4	3	2	1
Ongoing Revenue	4,699,067				
Net of Debt After Tax Cash Flow Margin	12.8%	10.5%	8.0%	10.2%	10.2%
Weight Applied to Adjusted Margin	5	4	3	2	1
Ongoing Margin	10.7%				

**Ongoing Earning Power Based on Margin Analysis**

**503,395**

**Net of Debt After Tax Cash Flow Before Adjustment**

**510,831**

Less Ongoing Depreciation/Amortization	131,733
Taxable Base	379,098
Less Estimated State Income Taxes	37,910
Before Federal Taxes	341,188
Less Federal Taxes	116,004
After Tax Cash Flow Base Before Adjustment	225,184
Depreciation/Amortization	131,733
Other Adjustments	
Adjust for Working Capital Requirements	(127,100)
Adjust for Capital Expenditure Requirements	(74,000)
Adjust for Long Term Debt Requirements	139,800
<b>Calculated Ongoing Net of Debt After Tax Cash Flow</b>	<b>295,617</b>

**SELECTED ONGOING NET OF DEBT AFTER TAX CASH FLOW**

**295,600**

Childrens Clothing Store  
COEE Tax Calculation  
12/31/2003

FEDERAL TAX CALCULATION

Taxable Income	Times Tax Rate	Tax
50,000	15.0%	7,500
25,000	25.0%	6,250
25,000	34.0%	8,500
235,000	39.0%	91,650
6,188	34.0%	2,104
0	35.0%	0
0	38.0%	0
0	35.0%	0
<b><u>341,188</u></b>		<b><u>116,004</u></b>

Childrens Clothing Store  
COEE Cash Flow Calculation

12/31/2003

BVMPro

Childrens Clothing Store  
COEE Reasonable Return On Assets/Equity  
12/31/2003

	<u>2003</u>
Adjusted Assets	3,728,000
Non-Operating Assets	(30,000)
Excess Assets	(245,799)
Tax Affect of Built In Gain	<u>(31,074)</u>
Adjusted Operating Assets	<u>3,421,127</u>
Reasonable Rate of Return on Operating Assets	<u>4.0%</u>
<b>Calculated Return on Operating Assets</b>	<b><u>136,845</u></b>
<b>SELECTED RETURN ON OPERATING ASSETS</b>	<b><u>136,800</u></b>

Childrens Clothing Store  
COEE Capitalization Rate  
12/31/2003

BUILDUP CAPITALIZATION RATE

Risk-Free Rate of Return	5.0%
Equity Risk Premium	6.0%
Small Stock Risk Premium	7.0%
Plus/Minus Industry Risk Premium	4.5%
Company Specific Premium	9.0%
Discount Rate	31.5%
Sustainable Growth	4.0%
<b>Capitalization Rate To Apply To Next Year Stream</b>	<b><u>27.5%</u></b>

Childrens Clothing Store  
COEE Company Specific Premium  
12/31/2003

Intangible Value	2.0%
Further Size Adjustment	2.0%
Depth of Management	0.5%
Importance of Key Personnel	0.5%
Stability of Industry	0.5%
Diversification of Product Line	0.5%
Diversification of Customer Base	0.5%
Diversification/Stability of Suppliers	0.5%
Geographic Location	0.5%
Stability of Earnings	0.5%
Earnings Margins	0.5%
Financial Structure	0.5%
<b>COMPANY SPECIFIC PREMIUM</b>	<b><u>9.0%</u></b>

Childrens Clothing Store  
COEE WACC  
12/31/2003

Debt

Enter Long Term Debt Interest rate

Enter Marginal Tax Rate

WACC Calculation

Percent of Debt In Capital Structure

Percent of Equity In Capital Structure 100.0%

Cost of Equity 31.5%

Multiplied By:

Percentage of Equity in Capital Structure 100.0%

**Weighted Cost of Equity** **31.5%** **A**

Long Term Debt Interest Rate 0.0%

Multiplied By:

1-Tax Rate 100.0%

Cost of Debt 0.0%

Multiplied By:

Percentage of Debt in Capital Structure 0.0%

**Weighted Cost of Debt** **0.0%** **B**

**WEIGHTED AVERAGE COST OF CAPITAL** **31.5%** **A + B**

Childrens Clothing Store  
COEE Conversion

12/31/2003

BVMPro



Childrens Clothing Store  
COEE Sustainable Growth  
12/31/2003

Net of Debt After Tax Cash Flow Ending	2002	546,000
Net of Debt After Tax Cash Flow Beginning	1999	214,000
Number of Years of Growth		3
<b>Sustainable Growth(((546000/214000)^(1/3))-1)</b>		<b><u>36.6%</u></b>
<b>SELECTED SUSTAINABLE GROWTH COEE</b>		<b><u>4.0%</u></b>

Childrens Clothing Store  
COEE Indicated Value  
12/31/2003

Net of Debt After Tax Cash Flow	295,600	
Sustainable Growth Rate	<u>4.0%</u>	
Subtotal		307,424
Return on Operating Assets		<u>136,800</u>
Excess Earnings		170,624
Capitalization Rate		<u>27.5%</u>
Intangible Value		620,451
Adjusted Operating Assets		3,421,127
Subtotal		4,041,578
Minority Interest Discount		<u>37.3%</u>
Subtotal		2,534,069
Marketability Discount		<u>25.0%</u>
Subtotal		1,900,552
Excess/Non-Operating Assets		<u>0</u>
<b>Indicated Value</b>		<b><u><u>1,900,552</u></u></b>
 <b>SELECTED VALUE - COEE</b>		 <b><u><u>1,901,000</u></u></b>

Childrens Clothing Store  
COEE Sensitivity Analysis  
12/31/2003

BVMPro

Sustainable Growth

	2.5%	3.0%	3.5%	4.0%	4.5%	5.0%	5.5%
28.5%	4,077,373	4,090,241	4,103,623	4,117,551	4,132,060	4,147,187	4,162,970
29.5%	4,053,068	4,064,991	4,077,373	4,090,241	4,103,623	4,117,551	4,132,060
30.5%	4,030,498	4,041,578	4,053,068	4,064,991	4,077,373	4,090,241	4,103,623
Discount Rate 31.5%	4,009,486	4,019,808	4,030,498	4,041,578	4,053,068	4,064,991	4,077,373
32.5%	3,989,874	3,999,513	4,009,486	4,019,808	4,030,498	4,041,578	4,053,068
33.5%	3,971,527	3,980,550	3,989,874	3,999,513	4,009,486	4,019,808	4,030,498
34.5%	3,954,327	3,962,790	3,971,527	3,980,550	3,989,874	3,999,513	4,009,486

