

# Diligence Capital Investments

## A laundromat investment fund.

### The Fund

Diligence Capital Investments invests in laundromats with investors looking for a cash flow return backed by hard assets and a top-tier, highly experienced, well-connected team. Stable, high investment returns are hard to find today in many traditional assets like stocks and real estate, and many investors are looking outside of these conventional investments. As an untapped, up-and-coming industry, laundromats can still provide a relatively high return on investment, providing stable cash flow from an essential chore that everyone needs. The beauty of this business is that the business model is transferrable. And with 15 laundromats between the Diligence team currently, the Diligence team has the model and is ready to expand our portfolio with you. We'll be creating a branded series of laundromats called Deluxe Laundries.

### The Model

Through acquiring laundromats, placing an experienced management team, modernization, and top-of-the-market pricing, the Diligence team intends to stabilize and grow the businesses that it acquires. This will not only give our customers an experience they didn't know was possible for them, but it will also result in higher cash flow, and, in turn, an equity boost in the company.

### The Magic

The secret sauce of our team is our vast industry knowledge and experience, our aggressive modernization, our established industry network, and access to operational data. Our experience, skills, and network give us the ability to recognize deals, avoid costly mistakes, and optimize profits.

### The Plan

Our plan is to aggressively seek laundromats to acquire through relationships with brokers, direct marketing to owners, and our relationships with industry lenders. The fund will allow the Diligence team to move quickly on great deals and to create businesses that will improve communities and provide a great return for our investors.

### The Team

**Ross Dodds** is an operations and acquisition wizard. He's rapidly grown his personal portfolio of Luxe Laundries, as well as his pick-up and delivery business, Wash Club LA. His philosophy of providing a great experience and charging appropriately for it is the backbone of the Diligence team's strategy to expand the Deluxe Laundries empire. Ross will head operations on all Diligence projects.

**Michael Ambrose** is a top-tier distributor and consultant in the laundromat industry. He is a well of information when it comes to locations, equipment mix, store layout, and all of the practical necessities to ensure a profitable location. His expertise and thoroughness will ensure we

always buy the right business and set it up the right way, every time. Michael will head up sourcing and analysis of deals, store layout and design, equipment mixes, and more.

**Jordan Berry** is a multi-laundromat owner and founder of Laundromat Resource. Through the school of hard knocks, interviewing hundreds of laundromat owners and laundromat industry professionals, and consulting with over 300 clients, Jordan's knowledge and network strengthen every deal from acquisition to optimization to scaling. Jordan will head up investor relations and fundraising.

## The Details

- \$3-5 million initial raise
- A 6-month commitment window
- Accredited investors
- Minimum investment of \$50,000

## Your Role

Investors interested in partnering with Diligence will need to be accredited investors, will need to pledge a minimum of \$50,000, and will be asked to respond in a timely matter when the capital call is made, as time is of the essence in the acquisition of laundromat businesses.

## What to Expect

- Hold time of 5 years with 3 1-year options to extend
- Preferred return of 8%, waterfall payout structure up to 20% ROI where investors and the General Partners will split the returns 50/50 (see PPM page 15 for details)
- Depreciation is allocated in proportion to the investment of each investor
- Fees: 1% acquisition fee, 1% fund management fee, 3% project formation fee (see PPM page 14 for details)
- Distributions will begin at year 1 or before

## Our Role

Diligence Capital Investments, as the General Partners, will be responsible for sourcing laundromat businesses to acquire, performing thorough due diligence, establishing a plan and timeline to assimilate the new business into the portfolio, running the operations of the laundromat, keeping the books, distributing quarterly reports to investors, and preparing the laundromat for sale when appropriate.

## Next Steps

If you have further questions, please email Jordan at [jordan@laundromatresource.com](mailto:jordan@laundromatresource.com). If you wish to subscribe to the fund, please contact Jordan at [jordan@laundromatresource.com](mailto:jordan@laundromatresource.com) and request the Subscription Agreement and further instructions.