

Prepared by Lindsay Wellman/EZCARE Auctions, Inc. BRE # 01050487

## For Sale

### EYE OF THE DAY GARDEN DESIGN CENTER



Anyone interested in obtaining a Business Disclosure Statement and all Financial information on this offering for sale must return the attached Non-Disclosure & Confidentiality Agreement fully-executed. Call Lindsay Wellman at (805) 453-6259 or email to [llwellman@topproducer.com](mailto:llwellman@topproducer.com)

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## **Overview of Eye of the Day**

**Name- Eye of the Day, Inc./ Eye of the Day Garden Design Center**

**Location: 4620 Carpinteria Avenue, Carpinteria, CA 91330**

**Structure: S Corporation- Owners/ Shareholders: Brent Freitas & Suzi Freitas, Co-Trustees of the Freitas Family Trust dated July 12, 2002 Established: 1995.**

**Website: [www.eyeofthedaygdc.com](http://www.eyeofthedaygdc.com)**

**Asking Price: NOT DISCLOSED**

**2018 Gross Revenue: \$ 2,163,567.00**

**2018 Cash Flow: \$ 639,788.00**

**EBITDA: \$ 424,902.00**

**Inventory: \$ 1,215,115 (original cost on books)**  
included in purchase price

**FF&E: \$ 150,000.00 (approx. current value)**  
included in purchase price

**Real Estate:**

**\$ 4,200,000.00 (asking price)**

**NOT included in purchase price but may be negotiated separately or included in purchase price with a Lease 'AS IS' at \$15,000 per month NNN**

## **CORE BUSINESS**

**Eye of the Day is well known in the United States for having the largest selection of fine European pottery, garden planters, fountains and statuary in the United States. Eye of the Day has developed a wide network of the highest-quality pottery manufacturer products from Italy, France, Greece, Spain and the United Kingdom.**

**Eye of the Day is the largest U.S. distributor of Terrecotte San Rocco, Italy's premier manufacturer of terracotta pottery, furniture, fountains, statuary and design ornamentation. A higher-quality or finer terracotta product cannot be found anywhere in the world, with such classic and modern designs. Their "Rocco" products are very popular. (2018-@28% of EOD gross revenue)**

**Eye of the Day is also proud to be the largest of only seven distributors of Gladding McBean products in California, with their brilliant color glazes and classic shapes on display in its showroom and on its website.**

## **BUSINESS MODEL**

**Eye of the Day has a business model created around finding and offering many premier brands of pottery from around the world. To do so, they have created relationships with the best artisans and specialized European pottery manufacturers for a broad range of garden and landscape design products. Inventoried products are of Italian, French, English, Spanish, Greek and other design origination. Eye of the Day has featured French Anduze pottery designs in a wide variety of sizes and colors. They have worked with renown stone carvers in France and England, who supply many of the finest estates in Europe with aged fountains and stone pieces. They carry an exquisite line of hand-made Greek terracotta pottery as well as an extensive collection of antique Greek oil jars and pithar. Eye of the Day also has a vast selection of American concrete fountains and planters.**

**Eye of the Day's product lines represent more than 25 years of knowledge and testing from traveling throughout Europe. Each manufacturers chosen to offer products from maintains the highest quality products and delivers**

artistic and inherent appeal and consistency. This is why Eye of the Day is the choice of America's top landscape designers and architects.

## **THE STORY OF THE CREATION AND DEVELOPMENT OF EYE OF THE DAY**

Eye of the Day first opened in 1995 in the Santa Ynez Valley when their owners, Brent and Suzi Freitas began selling used oak wine barrel planters supplied by the growing wine industry. In 1995, they began adding garden décor items, including fountains, tables, benches, statuary and garden gift items, to their used wine barrel planters. Their vision of locating the best and highest quality products for their customers sent them routinely to travel Europe where they quickly began to establish relationships with some of the leading manufacturers of terra cotta pottery.

Thru their extensive travels and developed and well established relationships abroad, their Carpinteria- Santa Barbara County showroom features an incredible wide selection of merchandise unsurpassed in the United States. It provides their customers the opportunity to choose pieces from around the world and to create a perfectly unique garden. Whether using aged garden pottery from Greece, Italy or Spain or new pottery from Europe or the U.S., Eye of the Day fulfills their company mission and vision for their customers – to help bring 'Paradise Home.'

