



# Franchise Information *Report*

After reading the following report, contact one of our franchise representatives to take the next step.

**DIRECT 952-283-3449**

# We're Glad You're Here

Get ready to start the next chapter of your life and become a successful business owner with Clothes Mentor! We are thrilled to present an exciting overview of our franchise business opportunity. This report provides a concise yet informative summary of the highlights you've seen on our website and unveils additional insights into the incredible potential of this venture.

For a more in-depth understanding, we encourage you to review our Franchise Disclosure Document (FDD), which offers a comprehensive exploration of the franchise opportunity. To proceed further, request an application by emailing us at [msmith@ntyfranchise.com](mailto:msmith@ntyfranchise.com).

We appreciate your interest in Clothes Mentor and look forward to providing you with the information you need to make an informed decision about this exciting franchise opportunity.

*The Clothes Mentor Team*

# Table of Contents

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Thank You .....	2
Table of Contents .....	3
What is Clothes Mentor? .....	4
Customer Profile .....	5-6
Brand Growth .....	7
Discover the Benefits .....	8
Franchise Opening Timeline .....	9
Business Planning .....	10
Real Estate .....	11-12
New Store Development .....	13-14
Training .....	15-16
Point-of-Sale.....	17-18
Store Operations .....	19-20
Marketing .....	21
Marketing Tools .....	22
E-commerce .....	23
Initial Investment Overview .....	24
Financing Options.....	25
SBA Lenders.....	26
FDD Highlights .....	27
Return on Investment .....	28
Meet the Team .....	29
FAQ's .....	30-33
Process Steps.....	34
Let's Connect.....	35

# What is Clothes Mentor

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## Are you ready to start a new chapter as a successful business owner?

Let us introduce you to Clothes Mentor—a unique franchise opportunity in resale where fashion meets affordability. Clothes Mentor offers gently used, name-brand, and designer clothing, shoes, and accessories at up to 70% off their original retail value, making it a haven for fashion-conscious shoppers who love a great deal.

At Clothes Mentor, we pride ourselves on creating a meticulously designed shopping oasis. Every shelf and rack is thoughtfully organized, creating a visually appealing display of neatly arranged colors and sizes, making it easy for customers to find exactly what they desire.

Our inventory comes from stylish individuals in the community! We offer cash on the spot or store credit for pristine, name-brand, and designer pieces in sizes 0 to 26, including maternity wear and fabulous shoes, handbags, and accessories. This not only provides customers with great value but also promotes sustainability through recycling fashion.

As a Clothes Mentor franchisee, you'll be part of a network of stores across the United States, each serving the unique needs of its local community. Our business model helps put money back into customers' pockets and makes a positive environmental impact by reducing waste.

To enhance the shopping experience, some stores offer complimentary personal shoppers to guide customers to the perfect outfit. We also host private events like Girl's Night Out, adding a touch of social enjoyment to the shopping experience.

By opening a Clothes Mentor location, you'll offer your community a wide selection of quality merchandise and outstanding customer service from a friendly and professional staff. Our comprehensive training and ongoing support will ensure you have the tools and knowledge needed to succeed.





## WHO IS OUR TARGET CUSTOMER?

Our target customer is a 25 to 65 year-old woman who lives within a 20-mile radius of our store. She leads a very active lifestyle, whether at work or at home with her family. Her life is busy and her style needs to keep up. She loves her designer and brand names, yet is driven by value. She is socially and environmentally conscious and feels that recycling her clothing is a way in which she can help the cause. She is independent and seeks out retailers who are friendly and knowledgeable when needed.

## MILLENNIALS

Our Millennial customers are women ages 28 – 43. They live very active lifestyles and are constantly on the go. They are defined as confident, tolerant, and networked. They know what they want and have a defined sense of style in their personal lives. Many are advancing in the workforce and look to us to provide stylish clothing at great prices for interview outfits and business-casual clothing.

This generation is civic-minded with a strong sense of community, both local and global. They are very connected, and their world is mobile. Social media, smartphones, and mobile computing are critical to their daily lives, so we must have a strong social media presence to connect with them. This customer appreciates our advanced technologies, which allow them to complete their transactions more quickly and provide them with electronic data.

Many Millennials may have high levels of student loan debt, so our prices suit their financial needs. They can get their favorite designer and name brands that help define their personal style at a great price.



## GENERATION X

Our Generation X (Gen X) customers are women ages 44 – 59. Gen X customers are highly educated and are often earning the second income in the family, so they are cost-conscious. They are extremely busy, juggling work and family activities. Their focus is on the family and putting its needs first. At some point, they may have lost their personal sense of style as they were focused on their family. Our Personal Shopper program will be a significant benefit to these customers as we help them define their look.

This generation has also been called the MTV generation. They grew up on movies such as “The Breakfast Club,” “Sixteen Candles,” and “Weird Science.” They look to us to keep them up to date on the latest trends and fashion. Gen X customers love that we provide them designer and brand-name items at a great price and also trendier pieces for their personal wardrobe.



# Customer Profile

(PAGE 2 OF 2)



## BABY BOOMERS

The Baby Boomers are women ages 60 – 69. Baby Boomers grew up at a time of dramatic social change. Memorable events during their life include the Vietnam War; civic, environmental and women's rights movements. These changes caused them to be socially and financially responsible.

Baby Boomers work hard and plan for the future. They have been defined as free-spirited, experimental and having strong individualism. Many of them are more conservative and stick to strong personal financial plans.

These customers look to us to provide them with value: high-quality merchandise at a great price. They also expect a higher level of customer service provided by a friendly and knowledgeable staff.

## ADDITIONAL INFLUENCES

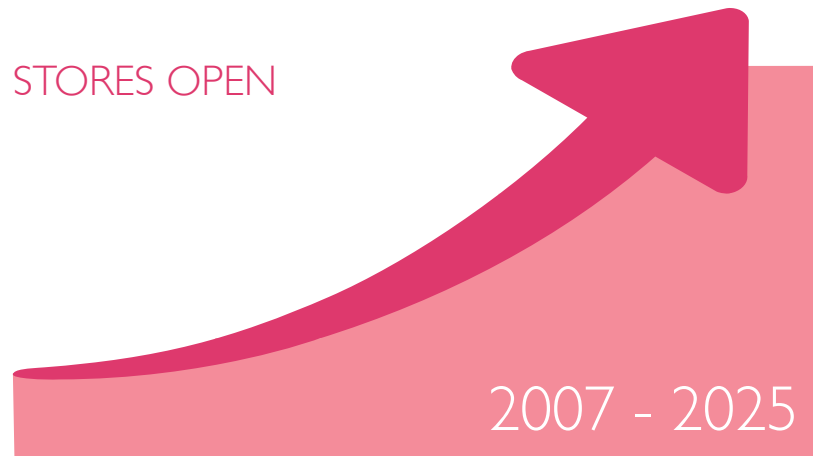
GEOGRAPHIC LOCATIONS | ETHNIC GROUPS | SOCIAL & ECONOMIC CONDITIONS

INCOME LEVELS | OCCUPATIONS | FAMILY/MARITAL STATUS



# Brand Growth

Even when the economy was struggling between 2008 and 2009, Clothes Mentor was booming—and we're still growing! The brand started franchising in 2007, and now there are 113 Clothes Mentor stores open with more in development.