Childrens Clothing Store  
Market Comparables Mid-Market Comps  
12/31/2003

BVMPro

SIC Code	Date	(000's) Price	(000's) Revenue	(000's) Earnings	(000's) Assets	(000's) S.H. Equity	Price to Earnings	Price to Revenue	Price to Assets	Price to Cash Flow	Price to Book
2813	12/30/1995	6,000	4,300	1,300	1,400		4.62x	1.40x	4.29x		
5661	5/8/1998	100,000	299,400	9,300	131,600	56,000	10.75x	0.33x	0.76x		1.79x
5661	3/7/2000	64,000	469,300	(43,700)	163,300			0.14x	0.39x		
					Calculated Average		7.68x	0.62x	1.81x	0.00x	1.79x
					Calculated Median		7.68x	0.33x	0.76x	0.00x	1.79x
					<b>SELECTED MEDIAN</b>		<b>7.68x</b>	<b>0.33x</b>	<b>0.76x</b>	<b>5.87x</b>	<b>1.79x</b>

Childrens Clothing Store  
Market Comparables Bizcomps  
12/31/2003

BVMPro

Business Type	Date	SIC	Area	(000's) Revenue	(000's) Discr. Earn.	(000's) Intangible Price	P/Discr. Earn.	P/R	Intangible P/Discr Earn	Intangible P/R
Retail-Childrens Clothing	1/31/1996	5641	MW	314	78	90	1.24	30.9%	1.15x	0.29x
Retail-Childrens Clothing	10/31/1993	5641	W	350	49	22	0.65	9.1%	0.45x	0.06x
Retail-Childrens Clothing	10/31/1991	5641	E	230	33	5	1.21	17.4%	0.15x	0.02x
Calculated Average									0.58x	0.12x
Calculated Median									0.45x	0.06x
<b>SELECTED MEDIAN</b>									<b>0.45x</b>	<b>0.06x</b>

Childrens Clothing Store  
Market Comparables Pratts Stats™  
12/31/2003

Equity / Net Sales 0.40x

Equity / Gross Cash Flow 5.87x

Equity / Net Income 7.50x

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Childrens Clothing Store  
Market Comparables IBA  
12/31/2003

Price To Discretionary Earnings 0.50x

Price To Revenue Ratio 0.40x

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Childrens Clothing Store  
Market Comparables Mercer  
12/31/2003

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	A	B	C	D	E	F	G	H	I	J
	Price/ LTM EPS	Price/ 02(E) EPS	Price/ 01(E) EPS	Total Market Value/ Revenues	Total Market Value/ EBITDA	Total Market Value/ EBIT	Price/ Net Inc Bef Exp + Depreciation	Price/ Book	Dividend Yield	Beta
Average Median		7.90x		0.40x	2.85x	3.45x		0.65x		
<b>SELECTED MEDIAN</b>	<b>Not Selected</b>	<b>7.90x</b>	<b>Not Selected</b>	<b>0.40x</b>	<b>2.85x</b>	<b>3.45x</b>	<b>0.00x</b>	<b>0.65x</b>	<b>0.00x</b>	<b>0.00x</b>



Childrens Clothing Store  
Market Comparables Mercer Fundamental Discount  
12/31/2003

Public Co. Growth Rate Analysis

Risk-free Rate of Return	0.0%
Common Stock Risk Premium	0.0%
x Industry Beta	1.0
Adjusted Common Stock Premium	0.0%
+ Small Stock Risk Premium	0.0%
Total Equity Premium	0.0%
Industry Discount Rate	0.0%
- Industry Cap Rate (1/P/E)	12.7%
Implied Growth Rate for Public Co's	-12.7%

Subject Company Analysis

	Set Growth= to Public Group	Set Specific Risk= to Public Group	Set Growth and Specific Risk= to Subject Co.
Risk-free Rate of Return	0.0%	0.0%	0.0%
Total Equity Premium	0.0%	0.0%	0.0%
Company Risk Premium	7.5%	0.0%	7.5%
Discount Rate	7.5%	0.0%	7.5%
Growth Rate Estimate	12.7%	0.0%	0.0%
Implied Capitalization Rate	20.2%	0.0%	7.5%
Implied Capitalization Factor	4.96	0.00	13.33
Implied Discount from Public Company P/E	37.2%	100.0%	-68.7%
Fundamental Discount Used	22.8%		

Derivation of Adjusted Cap Factor

Base Guideline Capitalization Factor	7.90x
Less: Fundamental Discount	1.80x
Adjusted Guideline Capitalization Factor	6.10x

Childrens Clothing Store  
Market Comparables Public Merged and Acquired Transactions  
12/31/2003

BVM

Pro

Transaction Participant(s)	Date	Annual Earnings	Annual Sales	Book Value	Total Assets	Cash Flow	Price Offered	Price to Earnings	Price to Revenue	Price to Book	Price to Assets	Price to Cash Flow
Subject One	12/31/01	54	995	128	380	46	500	9.26x	0.50x	3.91x	1.32x	10.87x
Subject Two	11/30/01	78	1,025	150	425	74	600	7.69x	0.59x	4.00x	1.41x	8.11x
Subject Three	10/31/01	45	895	100	350	32	450	10.00x	0.50x	4.50x	1.29x	14.06x

Calculated Average	8.98x	0.53x	4.14x	1.34x	11.01x
Calculated Median	9.26x	0.50x	4.00x	1.32x	10.87x
<b>SELECTED MEDIAN</b>	<b>9.26x</b>	<b>0.50x</b>	<b>4.00x</b>	<b>1.32x</b>	<b>10.87x</b>

Childrens Clothing Store  
Market Comparables Private Transactions  
12/31/2003

BVMPro

Company Name	Date	Net Earnings	Gross Revenue	Book Value	Assets	Cash Flow	Sale Price	Price to Earnings	Price to Revenue	Price to Book	Price to Cash Flow	Price to Assets
Tango One	12/31/01	45	810	87	250	39	385	8.56x	0.48x	4.43x	9.87x	1.54x
Tango Two	11/30/01	75	950	101	305	48	485	6.47x	0.51x	4.80x	10.10x	1.59x
Tango Three	10/31/01	25	760	72	185	25	285	11.40x	0.38x	3.96x	11.40x	1.54x

Calculated Average	8.81x	0.45x	4.40x	10.46x	1.56x
Calculated Median	8.56x	0.48x	4.43x	10.10x	1.54x
<b>SELECTED MEDIAN</b>	<b>8.56x</b>	<b>0.48x</b>	<b>4.43x</b>	<b>10.10x</b>	<b>1.54x</b>

