



TDM
RESTAURANTS LLC

**BUSINESS PLAN
BATON ROUGE 2007**

February 5, 2007



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SUMMARY

TDM RESTAURANTS LLC was formed on June 22, 2006 for the purpose of introducing Taco Del Mar Restaurants to the Baton Rouge, LA market.

TDM RESTAURANTS LLC has signed an Area Development Agreement with Taco Del Mar Franchising Corp. and will open the following stores in the next fourteen months:

- **MAY 1, 2007: South Foster at Government Street**
 - 4965 Government St., Ste. B, Baton Rouge, LA 70806
- **NOV 1, 2007: Perkins Palms**
 - Essen & Perkins, Baton Rouge, LA 70808
- **FEB 1, 2008**
 - Highland Road & W. State St., Baton Rouge, LA 70810

TDM RESTAURANTS LLC is currently seeking financing for these locations.

Requested financing:

LOCATION	TDM	Financing	Total Cost	Finance %
4965 Government St., Ste. B	\$42,500.00	\$169,800.00	\$212,300.00	79.981%
Perkins Palms (Perkins & Essen)	\$35,000.00	\$139,800.00	\$174,800.00	79.977%
Northgate (Highland & W. State St.)	\$35,000.00	\$137,300.00	\$172,300.00	79.687%
	\$112,500.00	\$446,900.00	\$559,400.00	79.889%

Note: Given the small scale of individual restaurants (5-10k in sales per week), we believe three stores are necessary to achieve certain economies of scale in branding management.

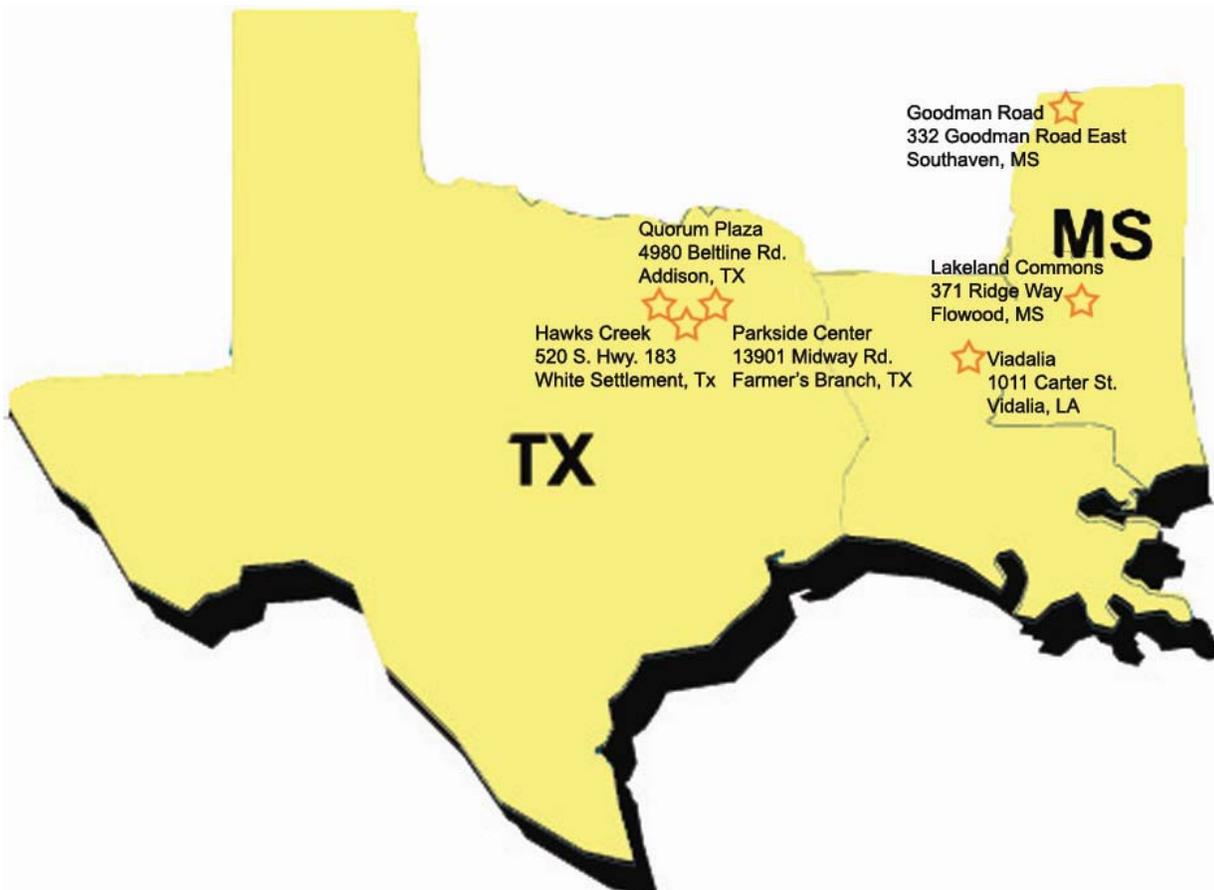
INTRODUCTION TO TACO DEL MAR *“TASTE FULFILLED”*