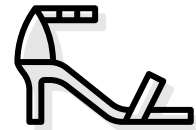
In the last 5 years, Clothes Mentor has kept **35 Million Items** out of landfills by recirculating:



**1.4 Million**  
Handbags



**2.4 Million**  
Pieces of jewelry



**3.1 Million**  
Pairs of shoes

**\$137 Million** was paid back  
to the women in our communities

**\$896 Million**

The amount that women saved by shopping  
at Clothes Mentor vs paying full retail prices

**3.8 Million**

Women sold their gently loved  
fashion items to our stores

# Discover the Benefits of a Clothes Mentor Franchise

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When it comes to franchising, Clothes Mentor offers a proven and successful business model that has stood the test of time. Our franchise opportunity provides a clear path toward success, allowing you to bypass years of trial and error, minimize costly mistakes, and achieve your goals more efficiently. Here are some key benefits you can expect when becoming a Clothes Mentor franchise owner:

## **BUSINESS PLANNING**

We understand the critical importance of a well-developed plan. Our team will work closely with you to create a comprehensive business plan that serves as your financial and operational guide during the crucial start-up phase of your franchise.

## **TRAINING**

We are committed to your success from day one. Our franchisees receive extensive training through our pre- and post-opening programs, combining classroom instruction with hands-on experience. This comprehensive training equips you with the knowledge and skills necessary to run a successful Clothes Mentor store.

## **BANK FINANCING**

As a Clothes Mentor franchisee, you will have access to our preferred Small Business Administration (SBA) lender. This expert lender specializes in pre-qualifying franchisees and understands our brand, business plan, and efficient loan processing, ensuring a smooth financing process.

## **STORE LOCATION ASSISTANCE**

Finding the perfect location for your store is crucial. Our standardized real estate process provides a well-defined strategy for site selection, lease negotiation, and legal review, ensuring you secure the ideal location for your Clothes Mentor store.

## **STORE OPENING ASSISTANCE**

We have established relationships with proven vendors who offer competitive pricing and outstanding service for all aspects of store build-out. From fixtures and equipment to interior/exterior signage and point-of-sale systems, we streamline the process, making your store opening as smooth as possible.

## **POINT-OF-SALE (POS) SYSTEM**

Our proprietary POS system is equipped with cutting-edge software designed specifically for the unique needs of the resale industry. With touch screen capabilities and a built-in appraisal matrix system, our POS system simplifies gently used merchandise's buying and selling process, ensuring efficiency and accuracy.

## **FRANCHISE BUSINESS CONSULTANT (FBC)**

Our dedicated FBCs are your trusted advisors and small business consultants. They provide ongoing support and guidance, helping you excel in all aspects of your resale operation, including financial performance, merchandising, and customer service.

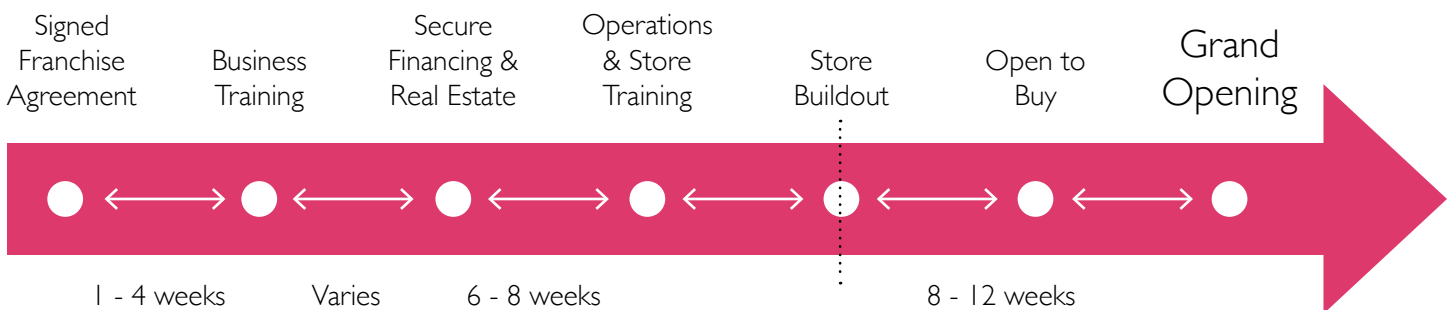
## **MARKETING SUPPORT**

Even before your store opens, we help generate excitement and anticipation within your local community. We continue to provide marketing support at both the local and national levels, empowering you with effective strategies and materials to attract customers and drive sales.

## **E-COMMERCE**

Even before your store opens, we help generate excitement and anticipation within your local community. We continue to provide marketing support at both the local and national levels, empowering you with effective strategies and materials to attract customers and drive sales.

# Franchise Opening Timeline



The timeline for opening your Clothes Mentor store typically ranges from 6 to 12 months after the accepted Franchise Agreement. However, please note that the duration may vary based on factors such as the time of year, financing availability, site selection process, local construction timelines, and your ability to attend training promptly.

To ensure a successful launch, it is essential that you complete the initial training programs and open your store by the agreed-upon date outlined in Exhibit A of the Franchise Agreement. This mutually agreed date will be determined in collaboration with our team.

While we strive to facilitate a timely and efficient process, please be aware that certain circumstances beyond our control may impact the exact duration of the timeline. Rest assured; we are committed to supporting you every step of the way as you work towards the grand opening of your Clothes Mentor store.

For any further inquiries or clarification regarding the opening timeline, please feel free to contact our dedicated franchise team.

# Captivating the Right Audience: Developing a Solid Business Plan for Your Clothes Mentor Franchise

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In the pursuit of achieving your business goals, a well-crafted and professional business plan plays a pivotal role in generating excitement and attracting the right stakeholders. A meticulously designed plan secures the necessary financing and is a guiding compass to drive customer acquisition and amplify sales.

At Clothes Mentor, we understand the importance of a comprehensive business plan during the critical start-up phase of your franchise. Our dedicated team is committed to working closely with you, ensuring your project is a robust financial and operational blueprint for your store. We recognize the significance of making a lasting impression when presenting your business to potential lenders, and we equip you with the tools to captivate any audience.

## THE BUSINESS PLANNING PROCESS: GUIDING YOU TOWARDS SUCCESS

### STEP 1: REVIEW THE MARKET

Together, we will develop an introductory section that provides a clear snapshot of your current business position. We delve into formulating effective sales and marketing strategies to steer your business toward success in the coming year.

### STEP 2: YOUR TARGET CUSTOMER OVERVIEW

Understanding your prospective customers is crucial. We assist you in conducting a comprehensive analysis of your target audience, identifying their desires, needs, and the motivating factors that drive their purchasing decisions.

