



UNDERCARE®

The UNDERWEAR Solution

BUSINESS PLAN

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I. Introduction

I am pleased to be considered for the InnovateHer Challenge. The Undercare product line fulfills the criteria for the challenge in that it offers **products that have an impact on the lives of women and families; it has the potential for commercialization; and it fills a need in the marketplace.** We have taken a mundane object - underwear - and made creative adjustments to it with great results. We have re-imagined underwear to provide the best solution to the problem of difficulty in dressing.

How do Undercare products impact the lives of women and families?

- Provide dignity and independence to women who struggle with self-dressing due to mobility-impairment
- Lightens the load of caregivers who assist family members
- Offers female veterans gender-sensitive products
- Extended size line reaches neglected demographic

Does Undercare have the potential for commercialization?

- We have achieved a patent and have patents pending.
- We are production-ready.
- We have secured a production partner.
- Retail stores (e.g. Nordstroms) and government organizations have expressed serious interest.

Does Undercare fill a need in the marketplace?

- There are 7.3 billion people in the world. The average person owns between 8 and 15 pairs of underwear. 7% of individuals in the US have ambulatory disability (20 million). Do the math! We have a large gap to fill in the marketplace.

II. Executive Summary

Undercare, Inc., established as a Sub-Chapter S-Corp in New York State, sells a specialty undergarment and bathing suit product line via e-commerce, wholesale, and to the government. The company sells easy on, easy off undergarments and swimwear to individuals with mobility impairment. Undercare markets its product line as “The Underwear Solution,” and focuses on reaching a market that will benefit from increased dignity and independence through self-dressing.

The Undercare product line is the creation of Susanne Leary Shoemaker, the company’s founder. After observing some elderly women struggling to dress following a swim class at the YMCA in White Plains, NY, Mrs. Shoemaker developed. After working closely with clothing designers and manufacturing concerns, Founder developed perfect, patented prototypes that are production-ready.

We seek funding to expand Undercare’s operations, and to further develop the business, business infrastructure, internal systems, and product development. We have completed the start-up phase and will have a full-scale launch in November 2015. We expect to generate healthy sales revenues in Fiscal Years 1, 2, and 3.

Keys to Success

To establish Undercare as a leader, Undercare management will:

- *Build a brand of new and innovative undergarments and bathing suits for the mobility-impaired*
- *Promote a product that is trend-aware and stylish and that embraces differently-abled bodies, disability, and aging gracefully without stigma*
- *Offer an assortment of styles, including extended sizes (through 10X) for men, women, and children*
- *Establish and commit to “best practices” in all significant business processes, and to promote made in the USA by Industries of the Blind, in Greensboro, NC, an Abilities One designated manufacturer.*
- *Create, nurture and enhance customer relationships through problem and opportunity awareness, assessment of desired goals and results, and through routines and communications that reinforce target relationships*
- *Leverage our status as a certified woman-owned business and minority/woman business enterprise to obtain local, regional, and national government contracts*
- *Maintain accessible website that is interesting, informative, and user-friendly*

Mission Statement

“The company’s mission is to offer individuals with mobility impairment innovative and affordable undergarments and bathing suits that are easy to use and attractive to wear, leading to customers’ improved quality of life through enhanced dignity and independence.”

Vision Statement

“The company’s vision is to promote increased self-esteem in individuals through encouraging independence in dressing and self-care. Undercare, Inc. is manufactured in the USA. Employees will share in the profit and ownership of the company. As responsible capitalists, Undercare, Inc. embraces a mission of mutual respect for ourselves, our community, and our world.”

III. Company Summary

Since Adam and Eve left the Garden of Eden wearing fig leaves, we have worn underwear. What hasn't changed over the years, however, is how we put underwear on. A few years ago, Mrs. Shoemaker observed some elderly women struggling to dress themselves following a swim class for arthritis at the YMCA in White Plains, NY. Inserting a foot and leg through the leg opening of the underwear was difficult for them. Grabby sticks only helped so much. Mrs. Shoemaker's background in classical drawing and painting of the human figure and her extensive knowledge of the mechanisms of the human body, led her to design a solution to the problem.

Undercare's patented innovative undergarments provide a new way to put on underwear for individuals with mobility impairment. Our wrap and fasten undergarments offer ease in the dressing routine to individuals who would otherwise struggle. You do not need to bend, balance, or stand on one leg to get dressed. Furthermore, Undercare's product line is produced in the USA and it is not disposable and therefore eco-friendly. It may be re-used. Our undergarments are guaranteed for 250 washes.