Taco Del Mar was co-founded in Seattle in 1992 by brothers James and John Schmidt. Inspired by southern Baja, Mexico and coastal beach shacks that serve burritos and tacos, Taco Del Mar remains independent, unlike many "Mexi-fresh" restaurant concepts that are publicly traded or big burger owned. Taco del Mar was ranked 17th in the January 2007 issue of Fast Casual magazine's Top 100 Movers and Shakers and cited as a top rated Mexican concept.

Taco Del Mar features signature 24-ounce mondo burritos with slow-cooked chicken, beef or seasoned pork, a choice of four tortillas, tacos and burritos, enchiladas, kids' meals, taco salads, three varieties of Mondo Platters, vegetarian and vegan offerings. The store decor sets the "Baja" mood with beach-themed murals, thatched palapas, mounted sailfish, long board tabletops and lively background music.

More information is available on the company web site: <http://www.tacodelmar.com/>

The closest locations to Baton Rouge, LA are:



TACO DEL MAR DÉCOR & BRANDING

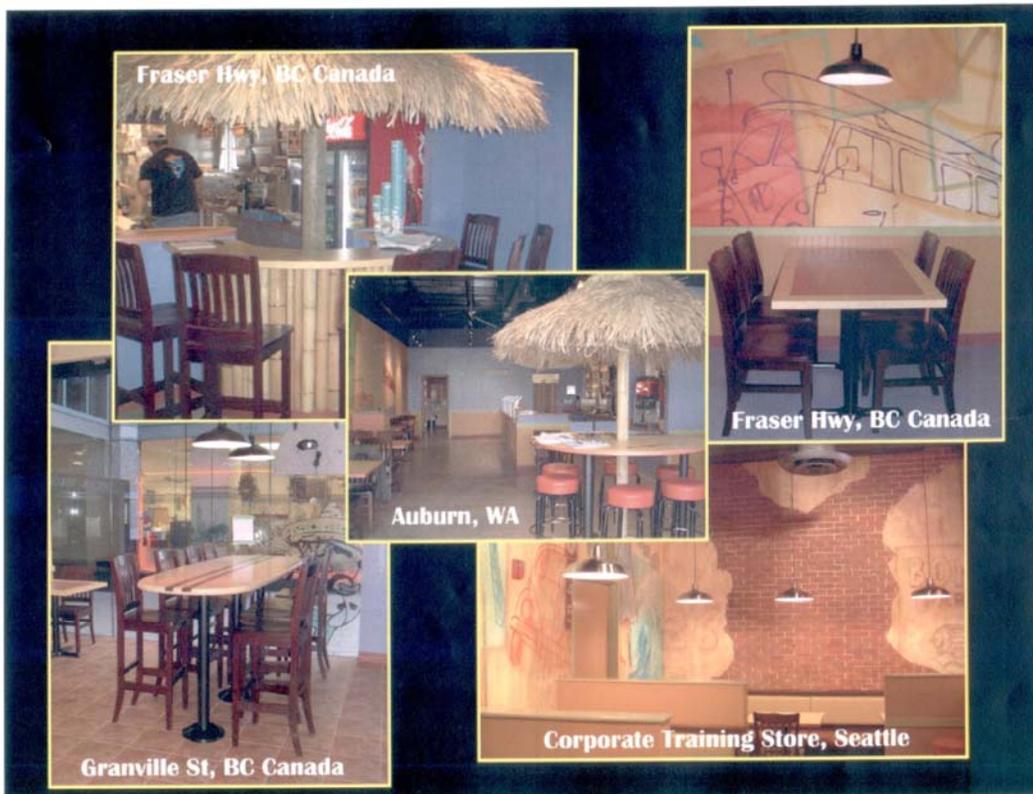
Taco Del Mar is not your typical Mexican fast food restaurant. Its menu and style are unique.