### STEP 3: YOUR BUSINESS GOALS

Setting concrete and measurable goals for your store's first three years of operation is paramount. We collaborate to establish achievable objectives and discuss key performance indicators that will allow you to track your progress and make informed decisions.

### STEP 4: MARKETING STRATEGIES & TACTICS

This section forms the core of your plan, outlining your unique marketing message and the strategies you will employ to promote your business. We define the steps necessary to achieve your marketing goals and explore the tactical initiatives that propel you forward.

### STEP 5: YOUR BUDGET

Financial projections are vital to the success of your venture. Our experts guide you in developing a comprehensive budget, encompassing projected expenses, gross margins, and crucial aspects such as marketing, rent, payroll, utilities, etc.

### STEP 6: YOUR RESOURCES

Identifying the key players in your team is essential for seamless store operations. We help you delegate responsibilities and assign roles for store management, marketing, and accounting, ensuring efficient utilization of resources.

### FLEXIBILITY AND GROWTH: ADAPTING TO YOUR CHANGING NEEDS

We recognize that businesses evolve and adapt over time. Rest assured, your business plan remains flexible, enabling us to assist you in making necessary adjustments to align with your changing needs.

In conclusion, a meticulously crafted business plan is the cornerstone of success for your Clothes Mentor franchise. It empowers you to secure financing, attract customers, and chart a path toward achieving your entrepreneurial aspirations. Our team of experts stands ready to provide guidance and support throughout the planning process, ensuring that your business plan reflects your unique vision and paves the way for your future success.

# Optimizing Your Real Estate Process: Building a Strong Foundation for Your Clothes Mentor Franchise

(PAGE 1 OF 2)

Once you have embarked on this exciting journey by signing on and securing financing, your next crucial step is navigating the real estate process. We understand the significance of closely managing this stage to foster a robust and prosperous relationship from the outset. At Clothes Mentor, we have implemented a standardized real estate process encompassing site selection, lease negotiation, and legal review, all with a clearly defined all-in-one strategy.

To ensure the seamless execution of this process, we have joined forces with renowned real estate experts at Colliers International. By collaborating with a trusted and outsourced real estate solutions provider like Colliers International, we unlock numerous benefits, including cost and time savings and a more streamlined and expedited store opening experience.

## PARTNERING WITH COLLIERS INTERNATIONAL: TRANSFORMING REAL ESTATE INTO AN ADVANTAGE

Colliers International is a leading global commercial real estate services organization renowned for its entrepreneurial spirit. With over 16,300 professionals spread across 502 offices worldwide, they are committed to forging strategic partnerships with Clothes Mentor and our franchisees, delivering tailored services that convert real estate into a competitive advantage.

## NAVIGATING THE REAL ESTATE PROCESS: A STEP-BY-STEP GUIDE

### Phase 1: Franchise Location Evaluation and Broker Assistance

This phase entails a comprehensive evaluation of various factors related to site selection to identify the perfect location for your store. For Clothes Mentor, we recommend considering the following general location features:

- Proximity to suburban power strip centers
- Ideal space ranging between 2,500 to 3,500 square feet
- Our stores are typically located near regional or fashion malls frequented by women aged 25 and above seeking high-quality, name-brand clothing, shoes, and accessories.

### Phase 2: Site Selection and Letter of Intent (LOI)

During this stage, we assist you in negotiating and submitting proposals while providing guidance on preparing a well-crafted Letter of Intent (LOI).

### Phase 3: Lease Agreement (LA) and Space Preparation

Our team reviews your lease agreement to ensure alignment with the previously established LOI. We also facilitate a clear understanding of when the landlord will hand over the space to you, enabling effective planning for space preparation.

# Optimizing Your Real Estate Process: Building a Strong Foundation for Your Clothes Mentor Franchise

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(PAGE 2 OF 2)



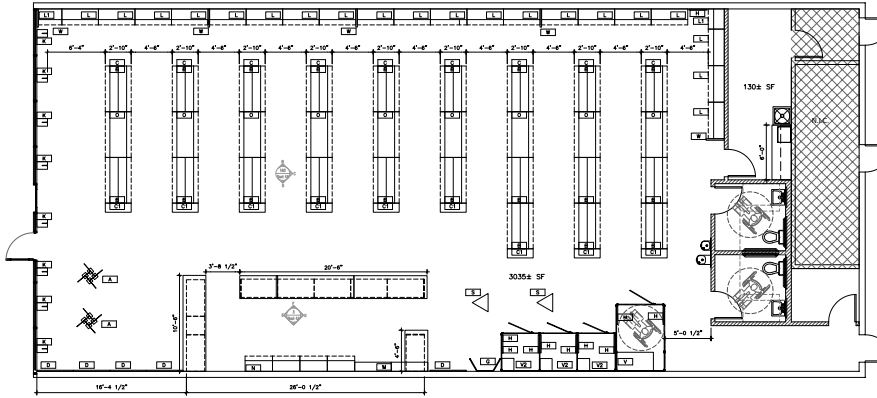
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Our partnership with Colliers International empowers you to navigate the real estate process confidently and efficiently. Together, we aim to establish a strong foundation for your Clothes Mentor franchise, positioning you for long-term success. By leveraging their expertise and our collective knowledge, we transform real estate into a strategic advantage, enabling you to thrive in the competitive market.

# Seamless Store Buildout: Partnering with Industry-Leading Vendors

(PAGE 1 OF 2)



At Clothes Mentor, we have joined forces with trusted and proven vendors who provide unparalleled pricing and service to facilitate the buildout of your store. Our partnerships with F.C. Dadson and Specialty Store Services streamline the process of preparing your store for its grand opening. To ensure consistency across our brand, we guide you in adhering to our quality standards for fixtures and essential supplies. You will have user-friendly prototypical drawings and a detailed list of specifications covering interior and exterior materials, décor, fixtures, supplies, equipment, and signage.

As you embark on the development of your store, we simplify the task of meeting our specifications, as well as complying with the Americans with Disabilities Act (ADA) and other relevant federal, state, and local laws, ordinances, building codes, permit requirements, lease requirements, and restrictions. Before commencing construction, we will discuss your plans and assist in reviewing any necessary revisions during the buildout process. Rest assured that all construction materials, fixtures, equipment, furniture, décor, and signs for your store are of the highest quality and readily accessible.

## DIFFERENTIATING FACTORS OF F.C.DADSON AND SPECIALTY STORE SERVICES:

### ONE-STOP STORE SUPPLY SHOPPING

Enjoy a streamlined process for ordering equipment, fixtures, supplies, graphics, and other décor elements.

### STORE IN-A-BOX COORDINATED DELIVERY

Your fixtures and store supplies are efficiently shipped on a single trailer, saving you time and minimizing shipping charges. This expedited process helps you open your store sooner.

### RETAIL CONSTRUCTION

Benefit from their extensive experience in construction management, bridging the gap between

the franchisor, franchisee, landlord, and general contractor. They ensure your store is built to our exact specifications while keeping costs under control.