Take the open garments and attach the two ends with Velcro at the middle of your waist. With both hands free, pull the attached panel from back to front between your legs and attach Velcro strips on right and left side of the hip region. Once on, Undercare looks, feels and functions like traditional underwear. You may pull it up and down in one piece. Our easy off and on undergarments offer dignity and independence to individuals with limited mobility. We are not about incontinence, but rather, we provide the best possible solution to the problem of difficulty in dressing. In the case where incontinence is also an issue, incontinence pads may be easily added and inserted. We also offer a version of our products with a catheter opening, and our women's bathing suits offer the adaptation of a mastectomy pocket.

While Undercare was originally designed by a woman for women, it didn't take long to realize that people other than adult women with mobility limitation can be helped by Undercare. Persons recovering from surgery such as hip replacement, knee replacement, or back surgery as well as persons with arthritis, following amputation, in need of wound care, or in a leg cast will appreciate the ease in dressing Undercare offers. In addition to undergarments for women and men, a bathing suit line for women and men was designed and is production-ready.

Undercare's bathing suit line encourages health and exercise. Easy on swimwear is attractive to anyone with impairment, because it makes getting into and out of a bathing suit feasible. Aqua therapy provides a comfortable medium for performing exercises and activities that may be too difficult to perform outside of the water. It is recommended for relaxation, fitness, and physical rehabilitation. Note that our women's suit offers the adaptation of a mastectomy pocket. By enabling self-dressing, Undercare encourages self-esteem and independence.

Company Ownership

Undercare became incorporated as a NY State Subchapter S-Corp in April 2011. After obtaining a patent and getting serious interest from the government, 16.5% was sold to one investor. The initial investor continues to counsel and advise the Owner. Another investor owns an additional 12% of the company. The most recent investor bought 1% of the company. In total, Founder and CEO, a woman, holds 76.5% of stock. 82.5% of the stock is woman-owned.

Since incorporation, the owner has funded the company through the startup phase with personal investment (\$150,000.00), stock sales (\$218,000.00), and loans (\$92,500.00).

Startup Phase

The startup phase has included setting up the company, designing an e-commerce website, office overhead, achieving patenting and trademarking, raising capital, developing a marketing strategy, designing and developing the product line, and inventory production. Typically a product must go through at least three iterations before it is ready to go to market. Our prototypes have been through at least ten iterations. We have been meticulous in the research and development phase, and we have succeeded in perfecting our prototypes. At launch, we plan to capture superior brand recognition and customer loyalty as we have the advantage of being first-to-market. We have secured top-quality USA materials and we have found an experienced USA factory for production.

Company will launch with minimum production order of 1000 pieces in three styles in a range of four sizes in each style. Within 6 months, we plan to introduce our bathing suit line, and an additional high-rise brief for women. A knit version of the men's boxer is in development. Extended sizes for both men and women (through 10X) will be available. We will pay careful attention to customer feedback and sales to determine which styles to promote. Once traction in the marketplace occurs, future products will be introduced.

The majority of company's assets will reside in intellectual property and inventory.

Company Location and Facilities




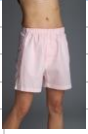






Undercare is not sold in a brick and mortar store. We sell directly to customers via e-commerce and wholesale to retail and government vendors. We work out of a home office located in New Rochelle, NY. We have been successful in cost containment with low overhead. Once the company begins selling and becomes profitable, we will move to an office space. Undercare will not maintain inventory. Warehousing, inventory, and shipping processes are handled by Sweetwater Logistics in Charlotte, NC. Sweetwater specializes in assisting startup businesses with logistics expertise and guidance, and we began working with them prior to our products being sold. Our manufacturing is Industries of the Blind in Greensboro, North Carolina, which is now in its 80th year of providing quality production. Our Capability Statement is included as Appendix B.