Childrens Clothing Store  
Market Comparables Analyst  
12/31/2003

Guideline Company	Sales (Millions)	Pretax Profit Margin	Net Profit Margin	Depreciation & Amortization /Sales	After Tax Cash Flow	Interest/ Sales	Total Assets (Millions)	Equity (Millions)	Interest Bearing Debt/ Equity	ROE (common)	Shares Outstanding (Millions)	Price for the Month Ended 12/31/2003	Market Value Equity (Millions)	Market Value Capital (Millions)	P/E 12/31/2003	P/R 12/31/2003	P/A 12/31/2003	P/B 12/31/2003	P/EBITDA 12/31/2003	P/Cash Flow 12/31/2003	P/EBIT 12/31/2003
Foxtrot Two	6,000	10.0%	7.5%	15.0%	8.0%	6.0%	5125.00	1000.00	25.0%	45.0%	100	58.02	5802.00	6052.00	12.89x	0.97x	1.13x	5.80x	3.12x	12.09x	6.04x
Foxtrot Three	5,000	9.5%	8.0%	12.0%	7.5%	5.0%	4955.00	995.00	30.0%	40.2%	100	62.03	6203.00	6501.50	15.51x	1.24x	1.25x	6.23x	4.68x	16.54x	8.56x
Foxtrot Four	7,000	12.0%	8.0%	17.0%	9.0%	4.0%	5400.00	1200.00	20.0%	46.7%	90	45.01	4050.90	4290.90	7.23x	0.58x	0.75x	3.38x	1.75x	6.43x	3.62x

Calculated Average	11.88x	0.93x	1.04x	5.14x	3.18x	11.69x	6.07x
Calculated Median	12.89x	0.97x	1.13x	5.80x	3.12x	12.09x	6.04x
<b>SELECTED MEDIAN</b>	<b>12.89x</b>	<b>0.97x</b>	<b>1.13x</b>	<b>5.80x</b>	<b>3.12x</b>	<b>12.09x</b>	<b>6.04x</b>

Childrens Clothing Store  
Market Comparables Analyst Fundamental Discount  
12/31/2003

BVMPro

Public Co. Growth Rate Analysis

Risk-free Rate of Return		0.0%
Common Stock Risk Premium	0.0%	
times Industry Beta	1.0	
Adjusted Common Stock Premium	0.0%	
+Small Stock Risk Premium	0.0%	
Total Equity Premium		0.0%
Industry Discount Rate		0.0%
-Industry Cap Rate (1/P/E)		7.8%
Implied Growth Rate for Public Co's		-7.8%

Subject Company Analysis

	Set Growth= to Public Group	Set Specific Risk= to Public Group	Set Growth and Specific Risk= to Subject Co.
Risk-free Rate of Return	0.0%	0.0%	0.0%
Total Equity Premium	0.0%	0.0%	0.0%
Company Risk Premium	7.5%	0.0%	0.1%
Discount Rate	7.5%	0.0%	7.5%
Growth Rate Estimate	7.8%	0.0%	0.0%
Implied Capitalization Rate	15.3%	0.0%	7.5%
Implied Capitalization Factor	6.55	0.00	13.33
Implied Discount from Public Company P/E	49.2%	100.0%	-3.4%
Fundamental Discount Used	48.6%		

Derivation of Adjusted Cap Factor

Base Guideline Capitalization Factor	12.89x
Less: Fundamental Discount	6.27x
Adjusted Guideline Capitalization Factor	6.63x

Childrens Clothing Store  
Market Comparables SDCF (Bizcomps) Cash Flow Base  
12/31/2003

BVMPro

	2003	2002	2001	2000	1999
Adjusted Debt Free Pretax Income	806,000	640,000	436,000	423,000	356,000
Officers' Compensation	1,121,000	854,000	532,000	385,000	248,000
Depreciation/Amortization	180,000	156,000	90,000	66,000	50,000
Seller's Discretionary Earnings	2,107,000	1,650,000	1,058,000	874,000	654,000
Weight on SDE	5	4	3	2	1
Ongoing Seller's Discretionary Earnings	<b>1,514,067</b>				
<b>SELECTED ONGOING SDE BASE</b>	<b>1,514,100</b>				

Childrens Clothing Store  
Market Comparables SDCF (IBA) Cash Flow Base  
12/31/2003

BVMPro

	2003	2002	2001	2000	1999
Adjusted Debt Free Pretax Income	806,000	640,000	436,000	423,000	356,000
Officers' Compensation	1,121,000	854,000	532,000	385,000	248,000
Seller's Discretionary Earnings	1,927,000	1,494,000	968,000	808,000	604,000
Weight on SDE	5	4	3	2	1
<b>Ongoing Seller's Discretionary Earnings</b>	<b><u>1,382,333</u></b>				
<b>SELECTED ONGOING SDE BASE</b>	<b><u>1,382,300</u></b>				

Childrens Clothing Store  
Market Comparables Net Earnings Base  
12/31/2003

	2003	2002	2001	2000	1999
Earning Power Based on Pretax Income					
Adjusted Pretax Income	586,000	390,000	226,000	233,000	164,000
Weight on Pretax Income	5	4	3	2	1
<b>Ongoing Pretax Income</b>	<b>386,533</b>				
Earning Power Based on Margin Analysis					
Adjusted Revenue	5,966,000	5,194,000	3,970,000	2,935,000	2,100,000
Weight on Adjusted Revenue	5	4	3	2	1
Ongoing Revenue	<b>4,699,067</b>				
Adjusted Pretax Income Margin	9.8%	7.5%	5.7%	7.9%	7.8%
Weight Applied to Adjusted Margin	5	4	3	2	1
Ongoing Margin	<b>8.0%</b>				
<b>Ongoing Margin Analysis Pretax Income</b>	<b>375,600</b>				
<b>Ongoing Benefit Stream</b>	<b>381,067</b>				
Estimated State Income Taxes	10.0% 38,107				
Income Before Federal Taxes	342,960				
Federal Taxes	116,606				
<b>Ongoing Net Income</b>	<b>226,353</b>				
<b>SELECTED ONGOING NET INCOME</b>	<b>226,400</b>				



Childrens Clothing Store  
Market Comparables Tax Calculation  
12/31/2003

FEDERAL TAX CALCULATION

Taxable Income	Times Tax Rate	Tax
50,000	15.0%	7,500
25,000	25.0%	6,250
25,000	34.0%	8,500
235,000	39.0%	91,650
7,960	34.0%	2,706
0	35.0%	0
0	38.0%	0
0	35.0%	0
<u>342,960</u>		<u>116,606</u>

Childrens Clothing Store  
Market Comparables Book Value Base  
12/31/2003

BVMPro

	2003	2002	2001	2000	1999
Historic Book Value	1,445,000	1,125,000	905,000	705,000	615,000
Adjustment	0	0	0	0	0
Adjusted Book Value	1,445,000	1,125,000	905,000	705,000	615,000
Weight on Historic Book Value	5	4	3	2	1
<b>Ongoing Historic Book Value</b>	<b><u>1,097,667</u></b>				
<b>SELECTED BOOK VALUE BASE</b>	<b><u>1,097,700</u></b>				

