



Neela Sivasathiyamoorthy

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CC: Barbara Briggs

RE: KMA Consulting Group x Oval Office Gentlemen's Club, Show Palace Gentlemen's Club, Blu Sapphires Cabaret, Heart Breakers and Blu Astor Cabaret

Hi Neela!

I've known about your clubs for a long time, but I don't believe we've met. I am the founder of KMA Consulting Group, a business coach, educational resource and technology specialist for the hospitality and nightlife industry! I met Jim Kollias and Robert Pentz during my time with Jason Mohny as Director of Operations at Go BEST! Through them, I learned that you might be interested in acquiring and launching a second flagship in a different market. We have a great deal of experience with acquisitions, financial analysis, branding, venue launches, marketing and—most importantly—operations.

KMA is excited to present a proposal which outlines how we might be able to help with current and future endeavors in collaboration with your current team. The proposal is divided into the following areas:

- **Acquisitions** – identify and research prospective venues.
- **Marketing and Promotions** – We combine cutting edge digital tactics with old-school marketing muscle! Please read our complimentary online presence review, available upon request.
- **Business Analysis** – We'll analyze your current operation—to whatever degree you wish! We'll find areas of opportunity and suggest detailed solutions.
- **Education and Development** – This area is divided into three levels of intensity—a Resource Farm™ designed to give your team pro tips and expert hacks on demand; a digital and video-conferencing platform to sharpen their skills; and proprietary, onsite adventures such as Bev/Edge™, MEPA Bootcamp™ and Next Level Leadership™ guaranteed to elevate any organization!



If this seems like a lot, it is, but we wanted to provide some indication of the breadth and depth of services we offer. Everything is 100% customizable and can be assembled a la carte, if that's what the client chooses. We hope you will read on, and we will get the opportunity to visit when the time is right!

Sincerely,

Kelly Skillen

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“KMA Consulting Group strives to educate, implement and inspire through action, innovation and unity.”

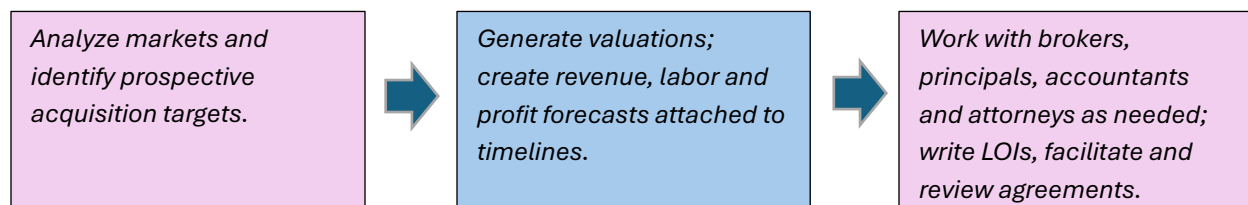
How We Can Work Together

KMA proposes to identify acquisitions, find areas of opportunity within your operation, provide marketing solutions and create educational content for both online and onsite team development. We’ve summarized our services by area, as well as by stages of implementation!

- **Acquisitions.** KMA has experience working with both established business brokers who specialize in our industry, as well as principals. We create our own market analyses, valuations, P&L forecasts and timelines to determine whether a particular target makes sense—and what its ultimate potential may be! We know how to review and expedite LOIs, purchase and sale agreements, assignment contracts, leases and other related legal documents.

It is an interesting time to buy. Besides a handful of bargain hunters, the only major player we know of who’s currently acquisitive is RCI Hospitality Holdings. As a publicly traded company, however, it holds itself to strict valuations—3x5 adjusted EBITDA and market value for real estate. Further, it is not interested in turnarounds or underperformers, which comprise the majority of clubs officially or unofficially for sale. For us, what matters even more than a club’s performance is what that performance **COULD** be in the right hands, and what it would take to get there! We believe we can compete for major acquisitions on the national stage.

KMA proposes to ...

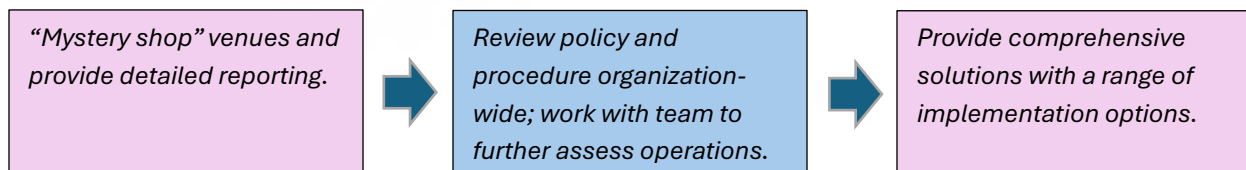


- **Business Analysis and Coaching.** We would be happy to look at your current operation—including concept, marketing, entertainment, hospitality, F&B, security, technology, finance and compliance—to identify areas of opportunity. In case you hadn't guessed, this means areas that need some love! Here's how it works ...

We visit anonymously and observe. With your permission, we visit with full disclosure and solicit feedback in an unobtrusive way. We review your policies and procedures—those that are written, and those that are actually enforced—as well as your forms, systems, data management, etc. Finally, we isolate areas where there might be exposure and suggest what can be done to improve.

Our findings are yours to do with as you wish. You can implement our suggestions, or allow us to do it for you!