- **Production:**
 - 1. **Industries of the Blind, Inc.**
920 West Gate City Blvd.
Greensboro, North Carolina 27403
t: 336-274-1591
Contact: Willie Royal
 - 2. **Carolina Apparel Group**
425 US-52, Wadesboro, NC 28170
t: (704) 694-6544
Contact: Dave Lambert
- **Heat Stamp Labels, Packaging, And Hangtags:**
PrintCraft
259 City Lake Road, Lexington, NC 27295

t: (336) 248-2544
Contact: Jennifer Ashby

- **Inventory & Shipping:**
Sweetwater Logistics
9517 Monroe Rd Suite H, Charlotte, NC 28270
t: (980) 225-1500
Contact: Steve Thompson

IV. Products

Product Line & Pricing											
MENSWEAR						WOMENSWEAR					
		Sizes	Retail	Wholesale	MinProdCost			Sizes	Retail	Wholesale	MinProdCost
1	Classic Brief #88765 (Avail Jan 16)	S, M, L, XL	26.00	13.40	10.69	4	Classic Brief #99876 (Avail Jan 16)	XS-XL	24.00	11.50	8.92
	-Velcro Presto! Closure	XXL, 3X	TBD	TBD	TBD		-Velcro Presto! Closure	XXL-3X	TBD	TBD	TBD
	-Flat Hems for Sitting Comfort	4X-6X	TBD	TBD	TBD		-100% Supima Cotton	4X-6X	TBD	TBD	TBD
	-100% Supima Cotton	7X-10X	TBD	TBD	TBD		-White, Black, Gray	7X-10X	TBD	TBD	TBD
	-White, Black, Gray										
2	Traditional Fit Boxer #77654 (Avail Jan 16)	S, M, L, XL	34.00	22.00	17.54	5	Boxer Style #77654 (Avail Jan 16)	XS-XL	34.00	22.00	17.54
	-Velcro Presto! Closure	XXL, 3X	TBD	TBD	TBD		-Velcro Presto! Closure	XXL-3X	TBD	TBD	TBD
	-100% Egyptian Cotton	4X-6X	TBD	TBD	TBD		-100% Egyptian Cotton	4X-6X	TBD	TBD	TBD
	-Light Blue, RWB Check	7X-10X	TBD	TBD	TBD		-Pink Woven	7X-10X	TBD	TBD	TBD
3	Board Short Swim #72477 (Avail Jul 16)	S, M, L, XL	58.00	26.00	21.00	6	Bathing Suit #88246 (Avail Jul 16)	S, M, L, XL	158.00	75.00	*
	-Velcro Presto! Closure	XXL, 3X	TBD	TBD	TBD		-Velcro Presto! Closure	XXL, 3X	TBD	TBD	TBD
	-Navy	4X-6X	TBD	TBD	TBD		-Black	4X-6X	TBD	TBD	TBD
		7X-10X	TBD	TBD	TBD			7X-10X	TBD	TBD	TBD
FUTURE PRODUCTS (Avail 2018)											
		Sizes	Retail	Wholesale	MinProdCost			Sizes	Retail	Wholesale	MinProdCost
7	High Rise Brief #66543	S, M, L, XL	24.00	11.50	8.92	9	Mid Rise Bikini #54418	S, M, L, XL	26.00	13.00	*
	Photo -Velcro Presto! Closure	XXL, 3X	TBD	TBD	TBD		-Snap Fasteners		TBD	TBD	TBD
	Not -100% Supima Cotton	4X-6X	TBD	TBD	TBD		-Spandex Blend		TBD	TBD	TBD
	Available -White, Black, Gray	7X-10X	TBD	TBD	TBD		-100% Supima Cotton		TBD	TBD	TBD
							-White, Black, Gray				
8	Low Rise Bikini #54410	S, M, L, XL	26.00	13.00	*	10	High Rise Double Snap Brief	S, M, L, XL	24.00	11.50	*
	-Snap Fasteners		TBD	TBD	TBD		-Snap Fastener	XXL, 3X	TBD	TBD	TBD
	-Spandex Blend		TBD	TBD	TBD		-Swan Hook at Waist	4X-6X	TBD	TBD	TBD
	-Sweet Dot		TBD	TBD	TBD		-100% Supima Cotton	7X-10X	TBD	TBD	TBD
							-White				

V. Industry

Undercare falls within two industries. It a cross-over between the Apparel Industry and the Medical Device Industry. Retail sales in the apparel industry grew at about 3% last year in the U.S. In general, the apparel market is positive due to the immensity and strength of the industry. The medical supplies industry is growing at a rate of 6% annual increase in output. Surgical, orthopedic, prosthetic, and therapeutic appliances and supplies accounted for more than 73% of industry output in 2009, with orthopedic and prosthetic appliances comprising the largest share.