Childrens Clothing Store  
Market Comparables Revenue Base  
12/31/2003

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Adjusted Revenue	5,966,000	5,194,000	3,970,000	2,935,000	2,100,000
Weight on Adjusted Revenue	5	4	3	2	1
<b>Ongoing Adjusted Revenue</b>	<u><b>4,699,067</b></u>				
<b>SELECTED REVENUE BASE</b>	<u><b>4,699,100</b></u>				

Childrens Clothing Store  
Market Comparables Total Assets Base  
12/31/2003

BVMPro

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Historic Total Assets	3,095,000	2,600,000	2,219,000	1,886,000	1,550,000
Adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Adjusted Historic Total Assets	3,095,000	2,600,000	2,219,000	1,886,000	1,550,000
Weight on Historic Total Assets	<u>5</u>	4	3	2	1
<b>Ongoing Historic Total Assets</b>	<b><u><u>2,523,600</u></u></b>				
<b>SELECTED TOTAL ASSETS BASE</b>	<b><u><u>2,523,600</u></u></b>				

Childrens Clothing Store  
Market Comparables Cash Flow Base  
12/31/2003

	2003	2002	2001	2000	1999
Earning Power Based On Gross Cash Flow					
Adjusted After Tax Income	351,600	250,000	160,000	174,000	113,000
Add Depreciation/Amortization	180,000	156,000	90,000	66,000	50,000
Other Non-Cash Adjustments	0	0	0	0	0
Cash Flow	531,600	406,000	250,000	240,000	163,000
Weight on Cash Flow	5	4	3	2	1
<b>Ongoing Cash Flow</b>	<b>378,333</b>				
Earning Power Based Margin Analysis					
Adjusted Revenue	5,966,000	5,194,000	3,970,000	2,935,000	2,100,000
Weight on Adjusted Revenue	5	4	3	2	1
<b>Ongoing Revenue</b>	<b>4,699,067</b>				
Adjusted Cash Flow Margin	8.9%	7.8%	6.3%	8.2%	7.8%
Weight Applied to Adjusted Margin	5	4	3	2	1
<b>Ongoing Cash Flow Margin</b>	<b>7.9%</b>				
<b>Ongoing Cash Flow Margin Analysis</b>	<b>372,251</b>				
<b>Ongoing Gross Cash Flow</b>	<b>375,292</b>				
<b>SELECTED ONGOING CASH FLOW</b>	<b>375,300</b>				

Childrens Clothing Store  
Market Comparables EBIT Base  
12/31/2003

	2003	2002	2001	2000	1999
Earning Power Based on EBIT					
Adjusted Pretax Income	586,000	390,000	226,000	233,000	164,000
Add Interest Expense	220,000	250,000	210,000	190,000	192,000
EBIT	806,000	640,000	436,000	423,000	356,000
Weight on EBIT	5	4	3	2	1
<b>Ongoing EBIT Indication</b>	<b>606,667</b>				
Earning Power Based Margin Analysis					
Adjusted Revenue	5,966,000	5,194,000	3,970,000	2,935,000	2,100,000
Weight on Adjusted Revenue	5	4	3	2	1
Ongoing Revenue	4,699,067				
Adjusted EBIT Margin	13.5%	12.3%	11.0%	14.4%	17.0%
Weight Applied to Adjusted Margin	5	4	3	2	1
Ongoing EBIT Margin	13.0%				
<b>Ongoing EBIT Margin</b>	<b>612,636</b>				
<b>Ongoing EBIT</b>	<b>609,652</b>				
<b>SELECTED ONGOING EBIT INCOME</b>	<b>609,700</b>				

Childrens Clothing Store  
Market Comparables EBITDA Base  
12/31/2003

BVMPro

	2003	2002	2001	2000	1999
Earning Power Based on EBITDA					
Adjusted Pretax Income	586,000	390,000	226,000	233,000	164,000
Add Interest Expense	220,000	250,000	210,000	190,000	192,000
Add Depreciation/Amortization	180,000	156,000	90,000	66,000	50,000
EBITDA	986,000	796,000	526,000	489,000	406,000
Weight on EBITDA	5	4	3	2	1
<b>Ongoing EBITDA</b>	<b>738,400</b>				
Earning Power Based Margin Analysis					
Adjusted Revenue	5,966,000	5,194,000	3,970,000	2,935,000	2,100,000
Weight on Adjusted Revenue	5	4	3	2	1
Ongoing Revenue	<b>4,699,067</b>				
Adjusted EBITDA Margin	16.5%	15.3%	13.2%	16.7%	19.3%
Weight Applied to Adjusted Margin	5	4	3	2	1
Ongoing EBITDA Margin	<b>15.8%</b>				
<b>Ongoing EBITDA Margin Analysis</b>	<b>740,384</b>				
<b>Ongoing EBITDA</b>	<b>739,392</b>				
<b>SELECTED ONGOING EBITDA INCOME</b>	<b>739,400</b>				

Childrens Clothing Store  
Market Comparables Price to Earnings  
12/31/2003

BVMPro

	Mid-Market Data	Pratt's™ Stats Data	Mercer Capital Data	Public Guideline Data	Private Guideline Data	Analyst Data
After Tax Earnings	226,400	226,400	226,400	226,400	226,400	226,400
Multiple	7.68x	7.50x	6.10x	9.26x	8.56x	12.89x
Subtotal	1,739,666	1,698,000	1,380,285	2,096,296	1,936,978	2,919,051
Minority Interest Discount	37.3%	37.3%	37.3%	37.3%	37.3%	37.3%
Subtotal	1,090,771	1,064,646	865,439	1,314,378	1,214,485	1,830,245
Marketability Discount	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Operating Value	818,078	798,485	649,079	985,783	910,864	1,372,684
Excess/Non-Operating Assets	124,051	124,051	124,051	124,051	124,051	124,051
Ongoing Value	942,129	922,536	773,131	1,109,835	1,034,915	1,496,735
Weight Applied	1	1	1	1	1	1
<b>Indicated Value</b>	<b>1,046,547</b>					
<b>SELECTED VALUE</b>	<b>1,046,500</b>					