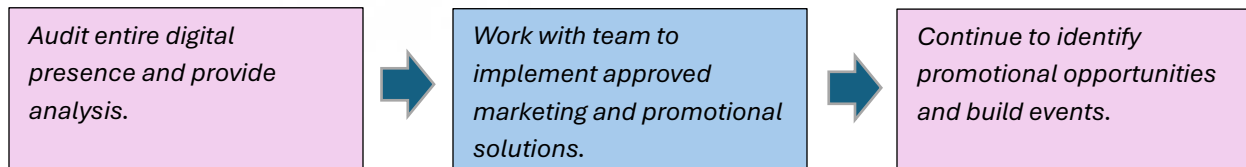
KMA proposes to ...



- **Marketing and Promotions.** We are so confident in our ability to guide our clients in the realm of marketing that we created our own school – [MEPA Bootcamp™](#)! Along with full live and digital access to the course, we'll provide individual marketing plans for each venue and coaching on how to seamlessly execute. Marketing and promotions, digital and otherwise, were once considered inapplicable in the world of adult entertainment, but things have changed! Our venues cater to a wider range of demographics than most nightlife and entertainment outlets—an advantage we rarely leverage. Further, there are more strategies open to us than ever before, so let's seize these opportunities and fight for the business that is rightfully ours.

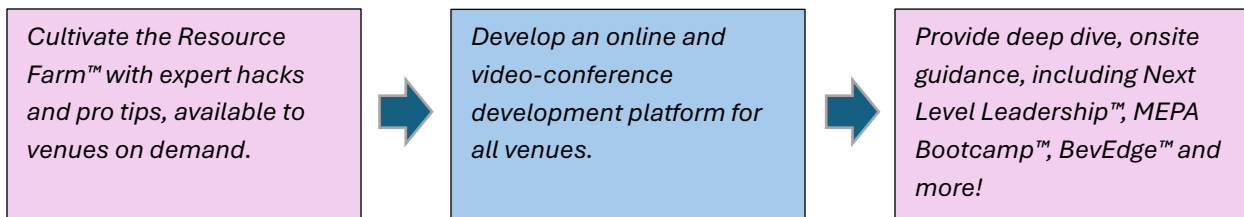
We'll do as follows ...

- Audit **digital presence** to be sure **websites** and **listings** are current and optimized, with no missing links, bad verbiage or broken funnels.
- Help clubs with sporadic **posting schedules** to curate more **compelling feeds**. This includes coaching anyone who wants to learn how to make **great content** on their own.
- While we're not against the use of stock photography, it **MUST** be used compliantly and often does little to differentiate your business. We suggest coordinating **photoshoots** to generate additional **propriety images**.
- None of the venues seem to do a great job with promotions and events. We must find excuses to throw a party every night! We design annual **calendars** with dozens of events and step-by-step **activation** instructions.
- At MEPA Bootcamp™, we provide live and online **marketing and promotions education** for leadership, so managers understand how to aggressively and effectively grow their businesses.



- **Education & Development.** We pride ourselves on the ability to share our hard-won knowledge with others in a way they can wrap their heads AND arms around. We offer multiple levels of education and development, including Next Level Leadership™, MEPA Bootcamp™, and BevEdge™, which collectively cover the following areas:
 - **Culture.** This is the most important aspect of development AND the foundation upon which all else is built. We'll help craft or refine the organization's mission statement and core values, but the most important aspect of culture is to learn how to **live and breathe it on a daily basis!**

- **Hospitality.** Our business is dependent upon an ongoing cycle of **recruitment, development and retention.** We have proven ourselves to be national rockstars when it comes to recruitment, but without the other two legs of the strategy, the endeavor fails. We work with your team to attract high level candidates, implement ongoing development programs and reduce the rate of attrition that so often hinders our success!
- **Beverage.** As a KMA client, you have unlimited access to all **BevEdge™** material, including pricing, pour cost, accessible mixology, menu creation, inventory, bar configuration, next level service and, of course, the Unofficial History of Beverage.
- **Finance.** We believe that including venue leaders—and, to an extent, the entire team—in **financial goals** benefits the organization as a whole! Whether leaders are responsible for P&L management or not, we specialize in breaking down financial principles in terms they understand so they can make intelligent suggestions and decisions. And when it comes to driving revenue, get the entire team united behind a common goal!
- **Technology.** We **optimize existing systems**, so they become an excellent expression of the operation, as well as **identify and apply new technologies** that ...
 - **wow** our guests
 - facilitate **sales** and **marketing** initiatives
 - create **efficiencies** that save on labor and other resources.





My company has concentrations in many areas, but I am, at heart, an operator. We take pride in making good operators better! We always succeed in saving our clients money, because we're able to fill multiple roles that would otherwise require additional team members. We believe we are the most qualified people to assist with a lucrative expansion and leap to the national stage! The most important element, however, is a strong marketing and operational foundation, which we are also uniquely qualified to build.

About Me

I have worked in hospitality since the age of 17 in positions such as server, bartender, cashier, host and financial manager. In the late 2000s, I became the General Manager of Penthouse Executive Club in New York, then Director of Operations of Scores New York, Scores Atlantic City and Scores Licensing. Growing this program to its height of 26 stores across the country allowed me to learn the differences—and the similarities—amongst many diverse markets, from Manitowoc, Wisconsin to Las Vegas, Nevada. I formed my own company a decade ago—some of my first clients were former licensees. Since then, I've worked with dozens of organizations and over 100 businesses, including sports bars, nightclubs, event spaces, casinos and restaurants. When gifted with downtime, I write, study wine, practice yoga and find adventure with my dog, Bonsai.



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