Prosthetic and orthopedic appliances represented approximately 28% of industry sales in the late 2000s.

There are many key trends affecting market conditions for sale of specialty underwear.

- *Changing demographics across the globe with dramatic increase in number of seniors and increased longevity*
- *Seniors' utilization of technology to shop*
- *Greater emphasis on acknowledging and inclusion of persons with disabilities and differently-abled bodies*
- *Increase in ambulatory injury and disability among military, with special emphasis on addressing the needs of female veterans*
- *Caregiver shortage and awareness of stress on caregivers and need to alleviate burden of providing care*

Competition

Undercare does not have any true competition as the product is unique. The closest competitors are Depends Adult Diapers; Tena Adult Diapers; Thinx; and Knock Out Panties, which are *incontinence-related* products. Incontinence protection (separately purchased) may be provided by the addition of absorbent pads and inserts, but Undercare's main function is to provide an easy design for individuals who are limited by mobility impairment. Our biggest competition is against those opting not to use a specialty undergarment or bathing suit and choosing instead to make do with traditional options.

Customers

Undercare's targeted customer profile is seniors recovering from surgery or injury and those with chronic or acute disability. As the aging population continues to grow rapidly, we expect to fill an increasing need in the marketplace. Seniors are becoming increasingly technologically aware and spend significant time shopping on-line. Seniors are increasingly health conscious and aspire to remain active into their retirement years. A younger demographic, including permanently and temporarily disabled veterans, with special emphasis on female veterans, will also be targeted. Participation in paralympic and adaptive sports is increasing. Additionally, caregivers and those who aid individuals with disability will benefit from the ease offered by Undercare in dressing and undressing disabled persons. As the popularity of our products increases, we expect to see increase in sales from other areas of market such as prisons and children.

The market is enormous. The world population is 7.3 billion. The average number of pairs of underwear is 8-15 pair per person, with underwear having a life span of about five years. In the US, over 50 million people are disabled (1 in 5). The global underwear business is estimated at \$300 billion/year.

VI. Market Analysis

Undercare's primary target audience is seniors, though it may be used by anyone of any age. Life expectancy has increased and there are more seniors than ever before in the history of the world. The number of people in the 85 and over age group in the US is projected to grow from 5.9 million in 2012 to 8.9 million in 2030. In 2050, this group is expected to reach 18 million and this will account for 5% of the US population.

The AARP predicts that by 2015, those 50 and older will represent 45% of the US population. Over 100 million Americans are over age 45 presently. By 2030, more than 20 per cent of U.S. residents are projected to be aged 65 and over.

Women are the majority in the older population. In 2005, there were 21 million women aged 65 years and over living in the United States, compared with 15 million men. Older women represented over one-half (58 percent) of the population aged 65 years and over, more than two-thirds (69 percent) of the population aged 85 years and over, and 80 percent of the population aged 100 years and over (1). Between 1950 and 2005 the number of women aged 65 years and over more than tripled, increasing from 6.5 million to 21 million (1,2). Moreover, the U.S. Census Bureau projects that by 2030, the number of women aged 65 years and over will double to 40 million, and by 2050 it will reach 48 million (3). Between 1950 and 2005, the sex ratio for people aged 65 years and over changed from 90 men per 100 women to 72 men per 100 women and for people aged 85 years and over, from 70 men per 100 women to 46 men per 100 women.

Undercare addresses a need shared by aging men and women. On-going general decline in ambulatory mobility as well as chronic and acute mobility limitation due to surgery or injury are issues that Undercare addresses by helping individuals to maintain independence in dressing.

Many different conditions and surgeries create temporary and permanent mobility impairment and the number of such conditions and surgeries is increasing along with the increasing aging demographic, as well as among the younger demographic. For example, there is a significant increase in frequency of corrective orthopedic surgery among younger as well as senior populations. In the US, **knee replacements** occur at a rate of 581,000 per year; **hip replacements** at 193,000 per year; and **arthritis** is diagnosed at a rate of 52.1 million per year.

Diabetes is at epidemic levels nationwide at 9.3% and affects 29.1 million people. 26% of seniors over 65 are diabetic (11.8 million people). ¹ **Unhealed diabetic wounds** lead to more serious and costly complications. Adults 60+ were 18% of the population and are projected to increase to 22% by 2020.² The domestic **chronic wound** care market is over \$50 billion and growing, according to a 2012 study of the U.S. hospital wound registry.³

According to the U.S. Census Bureau's American Community Survey, some type of disability (i.e., difficulty in hearing, vision, cognition, ambulation, self-care, or independent living) was reported by 36% of people age 65 and over in 2013.