Childrens Clothing Store  
Market Comparables Price to Revenue  
12/31/2003

BVMPro

	Mid-Market Data	BIZCOMPS Data	Pratt's™ Stats Data	IBA Data	Mercer Capital Data	Public Guideline Data	Private Guideline Data	Analyst Data
Revenue	4,699,100	4,699,100	4,699,100	4,699,100	4,699,100	4,699,100	4,699,100	4,699,100
Multiple	0.33x	0.06x	0.40x	0.40x	0.40x	0.50x	0.48x	0.97x
Subtotal	1,569,506	295,372	1,879,640	1,879,640	1,879,640	2,362,676	2,233,523	4,544,030
Adjusted Net Operating Assets		1,814,201		(285,799)				
Subtotal	1,569,506	2,109,573	1,879,640	1,593,841	1,879,640	2,362,676	2,233,523	4,544,030
Minority Interest Discount	37.3%	37.3%	37.3%	37.3%	37.3%	37.3%	37.3%	37.3%
Subtotal	984,080	1,322,702	1,178,534	999,338	1,178,534	1,481,398	1,400,419	2,849,107
Marketability Discount	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Operating Value	738,060	992,027	883,901	749,504	883,901	1,111,048	1,050,314	2,136,830
Excess/Non-Operating Assets	124,051	124,051	124,051	124,051	124,051	124,051	124,051	124,051
Ongoing Value	862,111	1,116,078	1,007,952	873,555	1,007,952	1,235,100	1,174,366	2,260,881
Weight Applied	1	1	1	1	1	1	1	1
<b>Indicated Value</b>	<b>1,192,250</b>							
<b>SELECTED VALUE</b>	<b>1,192,200</b>							

Childrens Clothing Store  
Market Comparables Price to Assets  
12/31/2003

	Mid-Market Data	Public Guideline Data	Private Guideline Data	Analyst Data
Assets	2,523,600	2,523,600	2,523,600	2,523,600
Multiple	0.76x	1.32x	1.54x	1.13x
Subtotal	1,917,629	3,320,526	3,887,708	2,856,961
Minority Interest Discount	37.3%	37.3%	37.3%	37.3%
Subtotal	1,202,353	2,081,970	2,437,593	1,791,315
Marketability Discount	25.0%	25.0%	25.0%	25.0%
Operating Value	901,765	1,561,478	1,828,195	1,343,486
Excess/Non-Operating Assets	124,051	124,051	124,051	124,051
Ongoing Value	1,025,817	1,685,529	1,952,246	1,467,538
Weight Applied	1	1	1	1
<b>Indicated Value</b>	<b><u>1,532,782</u></b>			
<b>SELECTED VALUE</b>	<b><u>1,532,800</u></b>			

Childrens Clothing Store  
Market Comparables Price to Book Value  
12/31/2003

BVMPro

	Mid-Market Data	Mercer Capital Data	Public Guideline Data	Private Guideline Data	Analyst Data
Book Value	1,097,700	1,097,700	1,097,700	1,097,700	1,097,700
Multiple	1.79x	0.65x	4.00x	4.43x	5.80x
Subtotal	1,960,178	713,505	4,390,800	4,857,638	6,368,855
Minority Interest Discount	37.3%	37.3%	37.3%	37.3%	37.3%
Subtotal	1,229,032	447,368	2,753,032	3,045,739	3,993,272
Marketability Discount	25.0%	25.0%	25.0%	25.0%	25.0%
Operating Value	921,774	335,526	2,064,774	2,284,304	2,994,954
Excess/Non-Operating Assets	124,051	124,051	124,051	124,051	124,051
Ongoing Value	1,045,825	459,577	2,188,825	2,408,356	3,119,006
Weight Applied	1	1	1	1	1
<b>Indicated Value</b>	<b><u>1,844,318</u></b>				
<b>SELECTED VALUE</b>	<b><u>1,844,300</u></b>				

Childrens Clothing Store  
Market Comparables Price to Cash Flow  
12/31/2003

BVMPro

	Mid-Market Data	BIZCOMPS Data	Pratt's™ Stats Data	IBA Data	Public Guideline Data	Private Guideline Data	Analyst Data
Cash Flow/Discretionary Earnings	375,300	1,514,100	375,300	1,382,300	375,300	375,300	375,300
Multiple	5.87x	0.45x	5.87x	0.50x	10.87x	10.10x	12.09x
Subtotal	2,203,011	679,800	2,203,011	691,150	4,079,348	3,792,094	4,536,439
Adjusted Net Operating Assets		1,814,201		(285,799)			
Subtotal	2,203,011	2,494,001	2,203,011	405,351	4,079,348	3,792,094	4,536,439
Minority Interest Discount	37.3%	37.3%	37.3%	37.3%	37.3%	37.3%	37.3%
Subtotal	1,381,288	1,563,739	1,381,288	254,155	2,557,751	2,377,643	2,844,347
Marketability Discount	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Operating Value	1,035,966	1,172,804	1,035,966	190,616	1,918,313	1,783,232	2,133,260
Excess/Non-Operating Assets	124,051	124,051	124,051	124,051	124,051	124,051	124,051
Ongoing Value	1,160,017	1,296,855	1,160,017	314,668	2,042,365	1,907,284	2,257,312
Weight Applied	1	1	1	1	1	1	1
<b>Indicated Value</b>	<b>1,448,360</b>						
<b>SELECTED VALUE</b>	<b>1,448,400</b>						

Childrens Clothing Store  
Market Comparables Price to EBIT  
12/31/2003

	Mercer Capital Data	Analyst Data
EBIT	609,700	609,700
Multiple	3.45x	6.04x
Subtotal	2,103,465	3,684,874
Minority Interest Discount	37.3%	37.3%
Subtotal	1,318,873	2,310,416
Marketability Discount	25.0%	25.0%
Operating Value	989,154	1,732,812
Excess/Non-Operating Assets	124,051	124,051
Ongoing Value	1,113,206	1,856,864
Weight Applied	1	1
<b>Indicated Value</b>	<b><u>1,485,035</u></b>	
<b>SELECTED VALUE</b>	<b><u>1,485,000</u></b>	

Childrens Clothing Store  
Market Comparables Price to EBITDA  
12/31/2003

	Mercer Capital Data	Analyst Data
EBITDA	739,400	739,400
Multiple	2.85x	3.12x
Subtotal	2,107,290	2,306,451
Minority Interest Discount	37.3%	37.3%
Subtotal	1,321,271	1,446,145
Marketability Discount	25.0%	25.0%
Operating Value	990,953	1,084,609
Excess/Non-Operating Assets	124,051	124,051
Ongoing Value	1,115,005	1,208,660
Weight Applied	1	1
<b>Indicated Value</b>	<b><u>1,161,832</u></b>	
<b>SELECTED VALUE</b>	<b><u>1,161,800</u></b>	

