



Introducing R20 Sales

Changing the way you buy your next vehicle!



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INTRODUCTION TO R20 SALES

R20 Sales, LLC, hereafter referred to as R20, is a limited liability company registered with the Secretary of State in Arizona and has been in good standing since 2008. R20 has chosen to take the concept of "Rent to Own Vehicles" and launch it in Arizona then quickly expand into other states. Our Team of seasoned automotive sales professionals have a combined 60+ years of both retail and wholesale vehicle sales expertise and believe that now is the time to open R20.

R20 will buy newly used vehicles from one of a multiple resource base of wholesalers and then allow Consumers to "rent to own" a vehicle of their choice with easy terms and conditions. R20 will use a combination of in-house financing and special banking relationships to buy and rent vehicles to Consumers so they can own them. This will bypass the conventional pre-qualification required by lending institutions whom have become harder to work with in the recent years.

R20 Sales is owned by Tim McLean who has worked in special finance for large and small vehicle retailers over the last twenty plus years. Timothy developed this concept in 2007 and while working in the industry has slowly put together all of the necessary pieces to ensure his long term success with R20.

This document is designed as "Information for Public Consumption" and while we do provide some details on our operations, our proprietary IP (intellectual property) will not be fully disclosed herein.

R20 will seek both Equity Partners and Private Loans to self-fund the opening, operations and inventory purchases for our business as we plan to launch in late 2017 or early 2018.

R20 welcomes your reply communications and formally invites you to work with us for mutual benefit in any capacity you deem appropriate.

Sincerely,

Tim McLean, Principal Owner

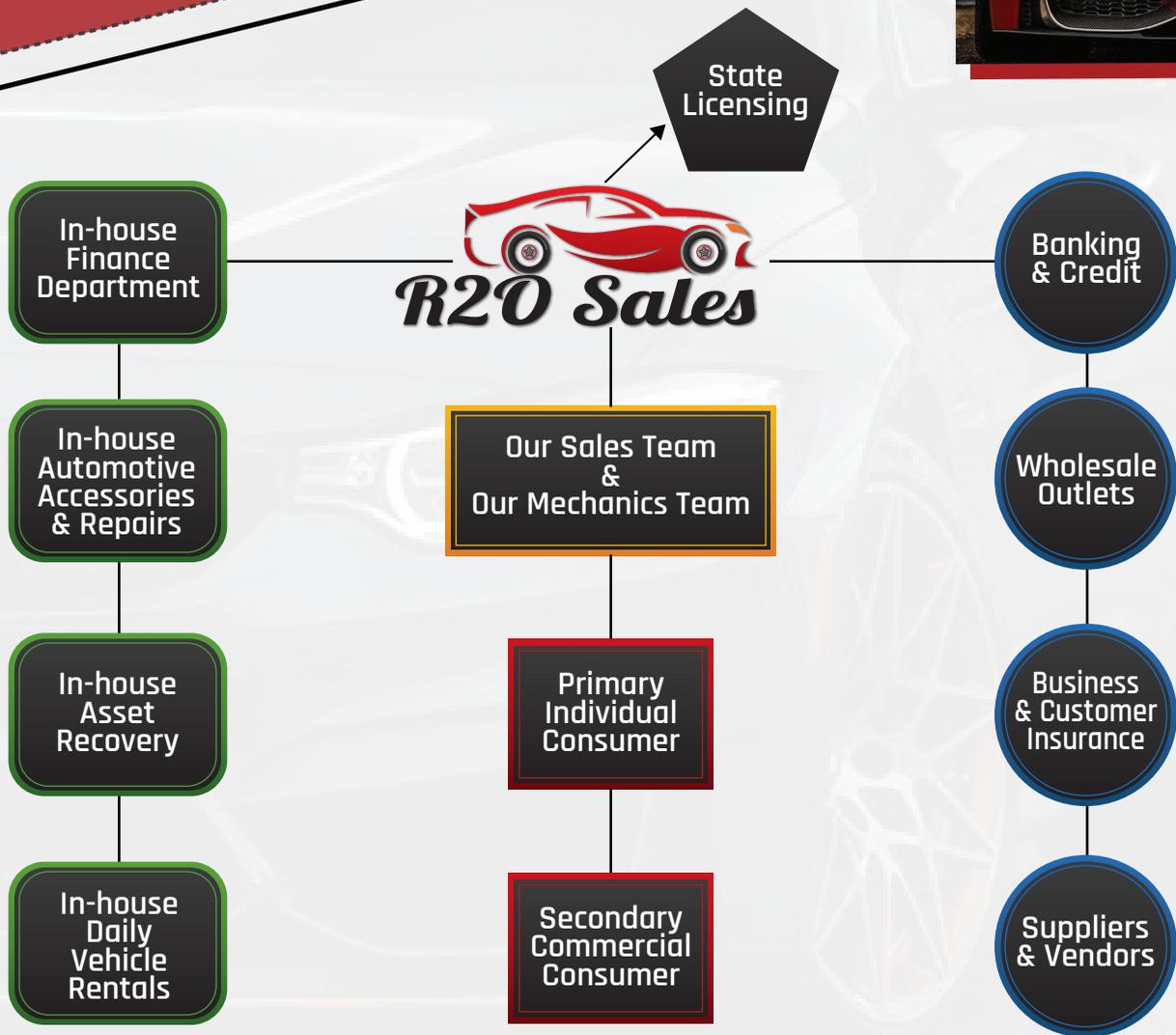
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Our Organizational Model