Now situated at its current location for 21 years and conveniently accessible from the 101 freeway in Carpinteria, California, Eye of the Day offers a tremendous selection of pottery, planters, fountains, statuary and garden design accessories from across the globe. Its Santa Barbara County showroom makes it easy for many of California's homeowners, designers, and architects to browse and purchase products in person. They also offer many distinct custom services including custom finishes, fountain conversions, installations and direct delivery.

## **Catering to Design & Trade Professional Customer Base**

Eye of the Day provides exclusive services to the landscape, garden, interior and architectural design professionals and contracted trade professionals. It caters to the professionals who require details, pricing and options at their

**fingertips for discerning clients. Its Trade Program is designed to facilitate solutions to their problems.**

**Eye of the Day also offers exclusive trade approved discounts to approved members of its Trade Program. It promotes its members within its Designer Gallery, on social media and by making referrals to customers throughout the country looking for design assistance. Their qualified trade professional Trade Program is made available to professionals.**

**Eye of the Day's customer and trade professional list of its business clients is long-standing and loyal. With a large client roster and repeated sales in large quantities from repeat high-end corporate clients or customers, this unique mix is steadily increasing its revenues and average sales ticket amounts. Sales revenue from exposure provided by its website, national referrals and reputation have also dramatically increased.**

### **Financial Details of the Business**

	2016	2017	2018
Gross Revenue	1,859,611	1,943,543	2,163,567
COGS-Cost of Goods Sold	737,132	755,900	669,978
Expenses	1,041,715	983,443	1,114,836
Net Income	80,764	204,200	378,753

### **Seller's Discretionary Earnings**

**Sellers discretionary earning- The SDE or owner's cash flow statement presents the full earning power of your business after adding back in one-time, non-recurring purchases and discretionary expenses shown on the income statement but not essential to business operations. The income statement is adjusted to reflect earning potential *recasting* or *normalizing* the financials.**

### FULL EARNING POWER CHART

Add-back Interest paid on loans			10,178
Add-back for Depreciation			35,972
Add back for Taxes paid			
Add back for Amortization			
<b>EBIDTA (Earnings before Interest, Depreciation, Taxes and Amortization)</b>			424,902
<i>Adjustments for Personal, Discretionary and One-Time Expenses</i>			
Add-back for Owner's Salary, Payroll Tax, Benefits			168,294
Add-back for Family Member Wages, Payroll Tax, Benefits			-
Add-back for Owner/Family Personal Auto Use			-
Add-back for Contributions/Donations			500
Add-back for Fair-Market Rent Adjustment			-
Add-back for Owner's Insurance premiums			2,935
Add-back for Legal, Accounting, Tax services			11,426
Add-back for Owner Retirement Plan contributions			-
Add-back for Travel/Entertainment Expenses			13,780
Add-back for Travel/Entertainment Expenses - Foreign. 80% of actual expense			17,548
Add-back for Subscriptions and Memberships			403
Add-back for extraordinary, one-time, non-recurring expenses reflected on Income statements			-
<b>Adjusted Statement of Projected Annual Seller's Discretionary Earnings</b>			639,788

### **Ability to Grow Revenues**

**Over the past 3 years, sales revenues have consistently increased. Profits have consistently increased. Costs and operating expenses have increased but only at a rate consistent or lower than revenue increases.**

**These are financial attributes that clearly establish the inherent value of the business model and the branding of Eye of the Day as a one-stop unique business destination for fulfillment of garden design product sales to the most discerning of customers and professionals throughout the United States.**

## **Competitive Advantage**

**Simply put, the business offers products and/or services that are unique, distinct and superior to those of any of its competitors. The business uses a proprietary production or business process that serves as a barrier to any competitors. Their production or service delivery process is one that a new owner can easily adopt and carry on, as fully enhanced, in its Operation Manual over years of testing and practice. The production and operations processes are detailed in a model Operations Manual and other internal business documentation. The business has staff and management to help any new owner successfully manage the transition after any acquisition of the business.**

## **Sales & Marketing**

**For many years, Eye of the Day has engaged in extensive advertising and marketing with attendance at premiere conventions in the garden design industry. A list of local and national magazine/publication dates is available. Some of the marketing pieces/pages are part of the sales package. Frequent advertising in local newspapers is used frequently.**

**Eye of the Day's website, created over many years of development, has become a main revenue source of the company. Advertising selection for placement together with substantial use of social media has kept Eye of the Day as a focal provider of high end garden accessories and products unmatched in the industry.**

## **Name Recognition**

**Eye of the Day has a name that is well known and respected in its market area and business arena throughout the world. It own its name via trademark, and as a domain name and on major social media channels. In today's global economy, it has a strong online presence including a strong standing in search results and favorable online reviews and ratings.**

## **Product Lines & Designer Gallery**

**Eye of the Day is proud to work with landscape and garden professionals across the country to provide them with the highest quality garden décor for their design projects. From pottery to fountains, our Designer Gallery showcases our products in beautiful landscapes and outdoor living areas. Eye**

of the Day inspires landscape and garden professionals across the country to fulfill their creative concepts into bringing ‘Paradise Home’ in their clients garden.