Childrens Clothing Store  
Industry Data Mergerstat PE  
12/31/2003

	Industry code	Year	PE Value
Retail		2002	22.30

BVMPPro

Childrens Clothing Store  
Industry Data CCQ  
12/31/2003

CCQ SIC	Capital %	Equity %	P/E	P/B	P/R	Unlevered Assets Beta	Levered Equity Beta
			9.85	0.90	0.30		

BVMPro



Childrens Clothing Store  
Industry Data Analyst  
12/31/2003

Data Source	P/E	P/R	P/B	P/C
First Source	9.85x	0.75x	1.60x	5.25x
Second Source	8.80x	0.65x	1.40x	
Third Source	10.85x	0.25x	1.80x	
Average	9.83x	0.55x	1.60x	5.25x
Median	9.85x	0.65x	1.60x	5.25x
<b>Selected Median Multiples</b>	<b><u>9.85x</u></b>	<b><u>0.65x</u></b>	<b><u>1.60x</u></b>	<b><u>5.25x</u></b>

Childrens Clothing Store  
Industry Data Net Earnings Base  
12/31/2003

BVMP Pro

	2003	2002	2001	2000	1999
Earning Power Based on Pretax Income					
Adjusted Pretax Income	586,000	390,000	226,000	233,000	164,000
Weight on Pretax Income	5	4	3	2	1
<b>Ongoing Pretax Income</b>	<b>386,533</b>				
Earning Power Based on Margin Analysis					
Adjusted Revenue	5,966,000	5,194,000	3,970,000	2,935,000	2,100,000
Weight on Adjusted Revenue	5	4	3	2	1
Ongoing Revenue	<b>4,699,067</b>				
Adjusted Pretax Income Margin	9.8%	7.5%	5.7%	7.9%	7.8%
Weight Applied to Adjusted Margin	5	4	3	2	1
Ongoing Margin	<b>8.0%</b>				
<b>Ongoing Margin Analysis Pretax Income</b>	<b>375,600</b>				
<b>Ongoing Benefit Stream</b>	<b>381,067</b>				
Estimated State Income Taxes	10.0% 38,107				
Income Before Federal Taxes	342,960				
Federal Taxes	116,606				
<b>Ongoing Net Income</b>	<b>226,353</b>				
<b>SELECTED ONGOING NET INCOME</b>	<b>226,400</b>				

Childrens Clothing Store  
Industry Data Tax Calculation  
12/31/2003

FEDERAL TAX CALCULATION

Taxable Income	Times Tax Rate	Tax
50,000	15.0%	7,500
25,000	25.0%	6,250
25,000	34.0%	8,500
235,000	39.0%	91,650
7,960	34.0%	2,706
0	35.0%	0
0	38.0%	0
0	35.0%	0
<u>342,960</u>		<u>116,606</u>

Childrens Clothing Store  
Industry Data Revenue Base  
12/31/2003

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Adjusted Revenue	5,966,000	5,194,000	3,970,000	2,935,000	2,100,000
Weight on Adjusted Revenue	5	4	3	2	1
<b>Ongoing Adjusted Revenue</b>	<u><b>4,699,067</b></u>				
<b>SELECTED REVENUE BASE</b>	<u><b>4,699,100</b></u>				

Childrens Clothing Store  
Industry Data Book Value Base  
12/31/2003

	2003	2002	2001	2000	1999
Historic Book Value	1,445,000	1,125,000	905,000	705,000	615,000
Adjustment	0	0	0	0	0
Adjusted Book Value	1,445,000	1,125,000	905,000	705,000	615,000
Weight on Historic Book Value	5	4	3	2	1
<b>Ongoing Historic Book Value</b>	<b><u>1,097,667</u></b>				
<b>SELECTED BOOK VALUE BASE</b>	<b><u>1,097,700</u></b>				

Childrens Clothing Store  
Industry Data Cash Flow Base  
12/31/2003

BVMPro

	2003	2002	2001	2000	1999
Earning Power Based On Gross Cash Flow					
Adjusted After Tax Income	351,600	250,000	160,000	174,000	113,000
Add Depreciation/Amortization	180,000	156,000	90,000	66,000	50,000
Other Non-Cash Adjustments	0	0	0	0	0
Cash Flow	531,600	406,000	250,000	240,000	163,000
Weight on Cash Flow	5	4	3	2	1
<b>Ongoing Cash Flow</b>	<b>378,333</b>				
Earning Power Based Margin Analysis					
Adjusted Revenue	5,966,000	5,194,000	3,970,000	2,935,000	2,100,000
Weight on Adjusted Revenue	5	4	3	2	1
Adjusted Cash Flow Margin	8.9%	7.8%	6.3%	8.2%	7.8%
Weight Applied to Adjusted Margin	5	4	3	2	1
<b>Ongoing Cash Flow Margin Analysis</b>	<b>372,251</b>				
<b>Ongoing Gross Cash Flow</b>	<b>375,292</b>				
<b>SELECTED ONGOING CASH FLOW</b>	<b>375,300</b>				

Childrens Clothing Store  
Industry Data Price to Earnings  
12/31/2003

	MergerStat PE Data	CCQ Data	Industry Analyst's Data
After Tax Earnings	226,400	226,400	226,400
Multiple	22.30x	9.85x	9.85x
Subtotal	5,048,720	2,230,040	2,230,040
Minority Interest Discount	37.3%	37.3%	37.3%
Subtotal	3,165,547	1,398,235	1,398,235
Marketability Discount	25.0%	25.0%	25.0%
Operating Value	2,374,161	1,048,676	1,048,676
Excess/Non-Operating Assets	124,051	124,051	124,051
Ongoing Value	2,498,212	1,172,728	1,172,728
Weight Applied	1	1	1
<b>Indicated Value</b>	<b><u>1,614,556</u></b>		
<b>SELECTED VALUE</b>	<b><u>1,614,600</u></b>		

Childrens Clothing Store  
Industry Data Price to Revenue  
12/31/2003

	CCQ Data	Industry Analyst's Data
Revenue	4,699,100	4,699,100
Multiple	0.30x	0.65x
Subtotal	1,409,730	3,054,415
Minority Interest Discount	37.3%	37.3%
Subtotal	883,901	1,915,118
Marketability Discount	25.0%	25.0%
Operating Value	662,926	1,436,339
Excess/Non-Operating Assets	124,051	124,051
Ongoing Value	786,977	1,560,390
Weight Applied	1	1
<b>Indicated Value</b>	<b><u>1,173,684</u></b>	
<b>SELECTED VALUE</b>	<b><u>1,173,700</u></b>	