The menu features large, hand-rolled burritos and tacos that are fresh, made to order, and can be filled with a variety of meats and vegetables. A wide selection of side orders fills out the menu.

The Taco Del Mar style, reflected in everything from its store décor and employee uniforms to its multiple promotional items, is as fresh and welcoming as its food. It is a friendly, relaxed Baja style that was inspired by the funky shoreline shacks along the beaches of Southern California.

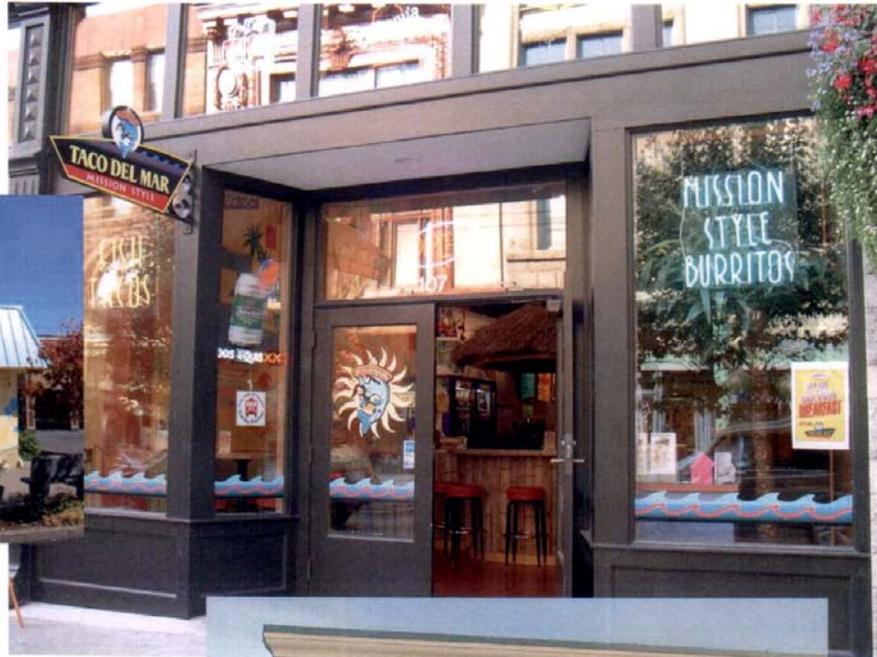
As Taco Del Mar founder James Schmidt said, “Inside each of us is a dream, an aspiration, what we like to call your ‘Inner Baja.’ Your Inner Baja may be the perfect wave, the top of a mountain, or some gloriously insane obsession, but it’s yours and Taco Del Mar is here to feed it.”