### DEDICATED PROJECT MANAGERS

Their experienced project managers handle the day-to-day details, freeing up your time to focus on promoting and building your business.

### RETAIL EXPERTISE

With a combined experience of over 70 years, they have a proven track record in developing, manufacturing, and shipping fixtures and supplies to numerous retailers nationwide.

# Seamless Store Buildout: Partnering with Industry-Leading Vendors

(PAGE 2 OF 2)

## FRANCHISOR/FRANCHISEE RELATIONSHIP

They immerse themselves in every aspect of our business and thoroughly understand our Franchise, enabling them to serve your best interests during the buildout phase.

Our collaboration with F.C. Dadson and Specialty Store Services empowers you to navigate the store buildout process seamlessly. With their expertise and dedication, we ensure your store reflects our brand's high standards while adhering to industry regulations. We are committed to fostering a successful and mutually beneficial relationship throughout the buildout journey.





We conduct two separate, comprehensive training programs that provide our new owners with both pre-opening and post-opening classes ranging from business planning, financial management and real-estate selection to store operations, merchandising, inventory management and POS system training as well as in-store training. Check out the break down of each of our training programs below.

## TRAINING PREREQUISITE

### BUSINESS TRAINING

We suggest you and your partner(s) to attend Business Training in the first available class after you have signed your Franchise Agreement.

### OPERATIONS AND STORE TRAINING

It is ideal for you to receive training on the operational aspect of the business as close to your “Open to Buy” period as possible. So as soon as you’ve completed Business Training, submitted your signed lease to us and ordered your fixture package for your store, you are ready to attend Operations and Store Training.

## BUSINESS TRAINING

In this two and a half day training program, we’ll cover all of the tools available to you and the assistance that we provide for opening your store. Business Training includes:

### REAL ESTATE/SITE SELECTION

What should go into a lease and what criteria to use to get the best possible site.

### BUSINESS PLANNING

Receive comprehensive guidance in preparing a solid business plan and explore various financing options.

## BUSINESS TRAINING (CONTINUED)

### NEW STORE DEVELOPMENT

Get an in-depth understanding of store buildout, fixture detailing, signage, flooring options, and more.

### MARKETING

Discover a range of marketing options, including print, digital, and social media, to effectively promote your store.

### PERSONNEL MANAGEMENT

Learn strategies for recruiting, hiring, training, and developing a skilled and motivated team.

### QUICKBOOKS

Implement QuickBooks accounting software to streamline your daily business expense management.

## OPERATIONS AND IN-STORE TRAINING

Once you have completed Business Training, submitted your signed lease, and ordered your fixture package, you will be ready to attend the Operations and Store Training program. This seven day intensive program covers all aspects of running your store daily. The Operations Training includes:

### MARKETING

Learn practical strategies for grand opening advertising, local store marketing, print, and multimedia advertising, website development, and social media management.

### CUSTOMER SERVICE

Gain valuable insights into providing exceptional customer service, understanding customer cues, and fostering long-term customer loyalty.

### MERCHANDISING & STORE STANDARDS

Maximize your store's profitability through effective visual merchandising techniques. Understand and implement the company's store standards to maintain a consistent brand image.

### LOSS PREVENTION

Develop the skills to identify and prevent internal and external theft through comprehensive loss prevention training and tools.

### INVENTORY MANAGEMENT

Gain in-depth knowledge of seasonal buying and selling, clearance procedures, and strategies to maximize profitability.

### PRODUCT KNOWLEDGE

Acquire expertise in buying and selling products by utilizing our comprehensive training resources. These include trend reports, buyer's guides, exams for staff, on-site inventory evaluations, mall visit programs, advanced training workshops, and on-demand video training accessible through Clothes Mentor's extranet.

Participating in our training programs will equip you with the knowledge, skills, and tools necessary to operate your Clothes Mentor franchise confidently. We aim to empower you to excel in all aspects of your business and create a thriving and profitable store.

# Cutting-Edge Point-of-Sale Software for Seamless Operations

(PAGE 1 OF 2)

At Clothes Mentor, we understand the importance of efficient and adaptable technology in running a successful resale business. That's why our unique point-of-sale (POS) system is equipped with specialized software designed to meet the industry's ever-changing needs. With its user-friendly touchscreen capabilities and integrated product appraisal buying matrix, our POS system will streamline the buying and selling process while comprehensively tracking your store's operations, including daily sales summaries, inventory buys, and complex customer transactions. Our trusted third-party supplier owns the proprietary software, and you will purchase your software license and hardware directly from them.



Our POS system optimizes your store's performance and simplifies day-to-day operations. With its advanced features and user-friendly interface, you'll have the tools to drive sales, manage inventory effectively, and enhance customer experiences.

## HIGHLIGHTED FEATURES OF OUR POINT-OF-SALE SOFTWARE

### POS BASICS

- Conduct typical sales transactions with ease.
- Enjoy discount and coupon capabilities, as well as various payment options.
- Access detailed administrative functions for efficient store management.

### PRODUCT APPRAISAL BUYING MATRIX:

- Utilize an intuitive touchscreen system automation to make informed inventory purchases at the right price.
- Benefit from a department, category, and brand-specific matrix with suggested costs and retails

### EMPLOYEE ACCOUNTABILITY

- Track individual employees' activities, including sales, buys, and returns, and review inventory sell rate performance by the employee.
- Objectively measure and manage employee productivity, leading to improved buyer training and performance evaluation financial analysis.

### ONLINE REPORTING CAPABILITY

- Monitor your store's performance remotely through comprehensive executive summary reports.
- Compare your store's performance with others and delve deeper into reports for an in-depth analysis of business metrics.

### QUICKBOOKS INTEGRATION

- Seamlessly integrate daily sales activities into QuickBooks for efficient financial management.
- Obtain more accurate and detailed daily reporting of vital point-of-sale transactions, improving month-end

### INTEGRATED LOYALTY PROGRAM

- Implement a fully integrated custom rewards program to incentivize customer loyalty.
- Track all transactions for data-driven marketing strategies.
- Seamlessly integrate with the Clothes Mentor app for a unified customer experience

# Cutting-Edge Point-of-Sale Software for Seamless Operations

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(PAGE 2 OF 2)

## **INTEGRATED, SECURE CREDIT CARD PROCESSING**

- Enjoy chip and pin capabilities for secure transactions.
- Streamline customer transactions and easily reconcile daily credit card transactions.

## **ONLINE REPORTING CAPABILITY**

- Monitor your store's performance remotely through comprehensive executive summary reports.
- Compare your store's performance with others and delve deeper into reports for an in-depth analysis of business metrics.

## **TECH SUPPORT**

- Benefit from automatic data backups for peace of mind
- Receive timely software updates for improved functionality.
- Access remote support software for effective communication and training

## **SYSTEMS**

- Enjoy full Windows compatibility for seamless integration with your operating system.
- It is built on a robust and capable database system.
- Includes full features such as barcode readers and scanners to enhance operational efficiency.