Childrens Clothing Store  
Industry Data Price to Book  
12/31/2003

	CCQ Data	Industry Analyst's Data
Book Value	1,097,700	1,097,700
Multiple	0.90x	1.60x
Subtotal	987,930	1,756,320
Minority Interest Discount	37.3%	37.3%
Subtotal	619,432	1,101,213
Marketability Discount	25.0%	25.0%
Operating Value	464,574	825,909
Excess/Non-Operating Assets	124,051	124,051
Ongoing Value	588,626	949,961
Weight Applied	2	5
<b>Indicated Value</b>	<b><u>846,722</u></b>	
<b>SELECTED VALUE</b>	<b><u>846,700</u></b>	

Childrens Clothing Store  
Industry Data Price to Cash Flow  
12/31/2003

	Industry Analyst's Data
Cash Flow	375,300
Multiple	5.25x
Subtotal	1,970,325
Minority Interest Discount	37.3%
Subtotal	1,235,394
Marketability Discount	25.0%
Operating Value	926,545
Excess/Non-Operating Assets	124,051
<b>Indicated Value</b>	<b><u>1,050,597</u></b>
<b>SELECTED VALUE</b>	<b><u>1,050,600</u></b>

Childrens Clothing Store  
Subject Company Transactions  
12/31/2003

Transaction Number	# 1	# 2
Date of Transaction	11/30/2001	10/31/2001
Transaction Price Per Share	462.00	558.00
Total Shares Outstanding	5,000	5,000
Implied Value	2,310,000	2,790,000
Minority Interest Discount	37.3%	37.3%
Subtotal	1,448,370	1,749,330
Marketability Discount	25.0%	25.0%
Subtotal	1,086,278	1,311,998
Weight Applied	1	1
<b>Indicated Value</b>	<b><u>1,199,138</u></b>	
<b>SELECTED</b>	<b><u>1,199,000</u></b>	

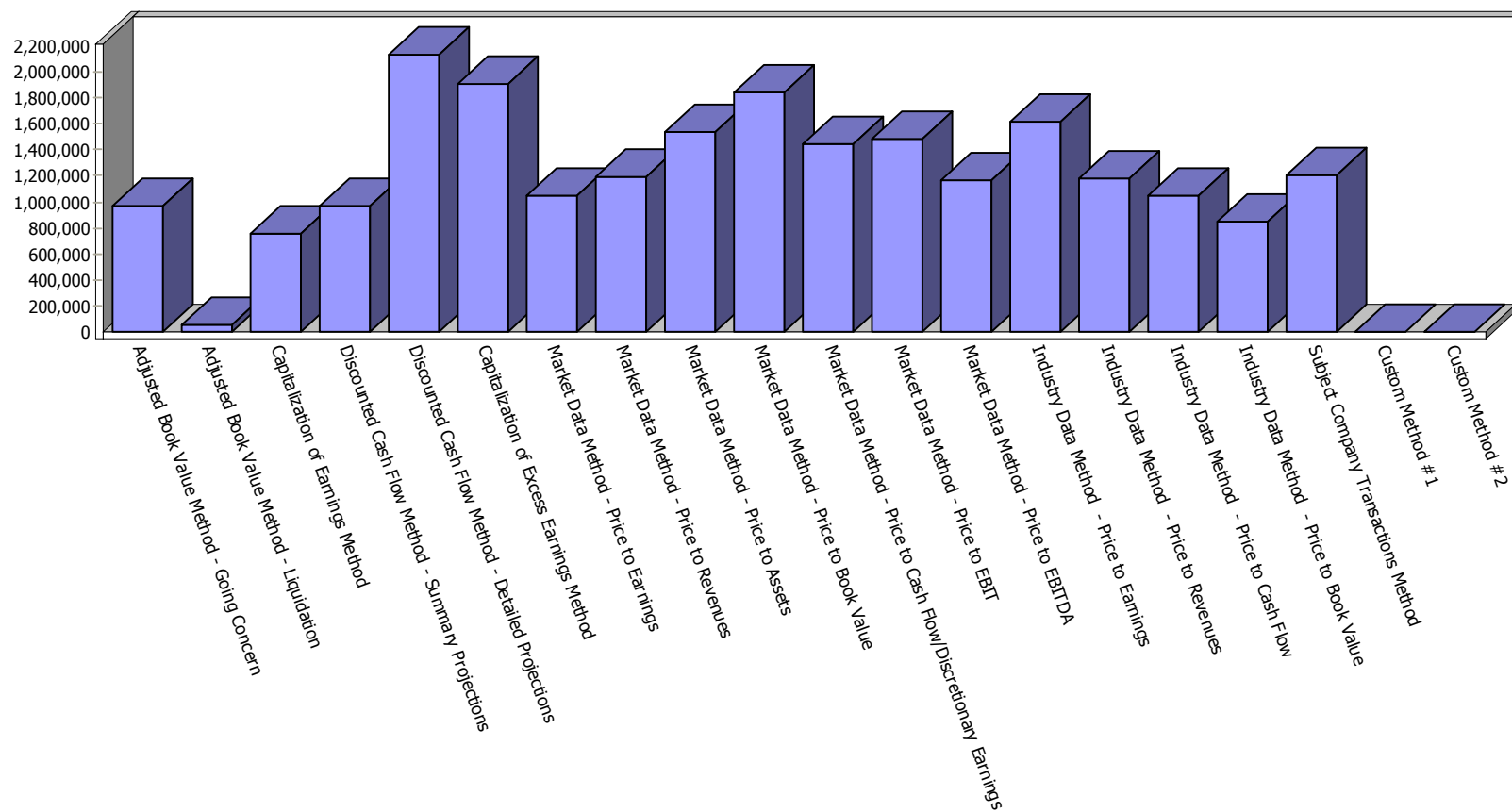
Childrens Clothing Store  
Conclusions of Value  
12/31/2003

BVMP Pro

Valuation Indication by Method	Indicated Value	Weight	1=Considered & Used 2=Considered & Rejected 3=Not Considered & Rejected
Book Value Method	1,445,000	1	1 Considered & Used
Adjusted Book Value Method - Going Concern	963,000	1	1 Considered & Used
Adjusted Book Value Method - Liquidation	63,000	1	1 Considered & Used
Capitalization of Earnings Method	758,000	1	1 Considered & Used
Discounted Cash Flow Method - Summary Projections	966,000	1	1 Considered & Used
Discounted Cash Flow Method - Detailed Projections	2,126,000	1	1 Considered & Used
Capitalization of Excess Earnings Method	1,901,000	1	1 Considered & Used
Market Data Method - Price to Earnings	1,046,500	1	1 Considered & Used
Market Data Method - Price to Revenues	1,192,200	1	1 Considered & Used
Market Data Method - Price to Assets	1,532,800	1	1 Considered & Used
Market Data Method - Price to Book Value	1,844,300	1	1 Considered & Used
Market Data Method - Price to Cash Flow/Discretionary Earnings	1,448,400	1	1 Considered & Used
Market Data Method - Price to EBIT	1,485,000	1	1 Considered & Used
Market Data Method - Price to EBITDA	1,161,800	1	1 Considered & Used
Industry Data Method - Price to Earnings	1,614,600	1	1 Considered & Used
Industry Data Method - Price to Revenues	1,173,700	1	1 Considered & Used
Industry Data Method - Price to Cash Flow	1,050,600	1	1 Considered & Used
Industry Data Method - Price to Book Value	846,700	1	1 Considered & Used
Subject Company Transactions Method	1,199,000	1	1 Considered & Used
Custom Method #1	0	1	1 Considered & Used
Custom Method #2	0	1	1 Considered & Used
<b>Calculated Conclusion of Value</b>	<b><u>1,134,171</u></b>		
<b>SELECTED CONCLUSION OF VALUE</b>	<b><u>1,134,200</u></b>		