The model below is a generalized representation of R20's organizational structure identifying the various primary elements of our business. This model will expand and evolve as we grow our operations and our Team. R20 has a keen sense of what it takes to open, operate and profit in the automotive sales industry and we are excited about our potential.





OUR TEAM

We believe
in making
a difference!

Tim McLean has assembled a Team of Professionals that will be added to our operational infrastructure a few at a time who believe in R20's concept and who want to make a positive impact on the Customers we serve. Our Team will eventually grow into the following primary categories as we expand our operations;

- Sales
- Administrative
- Vehicle Servicing
- Asset Recovery
- Advertising & Marketing
- Facility Maintenance



R20 will selectively use contractors, service providers and vendors to fill-in where part-time or full time personnel are not needed.



WHAT WE DO

R2O's #1 priority will be to "Rent to Own" newly used vehicles to our Customers and to expand our operations into multiple dealerships nationwide. This is not our only activity, however it is our primary one. R2O will purchase newly used vehicles, of any make and model, then rent them to our Customers giving them the ability to own a nice, dependable vehicle of their choice when they complete our agreed upon payment arrangements.



R2O will then develop and implement complimentary and paid products and services to provide our Customers increasing our customer satisfaction ratings while also increasing our revenues through additional revenue streams. Our new innovative approach will quickly be in very high demand within the communities we serve and this will allow us to expand quickly.



NATIONAL DEMAND



All of the research and due-diligence completed by R20 has concluded that a very high demand exists nationally for our "Rent to Own" concept for selling newly used vehicles to Consumers and this can be substantiated by considering these three facts;



- 1 It has gotten harder, not easier, for Consumers to qualify for conventional and even special financing options at new and used auto dealerships nationally. Many people who want a new or used vehicle and who can afford one simply do not qualify because of their credit or employment status.
- 2 Rent to Own furniture and electronics are commonplace throughout the USA. Retailers like Aaron's Sales and Lease and Rent A Center have retail locations nationwide. Using a similar, yet customized model designed for the automotive industry, is a realistic approach for R20.
- 3 By making it easier for Customers to buy a nice newly used vehicle, the word will quickly spread and as a result the demand for our vehicles will rise.

R20 can, in and of itself, create a growing demand for our "Rent to Own" vehicles and this will increase our sales drastically in a short period of time.



NATIONAL SUPPLY

Currently there is a supply of newly used vehicles that far outweighs the demand and many vehicles are sitting in lots all over the USA not being sold. These factors will make it both easy and economical for R20 to obtain new inventory and to sell it through our "Rent to Own" programs.