## **QUICKBOOKS INTEGRATION**

- Seamlessly integrate daily sales activities into QuickBooks for efficient financial management.
- Obtain more accurate and detailed daily reporting of vital point-of-sale transactions, improving month-end

## **E-COMMERCE INTEGRATION**

- Our POS system optimizes your store's performance and simplifies day-to-day operations. With its advanced features and user-friendly interface, you'll have the tools to drive sales, manage inventory effectively, and enhance customer experiences.
- Our dedicated team can always assist you with technical support or software inquiries.



## THE ESSENTIAL ROLE OF YOUR FRANCHISE BUSINESS CONSULTANT

At Clothes Mentor, we prioritize your success as a franchise owner. That's why we have assigned a dedicated Franchise Business Consultant (FBC) to serve as your small business consultant, supporting you in various aspects of your resale operation, from financial performance to merchandising and customer service. Your FBC will be your go-to resource throughout different stages of your business, ensuring you receive the guidance and assistance needed for optimal performance. Below, we outline the key points of contact you can expect with your FBC:

### PRE-OPENING VISIT

- Timeframe: Two weeks after opening your store to buy merchandise and to fill the store with amazing fashions.
- Duration: One to two days.
- Focus: Your FBC will assist you in proper inventory buying, ensure correct fixture installation, and verify the functionality of your POS system.

### STORE GRAND OPENING VISIT

- Timeframe: The day before and the day of your store's grand opening.
- Duration: One to two days.
- Focus: Your FBC will provide final adjustments to merchandising, offer staff training support, and be available as a resource to address any questions during the store opening.

### 90-DAY FOLLOW-UP VISIT

- Timeframe: One to two days.
- Focus: Your FBC will assess your operations, conduct a comprehensive customer service analysis, provide POS training, and ensure that any emerging issues are addressed promptly. They can assist with essential small business practices, including hiring, bookkeeping, business planning/forecasting, and cash flow management.

### ONGOING STORE VISITS

- Frequency: Annually.
- Focus: Your FBC will serve as a dedicated small business analyst and counselor, offering insights and guidance to help you continually improve your operations and maximize your success.

### MONTHLY OPERATIONS CALLS

- Frequency: Monthly.
- Focus: During these calls, your FBC will assist you with inventory planning, advertising, and marketing strategies, POS reporting, budgeting, and other crucial aspects of your business.

# Store Operations

(PAGE 2 OF 2)

## CONFERENCES

- Frequency: Annually.
- Focus: Our conferences provide valuable networking opportunities and comprehensive training sessions for all franchise owners, managers, and staff members. It's a chance to connect with professionals and stay updated on industry trends and best practices.

With the continuous support of your FBC and the collaborative opportunities at conferences, you'll have the guidance, knowledge, and resources necessary to thrive as a Clothes Mentor franchise owner.



# Empowering Your Marketing Success

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At Clothes Mentor, we understand that effective marketing plays a crucial role in driving the success of your store. That's why we offer comprehensive marketing training and ongoing support to all our franchisees. Here's a breakdown of our marketing support:

## Digital Marketing

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**Digital Advertising:** Strategic partnership with a digital media agency for Digital Advertising, creating targeted digital advertising campaigns that reach your desired audience.

**Email Marketing:** Utilize our email marketing platform to engage with your customers regularly. We provide templates and strategies for effective email campaigns that promote new arrivals, special offers, and store events.

**Automated Trigger Emails:** Set up automated email workflows that send personalized messages to customers based on their behavior and preferences. This includes welcome emails, birthday offers, and reminders about abandoned shopping carts.

**Club CM Loyalty Program:** Encourage repeat business with our Club CM loyalty program. Customers can earn points on their purchases, receive exclusive discounts, and get early access to sales. We provide the tools to manage and promote this program effectively.



## Print Marketing

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**Print Advertising Campaigns:** Receive support in designing and distributing print advertisements, including flyers, posters, and direct mail pieces. These materials are crafted to attract attention and drive foot traffic to your store.

**In-Store Signage:** We offer a range of professionally designed in-store signage to highlight promotions, new arrivals, and special events. This helps create an engaging shopping experience for your customers.

## Social Media Marketing

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**Content Creation:** Get assistance with creating engaging content for your social media platforms. We provide guidelines and templates for posts, stories, and advertisements to ensure a consistent and appealing brand presence.

**Analytics and Reporting:** Access detailed reports on your social media performance. We help you understand these insights to optimize your strategies and improve engagement.

## Local Marketing

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**Community Engagement:** Learn how to effectively engage with your local community through events, sponsorships, and partnerships with local organizations. This includes strategies for participating in community events and collaborating with other local businesses.

**Local SEO:** Improve your store's visibility in local search results with our local SEO strategies. We provide guidance on optimizing your Google My Business listing, gathering customer reviews, and ensuring your store is easily found online.

**Localized Promotions:** Tailor promotions and marketing efforts to suit your local market. We help you understand local trends and customer preferences to create effective, localized marketing campaigns.

**Ongoing Training and Support:** Participate in regular training sessions and webinars on the latest marketing trends and best practices. Our team is always available to provide personalized support and answer any marketing-related questions.

# Marketing Tools



Print Material Library



Digital Advertising Library



Brand Planning Guide



On-going Training & Support

# E-Commerce

## CLOTHESMENTOR.COM

Not only do we sell products within our four walls, but we also cater to the digital shopper. Selling online is becoming mainstream in the resale industry and we assist with setting up your E-Commerce store, training you, and teaching you best practices. In addition, properly marketing your online E-Commerce store in order to drive traffic and building awareness is an ever-changing area for best practices. The IT & marketing team is continually assisting franchisees in this new revenue builder for our stores.