Childrens Clothing Store  
Conclusions of Value Chart  
12/31/2003

BVMPro



Childrens Clothing Store  
Value of Interest Appraised  
12/31/2003

Conclusion of Total Value	1,134,200
Total Number of Shares	5,000
Per Share Value	227
Number of Shares Being Valued	4,000
<b>Calculated Interest Value</b>	<b><u>907,360</u></b>
<b>Rounded</b>	<b><u>907,400</u></b>

Childrens Clothing Store  
Relative Value Analysis  
12/31/2003

Price/Book	0.78	of Historic Book Value
Price/Book	1.18	of Net Asset Value
P/E Multiple	3.23	Times Adjusted 2003 Earnings
Price/Adjusted Revenue	0.19	Per Dollar of 2003 Revenue

BVMPRO

Childrens Clothing Store  
Hypothetical Terms of Sale  
12/31/2003

	Appraised Value		1,134,200		
Source of Purchase Funds	Percentage	Amount	Terms (mos.)	Interest	Monthly Payment
Required Cash from Buyer	20.0%	226,840			
Financial Institution Financing	80.0%	907,360	120	9.0%	11,494
		0			0
		0			0
<b>Total</b>	<b>100.0%</b>	<b>1,134,200</b>			<b>11,494</b>



Childrens Clothing Store  
Hypothetical Cash Flow Available for Debt Retirement  
12/31/2003

BVMPro

BASED ON HYPOTHETICAL TERMS OF SALE

	Assumptions	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Projected Pretax Income	605,000										
Growth Rate	10.0%	665,500	732,050	805,255	885,781	974,359	1,071,794	1,178,974	1,296,871	1,426,558	1,569,214
Interest Exp. on Purchase Notes		79,282	73,781	67,764	61,182	53,982	46,108	37,494	28,073	17,768	6,496
Projected Post-Sale Pretax Income		586,218	658,269	737,491	824,599	920,376	1,025,687	1,141,479	1,268,798	1,408,791	1,562,718
Income Taxes	34.0%	199,314	223,811	250,747	280,364	312,928	348,733	388,103	431,391	478,989	531,324
Projected Post-Sale Net Income		386,904	434,457	486,744	544,235	607,448	676,953	753,376	837,407	929,802	1,031,394
Depreciation/Amortization Expense		210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000
Principal Payments on Purchase Notes		58,646	64,147	70,164	76,746	83,946	91,820	100,434	109,855	120,160	131,432
<b>Projected Post-Sale Cash Flow</b>		<b>538,258</b>	<b>580,311</b>	<b>626,580</b>	<b>677,489</b>	<b>733,503</b>	<b>795,133</b>	<b>862,943</b>	<b>937,552</b>	<b>1,019,642</b>	<b>1,109,962</b>

Childrens Clothing Store  
Hypothetical Payback Period  
12/31/2003

Cash Down Payment 226,840  
Per Hypothetical Terms

Cash payback expected to occur in Year 1.

Projected Post-Sale Cash Flow

<u>Year</u>	<u>Yearly Cash Flow</u>	<u>Accumulated Cash Flows</u>
Year 1	538,258	538,258
Year 2	580,311	1,118,569
Year 3	626,580	1,745,149
Year 4	677,489	2,422,637
Year 5	733,503	3,156,140
Year 6	795,133	3,951,273
Year 7	862,943	4,814,216
Year 8	937,552	5,751,768
Year 9	1,019,642	6,771,409
Year 10	1,109,962	7,881,371

Childrens Clothing Store  
 Hypothetical Internal Rate of Return  
 12/31/2003

Assumed Cash Down Payment			226,840
Appraised Value		1,134,171	
Earnings Base	/	<u>605,000</u>	
P/E Ratio	=	<u>1.87</u>	<u>1.87</u>
Projected Earnings In Year	2013	1,031,394	1,031,394
Projected Value (P/E Ratio X Earnings)			<u>1,933,517</u>
<b>Computed Internal Rate of Return</b>			<b><u>182.7%</u></b>

Childrens Clothing Store  
What If Performance  
12/31/2003

BVMPro

	2003 Adjusted	2003 Adjusted	RMA Industry Composite	IRS Industry Composite	(Select) What-If Performance	(Review) What-If Business
Revenue	5,966,000	100.0%	100.0%	100.0%	100.0%	5,966,000
Cost of Goods	1,880,000	31.5%	31.5%	55.9%	45.0%	2,684,700
Operating Expenses	1,963,000	32.9%	31.5%	40.2%	28.0%	1,670,480
Officer Salaries	1,121,000	18.8%	20.0%	20.0%	20.0%	1,193,200
Depreciation	180,000	3.0%	5.0%	5.0%	5.0%	298,300
Interest Expense	220,000	3.7%	6.9%	2.1%	-4.0%	(238,640)
<b>Pretax Net</b>	<b>602,000</b>	<b>10.1%</b>	<b>5.1%</b>	<b>-23.2%</b>	<b>6.0%</b>	<b>357,960</b>

Childrens Clothing Store  
What If Valuation  
12/31/2003

CURRENT BUSINESS VALUATION

Current Value	1,134,171
Total Value Multiple*	2

WHAT-IF BUSINESS VALUATION

Desired Future Value	2,500,000
Over What Term (Years)	5

<u>ALTERNATIVE PERFORMANCE SCENARIOS</u>	<u>Required Net</u>	<u>Resultant Revenue</u>	<u>Target Revenue Growth**</u>
At current performance levels	1,329,787	13,166,210	17.2%
At RMA industry performance levels	1,329,787	26,074,259	34.3%
At IRS industry performance levels	1,329,787	(5,731,842)	N/A
At What-If performance levels	1,329,787	22,163,121	30.0%

Current average adjusted revenue growth

\* (FMV/Adjusted Pretax income)

\*\* ((Resultant revenue/adjusted revenue)^(1/Over What Term))-1