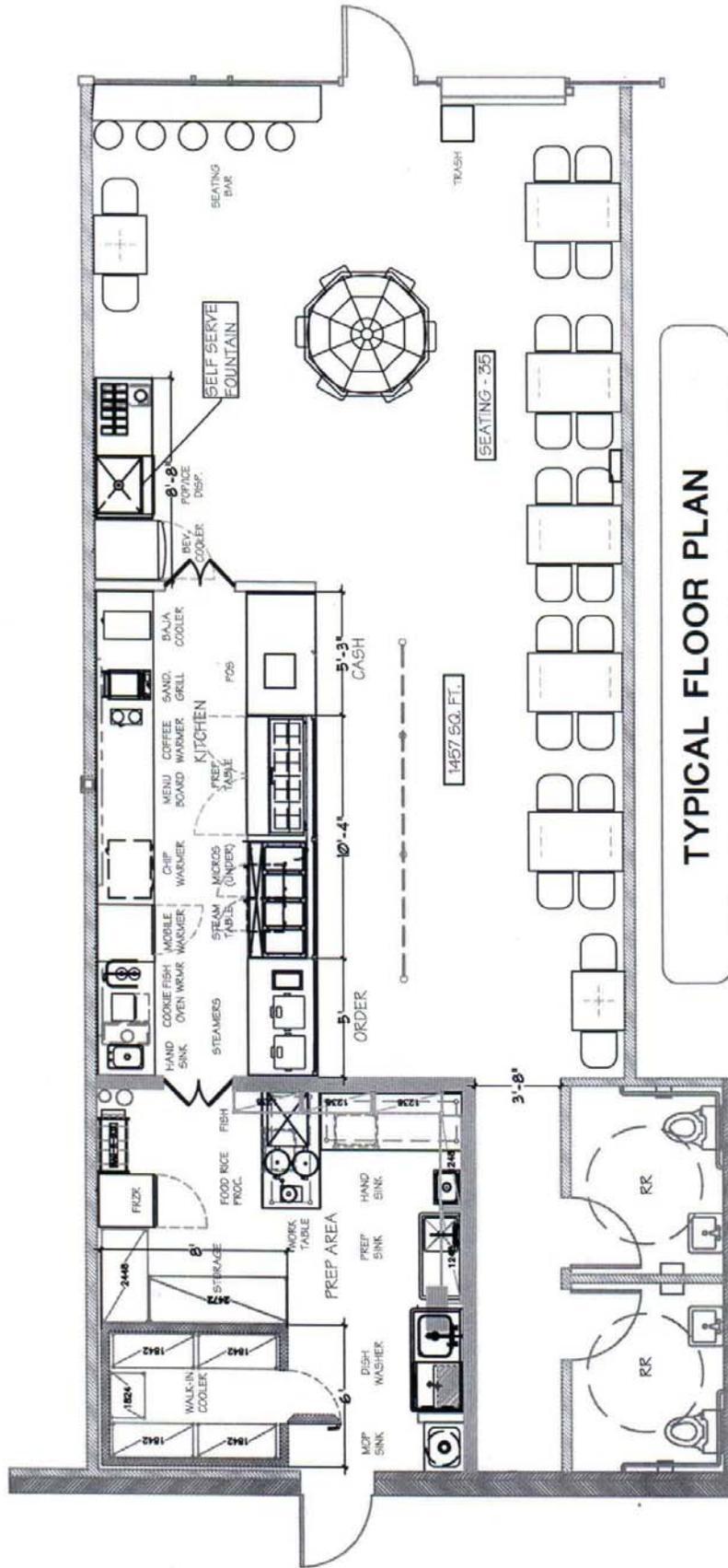






Store Front Signage





TYPICAL FLOOR PLAN

MARKET ANALYSIS

Southwestern or Fresh Mexican is one of the fastest growing quick service restaurant (QSR) segments. This segment continues to evolve in the Baton Rouge market.

Primary competitors in Baton Rouge include Moe's Southwest Grill (<http://www.moes.com/>), a national franchisor with approximately 300 locations across the country; Izzo's Illegal Burrito (<http://www.izzos.com>), a locally-owned restaurant with three locations in the local area; and Qdoba Mexican Grill (<http://www.qdoba.com/>), which has one location (in Towne Center). We also acknowledge the recent entry of Salsaritas Fresh Cantina on Perkins & Bluebonnet. We recognize that other segment participants (i.e. Chipotle, Baja Fresh, etc.) may enter the Baton Rouge market in the future.