The national supply of newly used vehicles increases daily for four primary reasons; a.) trade-ins to new vehicle dealerships, b.) roll over lease exchanges and turn-ins to include fleets happen on a very regular basis, c.) unsold year end vehicles that are used by dealers as courtesy vehicles, loaners and rental cars and d.) repossessions by national auto lenders are steadily adding new inventory to the national supply.





CUSTOMER PROFILES

R2O assumes that a large majority of our new Customers will choose to “Rent to Own” their vehicles from us because of their poor credit.

The good news is there are multiple Customer types R2O will be selling to;



- PEOPLE WITH LESS THAN PERFECT CREDIT
- PEOPLE WITH NO CREDIT
- NEW START-UP BUSINESSES
- YOUNG ADULTS WITH LITTLE TO NO HISTORY
- NON-PROFIT ORGANIZATIONS
- ANYONE WHO IS SEEKING AN ALTERNATIVE TO CONVENTIONAL OR SPECIAL FINANCING

R2O will build a reputation on customer service and we believe that this will attract Customers from all walks of life. We believe that the poor and disadvantaged deserve a hand-up and that their money is just as good as everyone else!



Credit Score

- Poor
- Average
- Excellent



CORPORATE OFFICES

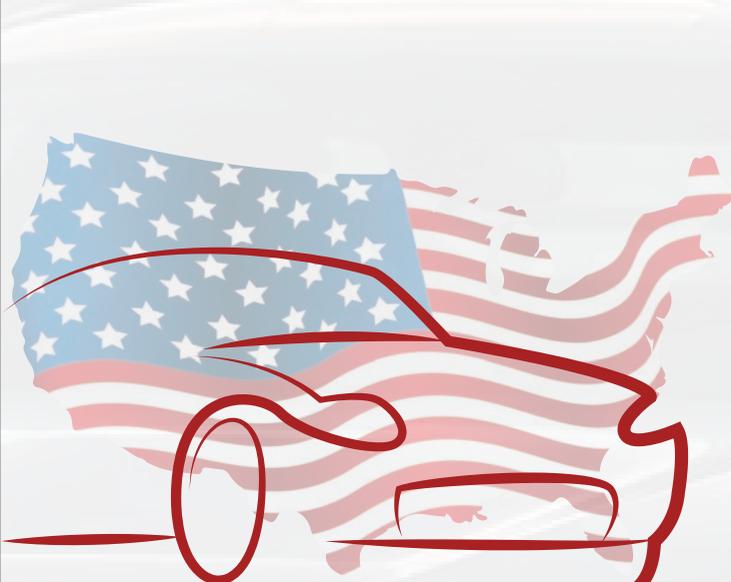
R2O is currently seeking to lease, lease purchase or purchase an “existing auto dealership” property in the greater Phoenix Arizona or surrounding areas that will provide us with ample space for our corporate offices. The building(s) will provide our administrative and sales Teams space to operate and our mechanics Teams to provide servicing.

The lot itself will be well lit and have room for over 100 vehicles and our intentions are to locate a facility where we can grow without having to move. From our flagship location we will expand our operations into areas where the demand for what we offer has been researched and substantiated. R2O has identified multiple facilities that meet our current and future needs and we are in negotiations now to secure our first dealership location.





EXPANSION POTENTIAL



As we settle into our first flagship retail location and streamline our internal and external operational protocols R20 will duplicate our Core Business Model to create an Expansion Plan that will include corporate owned retail locations and retail locations operated by select individuals who purchase a licensing agreement from R20.

R20 will sell "Licensing Agreements" allowing those we carefully select to open and operate R20 retail locations in other areas of the USA following our plan. R20 visualizes a network of corporate owned and licensed retail locations throughout the USA delivering "Rent to Own" vehicle solutions to Customers in diverse demographics that we select.

Once our flagship retail location is fully operational and we have streamlined our operations we will seek to expand into other areas.





S.W.O.T. Analysis

From the development of the “Rent to Own” concept R2O has completed an internal analysis to determine who we are and what we can do to become a great success.