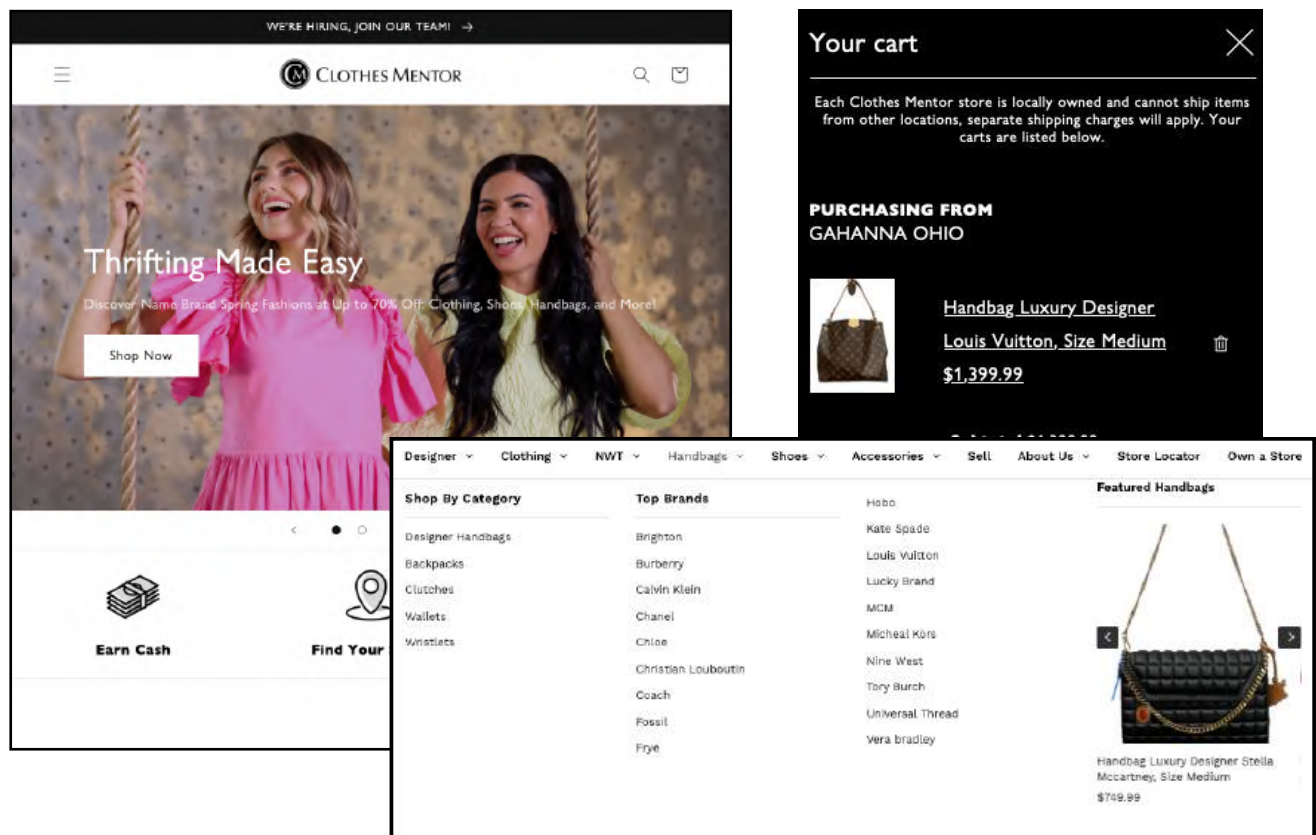
Clothesmentor.com is a comprehensive, mobile-responsive website that presents customers with easily accessible information about the brand as well as individual stores. It's a place to learn about Clothes Mentor's unique resale concept, be inspired by our trend guide and fashion blog and, ultimately, draw customers to your store.

Customers are able to shop all Clothes Mentor locations online within one site. The customer is directed to each location's specific website when they are purchasing from your store.

We can ship orders to all locations within the Continental United States. We do not ship internationally at this time. We provide free shipping Continental United States on all orders \$100 and over (\$8.99 Flat rate for other orders).

## STORE WEBSITES

Your store now has the opportunity to reach customers anywhere in the nation. We provide you with one-on-one training to give you the tools and resources you need to successfully run your online business. Your website is continuously being optimized and enhanced by corporate in order to improve keep our sites running as fast as possible.



# Initial Investment Overview

The charts below show the approximate dollar amounts you need to get the doors open, have a working capital reserve, get stocked with inventory and be ready for customers.

## ESTIMATED RANGE

Low End Approximately	\$305,000
High End Approximately	\$428,500

While it's likely that most stores will land in the targeted range listed above, it's also dependent upon a number of variables. Further detailed information is outlined in our Franchise Disclosure Document (FDD). To get a copy of this document, please contact your Clothes Mentor franchise representative.

## TYPE OF EXPENDITURES

Initial Franchise Fee	\$25,000
Leasehold Improvements	\$25,000 - \$60,000
Signs	\$5,000 - \$9,000
Fixtures	\$70,000 - \$90,000
Proprietary Software and POS	\$22,000
Inventory	\$60,000-\$80,000
Deposits, Business Licenses & Permits	\$7,000 - \$15,000
Legal and Accounting	\$0 - \$4,000
Security	\$7,000 - \$10,000
Travel Expenses to Attend Training	\$4,000 - \$8,500
Pre-Opening Labor Expenses	\$10,000 - \$15,000
Grand Opening Advertising	\$16,000 - \$20,000
Miscellaneous Pre-opening Expenses	\$14,000 - \$20,000
Rent - 3 months	\$20,000 - \$25,000
Additional Funds – 3 Months	\$20,000 - \$25,000
TOTAL	\$305,000-\$428,500

# Diverse Financing Options for Your Clothes Mentor Business

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When financing your Clothes Mentor franchise, we understand that flexibility is critical. That's why we offer a range of financing options to suit your unique needs and circumstances. Explore the following financing avenues:

## SMALL BUSINESS ADMINISTRATION (SBA) LOAN

SBA 7(a) loans are federally guaranteed by the SBA and issued by banks. You can benefit from this loan program as a pre approved Clothes Mentor franchise.

## ROLLOVER 401(K)

With this option, you can utilize your 401(k) funds to finance your Clothes Mentor business without incurring early withdrawal penalties or taxable distributions. By establishing a C Corporation, you can purchase private stock shares of your new franchise store using your 401(k) funds.

## ALTERNATIVE FRANCHISE LENDING

Alternative lending institutions offer creative programs to secure franchise financing, especially for those needing to meet larger national banks' requirements. These lenders have a diverse portfolio of products, including SBA loans.

## HOME EQUITY LOAN / CASH OUT REFINANCE

Taking advantage of the increasing value of your property, you can tap into your home equity or opt for a cash-out refinance to fund your franchise. This option provides the potential for a more stable interest rate than traditional business financing.

## LEASING ALTERNATIVES

Leasing offers an attractive solution for reducing the cash-down requirements and down payments for your startup costs. You can lease up to \$50,000 for fixtures, technology, and signs, with a monthly payment of over 60 months.

## PORTFOLIO LOANS

With portfolio loans, you can borrow up to 80% of the value of your stock, bond, and mutual funds. These loans are interest-only payments and are collateralized by your portfolio, ensuring a secure financial arrangement.

## UNSECURED LOANS

Unsecured loans, often called "signature loans," rely on your credit history and require no collateral. To qualify, having a high credit score, a clean credit history, and low credit utilization would be best.

## FRIENDS AND FAMILY

This common source of business financing allows your friends and family to invest in your business through an equity position or a fixed rate of return. They trust your abilities and see the potential in you and a Clothes Mentor franchise.

## CASH

For investors with substantial capital, funding your franchise with all cash is a straightforward and self-explanatory option.

At Clothes Mentor, we aim to provide the necessary resources and guidance to secure the financing option that best suits your needs. Our team is dedicated to supporting you every step of the way in building your successful franchise.