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## **Artisans & Vendors**

### **Francesco Del Re’**

The factory of Francesco del Re produces some of the most unique terra cotta pieces in Italy today. Using high-quality Terra Forte clay, planters, statuary and fountains unlike any others are made in small quantities. Each piece incorporates fine details applied by the factory artisans, making this Italian terracotta one of Eye of the Day’s favorites

### **Italian Terracotta Ornaments**

Terrecotte San Rocco provides a variety of terracotta ornaments for use with terra cotta pottery or as ornamental pieces. As with all products from Terrecotte San Rocco, these pieces are made from the highest quality frost-proof Italian Galestro clay.

### **French Anduze Planters**

Originally created in the 16th century by potters inspired by the Medicis, this French Provencal pottery is the iconic symbol of French garden decor. As they have for hundreds of years, handcrafted garlands and medallions decorate these traditional French pots. Anduze pottery is named for the town in the south of France from which it originated. Eye of the Day carries a large collection of French pottery in a wide variety of colors and sizes ranging from 12.5" to 41.5". Most colors are available in high-gloss finish as well as antiques.

### **Glazed Terracotta Pottery**

Glazed terracotta pottery is the newest addition to Terrecotte San Rocco’s line of fine Italian terracotta pottery. These glazed terra cotta pots are in classic Rocco

shapes in both traditional and contemporary styles. These colorful kiln-fired pots produce unique glazed finishes that become statement pieces in any garden design.

## **Greek Terracotta**

Eye of the Day imports handmade Greek terracotta pottery from a small manufacturer on the island of Crete. Greek pottery is produced by ancient techniques, using hand and foot-turned potter's wheels to shape the pots. Their unique color is the result of being fired in kilns fueled by olive pits. We regularly stock antique Greek oil jars, and though new Greek pots add to any garden or home, an antique terracotta pot with a look that can only be achieved with age, adds an elegant touch to Mediterranean garden décor.

## **French Versailles Planter Boxes**

The Versailles Planter Box was designed in 1670 by Andre Le Notre, chief gardener for Louis XVI at Versailles to protect and ensure the survival of delicate and exotic fruit trees at the palace. These celebrated oak planter boxes are still being produced by Jardin du Roi Soliel and certified authentic by the “Etablissement Public du Chateau de Versailles”; they continue to grace elegant gardens throughout Europe and around the world.

## **Vintage & Antique Pottery**

Eye of the Day carries European vintage and antique planters and pots such as Terracotta oil jars and orciols from Italy, honey jars from Spain, and Greek terracotta classic Pithari. Eye of the Day has been fortunate to locate and bring back these European vintage and antique terracotta pots. These one-of-a-kind vintage terra cotta pots make beautiful statement pieces for the home and garden.

## **Italian Ornate**

Details from the pre-Roman Etruscan period are evident in the Ornate Pottery line from Terrecotte San Rocco. Like all terracotta from Terrecotte San Rocco, this Italian pottery is crafted from the highest quality clay, fired at high temperature and it is frost resistant.

## **Vintage French Limestone Fountains**

Eye of the Day carries a collection of hand carved limestone fountains in traditional Provencal styles. Limestone fountains have been a central aspect of every village, town and city in France for centuries. Without having to travel to Aix en Provence, Avignon, or Nice, one can experience these iconic stone water features in their garden or landscape designs. Whether used in residential or commercial applications these fountains enhance an exterior or interior design by adding authenticity, elegance and tranquility

## **Fountain Conversions**

Fountain conversions are the most popular garden water features at Eye of the Day. Fountain conversions add elegance and the relaxing sound of moving water in the garden. Virtually any pot in our large collection of products can be transformed into a custom fountain to suit your garden design. From choosing the vessel, the conversion process, and selecting the appropriate basin, pump, and housing, we are happy to help make a unique water feature for your landscape project.