STRENGTHS

R2O's strengths are:

- a) Our seasoned Team of Professionals fluent in the automotive sales industry
- b) The demand for our rent to own solution and
- c) A strong plan for implementation

WEAKNESSES

R2O's weaknesses are:

- a) Being a startup business
- b) Having a yet unproven business model and
- c) Having to secure substantial capital to make

OPPORTUNITIES

R2O's opportunities are:

- a) Our ability to grow our business into multiple retail locations
- b) The potentiality to expand our revenue streams into new areas and
- c) An interest in buying our Licensing

THREATS

R2O's threats are:

- a) Competitors locally and nationally getting into the rent to own space
- b) State level regulatory compliance issues and
- c) The need for capital from outside resources prior to profitability to make



R2O is prepared to take full advantage of the positives while skillfully navigating the negatives as we work tirelessly to prove our business model





Sales Snapshot

Vehicle Purchase Price at Auction	Accessories & Upgrades	Origination & Destination Fees	Re-evaluation Pre-finance Sales Price	Pre-finance Profitability
\$7,000	\$1,500	\$1,500	\$20,000	\$10,000

R2O will seek to develop a realistic profitability margin as represented above with a standard cost per vehicle being \$10,000 and a pre-finance sales point of \$20,000 allowing our inventory asset to have a profitability potentiality of \$10,000 over a 12-36 month period of time relative to simple interest. We are working with our finance Team to develop the framework for this transaction to ensure we remain in compliance with all applicable laws.



Financial Assumptions Acknowledgments

R2O will be “renting to own” newly used vehicles and will require our Customers to pay a down-payment and tax, tag and title fees prior to taking delivery of each vehicle. To make our financials easy to read and understand we have chosen to create a custom 3 tier system that shows the 100% sales capacity we believe we will have, tiered down into 80%, 70% and 60% to show a range of possibilities.

We acknowledge that it is impossible to substantiate a finite set of financial projections therefore we estimate what our inventory will be and what the sale of that inventory will be. It is important that the readers of this presentation note that when R2O rents to own a vehicle, profitability is not instant, it is calculated over a period of time while the vehicles are being paid for by our Customers. This means that our inventory is a performing asset which has a finite performance time frame that ends once the vehicles are paid for in full.

R2O will gladly elaborate upon request.



Financial Assumptions 2018 and 2019 Income Projections

The tables below represent three primary revenue streams under the Description of Income, the first of which is Inventory of Vehicles sold and the second is in the sale of upgrades, accessories, gap coverage, warranties, etc... As a third revenue stream R2O will sell "Licensing Agreements" to others who will operate retail locations under our brand.

2018

Description of Income	Sold @ 100%	Sold @ 80%	Sold @ 70%	Sold @ 60%
\$2,000,000	\$4,000,000	\$3,200,000	\$2,800,000	\$2,400,000
\$500,000	\$1,000,000	\$800,000	\$700,000	\$600,000
Licensing	\$500,000	\$400,000	\$350,000	\$300,000
Totals	\$5,500,000	\$4,400,000	\$3,850,000	\$3,300,000

2019

Description of Income	Sold @ 100%	Sold @ 80%	Sold @ 70%	Sold @ 60%
\$3,000,000	\$6,000,000	\$4,800,000	\$4,200,000	\$3,600,000
\$1,000,000	\$2,000,000	\$1,600,000	\$1,400,000	\$1,200,000
Licensing	\$1,000,000	\$800,000	\$700,000	\$600,000
Totals	\$9,000,000	\$7,200,000	\$6,300,000	\$5,400,000



Description of Expense	Estimated for 2018	Estimated for 2019
Facility Lease	\$60,000	\$120,000
Utilities	\$15,000	\$30,000
General Liability Insurance	\$15,000	\$30,000
Payroll	\$150,000	\$300,000
Credit & Loans	\$25,000	\$50,000
Vehicle Inventory	\$2,000,000	\$3,000,000
Accessories & Upgrades	\$500,000	\$1,000,000
*Other	\$100,000	\$200,000
Totals	\$2,865,000	\$4,730,000

In 2019 R2O will open a 2nd corporate owned retail location and will expand operations from there with additional corporate owned retail stores and licensee's operating under our brand. The table above showcases a general outline of expenses. Note that payroll only represents salaried employees as most sales personnel will be commission based.

Owners and Equity Partners shall be paid out of pre-tax, post expenditure income.