# SBA Lenders

Nancy Broudo  
SVP  
215-360-4519  
nbroudo@boefly.com



Julie McDonald  
VP Wells Fargo SBA Lending  
612-209-9134  
julie.a.mcdonald@wellsfargo.com



Robert Hanratty  
Business Development  
Representative  
425-526-7528  
robert.hanratty@guidantfinancial.com



## BOEFLY

1. Access to BoeFly's partner lenders and 401(k) referral partner to further facilitate and expedite a more predictable and positive lending outcome
2. Ability to secure financing for startup and expansion units, acquisitions, working capital and debt refinance
3. SBA & Conventional loans with competitive rates and terms

## WELLS FARGO

### SBA 7A LOAN PROGRAM

Loan Amount: Up to \$5,000,000

### USE OF FUNDS TERM

Single/Multi-Unit Acquisition	Up to 10 yrs.
Equipment & Inventory	Up to 10 yrs.
Working Capital	Up to 10 yrs.
Leasehold Improvements	Up to 10 yrs.
Commercial Real Estate	Up to 25 yrs.

### WELLS FARGO LENDING STATES

All States except: HI, ME, NH, RI, VT

## GUIDANT FINANCIAL

1. Rollover for Business Startups (ROBS) - Roll your qualified retirement funds tax and penalty-free!
2. SBA Express (\$50K - \$150K)
3. SBA 7A (\$150 - \$5M)
4. ULOC (Unsecured Line of Credit) - \$20K - \$100K
5. Leverage Line - Securities based credit lines
6. Equipment Leasing (\$20K - \$500K)

# Clothes Mentor: Achieving Impressive Financial Performance

The graphic below shows some of the impressive financial performance information covered in Item 19 of the Clothes Mentor Franchise Disclosure Document (FDD).

Also, the average gross margin for Clothes Mentor stores is 67%. That's an outstanding number within the retail industry. And following our proven resale business model, which includes a simple-to-follow appraisal system, makes the 67% gross margin easy for Clothes Mentor stores to maintain.

## Think you can't make money selling used women's clothing? Think again!

\$305,000  
— TO —  
\$428,500\*

INITIAL INVESTMENT  
RANGE

\$67.1%\*\*

AVERAGE GROSS  
MARGIN FOR 2024

\$1,268,157\*\*\*

AVERAGE TOP PERFORMING  
STORES NET SALES

All of this was achieved by selling used women's clothing, shoes, and accessories with an exciting upscale resale business model taught by the experts at NTY Franchise Company.

\*\$305,000 to \$428,500 is the estimated initial investment range listed in the Franchise Disclosure Document dated April 17, 2025 \*\* 67.1% is the average gross margin percentage of all 106 Clothes Mentor stores in operation for the entire calendar year ended December 31, 2024. There is no assurance, however; that you will do as well. See Item 19 of the Clothes Mentor Franchise Disclosure Document dated April 17, 2025 for more information. \*\*\*\$1,268,157 is the average net sales of the 26 stores in the top 25% of Clothes Mentor stores in operation for the entire calendar year ended December 31, 2024. See Item 19 of the Clothes Mentor Franchise Disclosure Document dated April 17, 2025 for more information.

All of this was achieved by selling used women's clothing, shoes, and accessories with an exciting upscale resale business model taught by the experts at NTY Franchise Company.

# FDD Highlights

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Clothes Mentor's resale business model has consistently delivered remarkable returns on investment for our franchisees. The graphic below highlights critical financial performance data featured in Item 19 of the Clothes Mentor Franchise Disclosure Document (FDD).

Additionally, Clothes Mentor stores boast an exceptional average gross margin of 67.1%, surpassing industry standards in the retail sector. This remarkable figure is made possible by diligently following our proven resale business model, which includes an integrated buying appraisal matrix system. By adhering to this model, maintaining the 67.1% gross margin becomes effortlessly achievable for Clothes Mentor stores.

At Clothes Mentor, we take pride in equipping our franchisees with a successful business framework that ensures exceptional financial performance. With our support and the power of our resale model, you can look forward to a lucrative and rewarding venture.

# Meet the Team

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**Ron Olson**  
CEO



**Chad Olson**  
COO



**Jenny Mann**  
SrVP



**Michael Smith**  
VP of Strategic  
Planning



**Sarah Primmer**  
VP Finance & HR



**Michelle Vaudrin**  
Sr Director of  
Operations



**Ashley Huebner**  
Director of Marketing



**Dan Goetz**  
Data Analyst



**Susan Praus**  
Franchise Consultant  
& Training Manager



**Jessica Fix**  
Legal Assistant



**Jarvis Herndon**  
Franchise Business  
Consultant



**Alice Heidenreich**  
Franchise Business  
Consultant



**Gina Geary**  
Franchise Business  
Consultant



**Raielle Patin**  
Franchise Business  
Consultant



**Ashlyn Aarness**  
Social Media Specialist



**Kaitlynn McShane**  
Graphic Design &  
Marketing Coordinator

# Frequently Asked Questions (FAQs)

(PAGE 1 OF 4)

## GENERAL QUESTIONS

### **How much earning potential does this franchise offer?**

The earning potential ultimately depends on the dedication and efforts of the operator/franchise owner. We provide you with a comprehensive system and tools to execute your business plan successfully.

### **Once I sign the Franchise Agreement, what is the timeframe to open my location?**

It typically takes 6-9 months to open your store. However, you have a period of 12 months to open your location.

### **Am I allowed to interview franchisees?**

Yes, within the Franchise Disclosure Document (FDD), you will receive a list of franchise owners you can contact for interviews and discussions.

### **What ongoing fees are involved in this franchise opportunity?**

We have several ongoing fees, including a royalty fee, marketing fee, and technology fee. The royalty fee is 4% of net sales and is paid weekly. The marketing fee is \$2000 for the year. The technology fee is \$1000 for the year. All the ongoing fees are outlined in Item 6 of the Clothes Mentor Franchise Disclosure Document (FDD).

### **How long is the franchise granted?**

The franchise is granted for a duration of 10 years, with an option to renew for an additional 10 years.

## FDD QUESTIONS

### **What is the background of the franchisor?**

NTY Franchise Company was founded by President Ronald G. Olson in 2006 when it acquired franchise rights for Clothes Mentor. Prior to this, Mr. Olson served as President and Director of Grow Biz International (now known as Winmark), where he acquired franchise rights for Once Upon A Child, Plato's Closet, Play It Again Sports, and Music Go Round.

### **Can I access sales figures of and system performance?**

Yes, the financial information of the Clothes Mentor system is detailed in Item 19 of the FDD.

### **What is my protected territory?**

Upon signing the Franchise Agreement, you will be granted exclusive territory for your store (referred to as the "protected area"). The size of the protected area will be determined based on natural trade areas and population figures, ranging from a 2-mile to a 6-mile radius from a specific intersection. Typically, if your store operates in a metropolitan area with a population exceeding 150,000, your protected area will have a minimum population of 50,000. The exact location and boundaries of your store's protected area will be defined in Exhibit A of the Franchise Agreement.

# Frequently Asked Questions (FAQs)

(PAGE 2 OF 4)

## Can the Franchise Agreement be in a corporate name?

Yes, the Franchise Agreement can be executed in a corporate name, provided the corporation's owners sign a guarantor agreement.