Moe's has not been successful in the Baton Rouge market. One of their locations was recently taken over by Izzo's (Corporate Blvd.) and the other was recently shuttered and it is unclear whether or not they will be re-opening the store (Burbank & Nicholson). Izzo's has two successful locations (Burbank, Bluebonnet Extension) and is attempting to increase sales at their newest location (the recently acquired Moe's on Corporate Blvd.).

In Baton Rouge, the fresh Mexican QSR segment is established, but not saturated. There is not yet a clear "winner" in the segment, unlike other segments like chicken fingers (Raising Canes) or sandwich restaurants (Subway).

We believe that a successful competitor in the Fresh Mexican QRS segment in Baton Rouge will have the following characteristics:

- 1) **A small physical footprint.** Both Moe's and Izzo's require 3000+ square feet. This relatively large size acts as a constraint on where these concepts can be located. A small physical footprint will allow stores to be conveniently located in strip locations in areas convenient to customers (particularly lunch customers).
- 2) **Relatively low labor costs.** Both Moe's and Izzo's (and a number of other competitors in the Fresh Mexican QSR segment) cook and prepare ingredients on site. This results in relatively high labor costs that must be spread across significant sales volume if these costs are to be minimized on a per-unit basis. This raises the break-even point and makes these concepts inherently more risky.
- 3) **A proven business model.** Although Moe's is a national franchise, it has yet to demonstrate staying power in the market place. A number of locations have closed in recent months, including its two locations in Baton Rouge. Izzo's does not yet have a sufficiently developed business model for franchising.

- 4) **Prominent and convenient locations.** Although it is cliché in the real estate business, it often comes down to location, location, location. A successful entrant into the Fresh Mexican QSR segment will secure visible and convenient locations.
- 5) **Branding.** A successful entrant will be able to build enough stores to achieve a relatively high level of “presence” in the segment.

Taco Del Mar restaurant has (or has the potential to develop) each of these characteristics.

TDM RESTAURANTS LLC has secured leases for the following locations (illustrated below together with competitor locations):



TDM RESTAURANTS LLC: COMPETITIVE ADVANTAGES

Taco Del Mar and TDM RESTAURANTS LLC has the following competitive advantages:

- 1) **BUSINESS MODEL.** Taco Del Mar has a smaller scale of operation than either Moe's or Izzo's. Taco Del Mar's business model is patterned after Subway. There is almost no cooking, ideal restaurant size is approximately 1250 square feet and the buildout and décor package is moderately priced. For an average store, this results in a break-even point of around \$5000/week in net sales (see break-even analysis for each proposed location). This makes Taco del Mar a nimble competitor that can locate in strip locations in areas where Moe's or Izzo's cannot profitably locate.
- 2) **EXPERIENCE.** The two active members of TDM RESTAURANTS LLC (Jerrold Lamkin, Brent D. Beal) both have experience running fast food restaurants. Jerrold Lamkin built and operated two Subway restaurants from 1999 through 2006. Brent D. Beal owns a consulting company that currently manages five Subway restaurants in the Baton Rouge area (he is also a part owner of these stores).
- 3) **LOCATIONS.** TDM RESTAURANTS LLC has spent the last six months aggressively pursuing three prime locations in the Baton Rouge area. We have secured leases (in order of projected development) at Government St. & S. Foster Dr., Perkins Rd. & Essen Lane (Perkins Palms), and Highland Rd. & State St. (Northgate). The Perkins Palms lease and the Northgate lease include restrictions that prevent direct competitors from locating in these developments.
- 4) **MANAGEMENT TEAM & DIVISION OF LABOR.** Jerrold Lamkin will focus on store operations while Brent D. Beal will focus, through his consulting company, on support tasks such as: hiring and training, control systems, bookkeeping and accounting, payroll, and financing (for additional growth). Brent D. Beal, through his consulting company, will make two other experienced QSR store managers available to TDM RESTAURANTS (Tui Creel and Jeff DeGraff) as part of an ongoing consulting arrangement between TDM RESTAURANTS LLC and his consulting company, BPM, LLC.