Financial Assumptions General Outline of Expenditures





Financial Assumptions

Pre-tax, Pre-Commission, Post Expenditure Profitability

The table below features R2O's Income minus Expenses showing a pre-tax (before taxes are paid), pre-commission (before commissions are paid) and post expenditure (after general expenses are paid) profitability. Even based on absolute worst case scenarios, at 60% operational sales capacity, R2O still has the ability to remain profitable.

As a start-up business, R2O has chosen not to attempt to calculate "break even" or "EBITA" because of the unknowns that exist. We believe our financial assumptions are more realistic and provide a range of potentiality since a finite set of figures cannot be substantiated by any start-up like R2O.



Annual Expenses	100% - Expenses =	80% - Expenses =	70% - Expenses =	60% - Expenses =
2018 \$2,865,000	\$2,635,000	\$1,535,000	\$985,000	\$435,000
2019 \$4,730,000	\$4,270,000	\$2,470,000	\$1,570,000	\$670,000



Branding

R20 will create brand recognition through three primary initiatives that are designed to create exposure and more business. Our Team will work to exceed our Customers expectations and then use their experiences to attract others to us. R20 will require all Licensee's to follow this same branding initiative as we grow our operations nationally.

01

Building Customer relationships that result in R20 being highly recommended by our Customers to others.

02

Providing high quality vehicles to our Customers that are appealing on terms they can easily meet will increase our business quickly.

03

Expanding our brand awareness through our website, social media presence, expanding corporate owned retail locations and licensing out our brand to others will make R20 a household name.



Infrastructure

R2O's CBDT (core business development team) will reinforce our innovative operations blue-print and become a beacon of light in an industry that can use some improvement in the areas of how Customers purchase newly used vehicles. Our Team will focus on what works and build upon that to further develop our internal IP (intellectual property).

Our flagship retail location will become the model R2O builds upon and how our Licensee's are trained to operate.

R2O will become a national brand that will provide rent to own options for our Customers allowing them the ability to own a newly used vehicle on terms they can meet. Our infrastructure will be in a state of continuous enhancement and improvement allowing R2O and its Licensee's to perform above industry standards.





MARKETING

BUSINESS PLAN

SUCCESS

STRATEGY

IDEAS

Our IP

This presentation has not been designed as a full business plan to protect the integrity of our IP (intellectual property) and to keep our actionable plans confidential. Our CBDT (core business development team) will operate off of an internal “Business Plan” that goes over, in greater detail, our operational protocols.

The Intellectual Property (IP) being created by R20 will naturally evolve as we open, operate and expand our operations. As a result some strategies, techniques and policies will be enhanced, others will be replaced and some will be dropped altogether.

R20 believes that the complete disclosure of our IP is not a requirement for others to see the enormous potential our business has. R20 will selectively respond to requests for additional information however our decision to exclude the intimate details of our IP is a strategy we have determined will protect R20 in the early stages of our development.



R20 Sales

Working with R20 Sales

R20 would like to formally invite "You" to work with us in one or more ways to help us become a nationally recognized brand that provides Customers with an easy way to rent to own their next vehicle. We are seeking relationships in the areas of;

- Equity Partners
- Private Lenders
- Sponsors
- Sales Team Members
- National & Regional Auction Houses
- Insurance Sales
- Automotive Accessory Vendors
- Asset recovery Specialists
- Banks & Lenders
- Licensee's

R20 will use this business presentation to introduce who we are to others and to secure the relationships and resources we need to operate efficiently with the ability to profit. Please make inquiries to tim@R20Sales.com and we thank you in advance for your interests.



Conclusion

Upon reading this short introduction to R20 Sales LLC we are confident that the information provided herein will allow you to come to your own conclusions relative to the potential our business has. Starting in Arizona and expanding nationally R20 will create a brand that consumers can depend upon as an alternative way to purchase their next vehicle.

This business presentation will evolve as we reach milestones in our capitalization and operational efforts so please visit our website for updates regularly. If you have specific questions that were not addressed herein we welcome your reply communications and stand ready to respond.

Have an incredible day!

Tim McLean, Principal Owner

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