## TRAINING QUESTIONS

### What ongoing training do I receive after opening?

After opening, you will be assigned a Franchise Business Consultant (FBC) who will act as your small business consultant. You can expect, at minimum, monthly operations calls with your FBC and yearly on-site visits. Additionally, our intranet site provides access to operations and technical training resources as they become available.

### Do you train me? Who covers the training costs? Where does the training take place?

Our corporate staff, specializing in various departments, will train you virtually, at our corporate offices, retail store, and on-site at your store as you progress toward your opening. The initial training costs are covered under your franchise fee. However, you will be responsible for lodging, food, and travel expenses for yourself and your staff during the training at our offices in Minnesota.

## FINANCE & ACCOUNTING QUESTIONS

### How much cash do I need to get started?

To get started, you will need approximately 30% of the initial investment, which amounts to \$90,000 in liquid form.

### Will Clothes Mentor help me finance the business?

Clothes Mentor provides the tools you need to develop your business plan, which encompasses sales, expenses, and profit goals based on our experience and your local research. This business planning process assists you in obtaining bank financing and managing your ongoing business.

### How will I manage my bookkeeping?

Your POS system's daily sales file can be exported to QuickBooks, simplifying your bookkeeping tasks. Trainers will guide you through this process during your training.

### What standard financing options are available to me?

Typical financing options include bank loans backed by SBA guarantees. Additionally, companies like Guidant Financial, assist individuals in accessing retirement funds from IRA, or 401(k) accounts without early withdrawal penalties, providing a funding source for a franchise business.

## STORE OPERATIONS QUESTIONS

### Where do I source my inventory?

Your store inventory comes from customers in your market area who respond to the advertising and marketing materials we provide or those you create with our approval. We will teach you how to buy the right quality inventory in the right quantities at the right price, which is crucial for your success. Our custom POS hardware/software system makes buying and selling easy, enabling you to maximize your profit potential.

# Frequently Asked Questions (FAQs)

(PAGE 3 OF 4)

## STORE OPERATIONS QUESTIONS (CONTINUED)

### **What are the suggested opening hours for the franchise business?**

We suggest typical business hours: Monday-Friday from 10 am to 8 pm, Saturday from 10 am to 8 pm, and Sunday from 11 am to 6 pm. Any significant deviations based on local business trends or shopping center standards require approval from our corporate staff.

### **What can I sell, and what am I restricted from selling?**

We buy and sell women's fashions, shoes, accessories, and more. Typical categories include tops, jackets, jeans, shorts, athletic, skirts, dresses, shoes, and designer handbags.

### **Do you provide instructions and operation manuals?**

Yes, we offer product acquisition and operations manuals.

### **How much control do I have over my business?**

As a franchisee, it is your business, and we are here to provide you with the operating system and support to help you grow and maximize your business.

## COMMUNICATION AND ONGOING SUPPORT QUESTIONS

### **What communication systems are in place for franchisees to stay connected with you and each other?**

Our intranet site serves as a communication hub, providing updates from our corporate offices and facilitating interactions among franchisees. Additionally, we organize an annual conference where franchisees gather to discuss business strategies and participate in training sessions.

### **What happens if I encounter operational problems that I cannot solve?**

In such cases, you can contact your dedicated Franchise Business Consultant. They can assist and guide in resolving operational challenges and opportunities.

### **What ongoing support services are available after I open my franchise business?**

After your franchise business commences, you will be assigned a Franchise Business Consultant who will act as your small business consultant. They will conduct monthly operations calls with you and make yearly on-site visits to provide support and guidance. Furthermore, you will have access to our intranet site, which offers a wealth of operations and technical training resources as soon as they are released.

### **Who will be my primary point of contact once I have opened my franchise?**

Your main point of contact will be your assigned Franchise Business Consultant. They will serve as your initial and primary connection to our corporate offices, acting as a dedicated small business consultant to help you maximize the potential of your business.

# Frequently Asked Questions (FAQs)

(PAGE 4 OF 4)

## REAL ESTATE & NEW STORE DEVELOPMENT QUESTIONS

### **Will Clothes Mentor assist me in finding a suitable location for my store?**

Yes, we work with Colliers International, a preferred real estate service provider specializing in retail leasing. They will provide expert assistance in finding an appropriate location for your store.

### **Do you provide support in designing and laying out my store location?**

Absolutely! We have partnered with F.C. Dadson, a company experienced in layout and development services. They will help you with the design and layout of your store location.

### **Is the POS system user-friendly? How will I determine item pricing?**

Yes, our POS system is designed to be user-friendly, simplifying your operations. It also includes features that assist in determining item pricing. Additionally, the system generates various financial reports to aid you in managing your business effectively.

### **Is the franchise business seasonal?**

No, our franchise business has a predictable sales index. While there may be fluctuations in-store traffic and sales throughout the year, these periods align with similar retailers in our industry.

### **When is the best time to open a franchise?**

Anytime is suitable for opening a franchise with us since we have a predictable sales index, allowing for consistent business performance throughout the year.

## MARKETING QUESTIONS

### **What sale materials and promotional materials do you provide, and are there any associated costs?**

Our marketing department has developed an extensive library of promotional materials available to you through our intranet site. You may choose to implement specific marketing and promotional materials in your store and be responsible for purchasing those materials.

### **Will you assist me in planning my marketing budget?**

Yes, we are here to help you determine the most effective allocation of your marketing dollars. We can provide guidance and suggestions to optimize your marketing strategy.

# Process Steps

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## STEP 1 - CHECK OUT OUR FRANCHISE INFORMATION REPORT

This 35-page report highlights the franchise history, support, technology, e-commerce, investment, fees, and timeline to opening.

## STEP 2 - INITIAL CALL AND GET QUALIFIED

Schedule a call and get your initial questions answered. Fill out the franchise application to see if you would be a good fit for this opportunity.

## STEP 3 - BRAND OVERVIEW OF CLOTHES MENTOR

Schedule and attend the 1-hour brand overview Zoom call. Get all your questions answered as we present an in-depth brand overview.

## STEP 4 - FRANCHISEE VALIDATIONS

Don't just take our word for it, now is your opportunity to call and speak with our amazing franchisees.

## STEP 5 - ATTEND DISCOVERY DAY

Discovery Day is fun and extremely informative, allowing you to take a more serious look at the opportunity while at the same time meeting the entire team.

## STEP 6 - SIGN FRANCHISE AGREEMENT - OPEN YOUR STORE

We are here to support and guide you through this exciting new venture!

# Let's Connect...

Thank you for reviewing our franchise information report! We appreciate your interest in our franchise opportunity.

If you are interested in exploring the next steps, please contact Michael Smith at or 952-283-3449 or [msmith@ntyfranchise.com](mailto:msmith@ntyfranchise.com)

Our team is ready to discuss details, answer questions, and guide you through the process of becoming a franchise owner. We are committed to providing personalized support tailored to your needs and aspirations.

We look forward to helping you realize your entrepreneurial dreams with our franchise.