Please see associated documents for additional information on TDM RESTAURANTS LLC, the Area Development Agreement between TDM RESTAURANTS LLC and Taco del Mar, and current locations and associated leases.



TDM RESTAURANTS LLC: ORGANIZATION

TDM RESTAURANTS LLC was officially formed on June 22, 2006.

TDM RESTAURANTS LLC corporate office is located at 7354 Alberta Drive, Suite B, Baton Rouge, LA 70808.

The following documents are included in this section:

- Articles of Organization
- Official Act to Add Members
- Federal Tax ID Documentation
- TDM RESTAURANTS LLC Balance Sheet



TDM RESTAURANTS LLC: MANAGEMENT TEAM

Planning, construction oversight and restaurant operation will be handled by four individuals:

Jerrold Lamkin (TDM REST LLC Ownership: 30%). Jerrold has six years of experience in the QSR segment. Lamkin Concessions, Inc. (owned and operated by Jerrold) managed two Subway restaurants in West Baton Rouge Parish. Jerrold opened his first restaurant in 1999. Jerrold personally handled the majority of the construction. His second location opened in 2005. Jerrold was a hands-on owner and manager for both stores. Jerrold will be working full time for TDM Restaurants, LLC.

Brent D. Beal (TDM REST LLC Ownership: 25%). Brent is currently employed as a business professor at Louisiana State University in the Department of Management. He owns and operates a management consulting firm (BPM LLC). Brent has a Ph.D. in Strategic Management from Texas A&M and has five years of experience with startups and QSR franchises.

Jeff DeGraff is an employee of BPM LLC. Jeff has been employed by BPM LLC since 2005. Jeff has a background in marketing, communications and public relations. Jeff is experienced in project management and serves as a liaison between BPM LLC and subcontractors and outside vendors.

Tui Creel is an employee of BPM LLC. She has been employed by BPM LLC since 2004. Tui oversees the operation of five Subway restaurants. She has experience with the day-to-day aspects of QSR operations, including ordering, hiring, training, scheduling and customer service.



TDM RESTAURANTS LLC: TIMELINE

The following timeline shows the progression of TDM RESTAURANTS LLC to this point as well as the plans to continue its growth. TDM RESTAURANTS LLC is very serious about maintaining this schedule.

Key Dates	
06/22/06	LLC Paperwork Filed with LA Secretary of State
06/23/06	ADA signed with Taco Del Mar Franchising Corp.
07/20/06	Perkins Palms (Perkins & Essen) Lease Signed
10/20/06	Perkins Palms (Perkins & Essen) Franchise Agreement Signed
11/02/06	LLC Membership Changed to Include All Current Members
11/17/06	Government & S. Foster Franchise Agreement Signed
01/31/07	Northgate (Highland & W. State St.) - Franchise Agreement Signed
02/01/07	Government & S. Foster Lease Signed
Projected Dates	
03/01/07	Government & S. Foster - Construction Begins
05/01/07	Government & S. Foster - Open Date
09/01/07	Perkins Palms (Perkins & Essen) - Date of Possession
12/01/07	Northgate (Highland & W. State St.) - Date of Possession

APPENDICES (PROFORMAS & OTHER DOCUMENTS)

APPENDIX A:

S. FOSTER & GOVT: PROFORMAS, LOCATION INFORMATION & PICTURES,
BUILDOUT CONTRACT, CONSULTING CONTRACT, COMPARABLE WISRS

APPENDIX B:

PERKINS & ESSEN: PROFORMAS & LOCATION INFORMATION & PICTURES

APPENDIX C:

HIGHLAND & W. STATE ST: PROFORMAS & LOCATION & PICTURES