¹Centers for Disease Control & Prevention, *National Diabetes Status Report: Estimates for Diabetes and Its Burden in the U.S., 2014*, Atlanta, GA., U.S. Department of Health and Human Services; 2014

²Administration on Aging, *Projected Future Growth of the Older Population*, 2014, Washington, D.C., U.S. Department of Health and Human Services

³Caroline E. Fife, MD, CWS; Marissa J. Carter, PhD, MA; David Walker, CHT; Brett Thomson, BS1 Wounds, *Wound Care Outcomes and Associated Costs Among Patient Treatment in U.S. Output Wound Centers: Data From the U.S. Wound Registry*, Wounds, January 2012, Volume 24, No. 1, 10-1

The burden of caring for individuals with disabilities is a serious concern. The typical caregiver is a 46-year old woman who has a job and spends more than 20 hours a week taking care of her mother, according to a survey conducted by NAC and AARP (NAC, 2004). There are about 34 million informal caregivers providing care at any given point in time, and 52 million providing care at some time during the year (AARP, 2008).

VII. Marketing and Sales

Undercare is available to consumers through multiple avenues: e-commerce, retail stores, wholesale, and through mail order catalogues. The use of a sales representative/sales team is recommended to facilitate entry into the market. The sales team will sell directly to stores and will contact buying offices. Merchandise will be presented at trade shows and through internet marketing. Salespersons from Undercare, Inc. will generate leads with businesses at local, regional, and national levels in person, via email, and by telephone to retail and wholesale vendors such as medical and surgical supply vendors, pharmacies, rehabilitation facilities, hospitals, doctor's offices, and specialty undergarment stores. Procurement through government agencies is another way Undercare will reach consumers. Undercare is a registered government contractor with "approved vendor" status and an application to be placed on the Federal Supply Schedule Solicitation Schedule 65IIA, "Introduction of New Product" has been submitted. Undercare is fully registered in Systems Award Management (SAM). We have obtained Woman Owned Small Business (WOSB) status and certification, and we are in the process of becoming an approved M/WBE in NY State. On the federal level, our status as a Woman-Owned Small Business in a "significantly underrepresented industry" gives us a distinct advantage in obtaining government set-aside contracts. At the local and regional levels, our status as a M/WBE in New York State, gives us an advantage in obtaining state contracts among state-run assisted living facilities and hospitals, including the Corrections Department.

Contact with the Veteran's Administration was established in June 2012. The VA anticipates that not only will Undercare's designs be helpful to wounded warriors and veterans recovering from surgeries and with mobility-limiting disabilities, but also that the product will benefit caregivers. It is easier to dress an individual without requiring the garments to be pulled over the feet and up the legs to the waist area. Furthermore, Undercare offers an attractive and comfortable option for our veterans, especially women veterans. The VA is trying to upgrade its treatment of its women veterans. Undercare is very interested in helping the VA in this endeavor. We continue to nurture our relationship with the VA. In 2015, we met with VA facilities on location in Salem, Virginia, Hudson Valley, NY, Cheyenne, Wyoming; Hines, Illinois; Tampa, Florida; and Dayton, Ohio. Undercare representatives attend conferences (such as the Small Business National VA Conference in Pittsburgh, Pennsylvania in November 2015) and workshops on selling to government.

Paralympic and Adaptive sporting participation among disabled individuals and veterans such as the Invictus Games and Wheelchair Games also provide sources for potential customers. Project Mend; Paralyzed Veterans of America; Disabled American Veterans; United Spinal Association; Veteran's of Foreign Wars; and Wounded Warriors are among potential strategic partners.

Other opportunities such as Shark Tank, Dolphin Tank, Dr. Oz, Oprah, AARP, QVC, among other organizations that promote health and well-being of senior adults and disabled persons, offer potential for high volume sales and excellent visibility in the marketplace.

Among retail stores, Nordstrom's has expressed interest in an on-line trial to be followed by a soft roll-out in its stores.

Internet

Consumers like the convenience of being able to shop from anywhere and at any time. To this end, we have created a website www.undercare.com, which provides current and potential customers with an efficient, secure, interactive means to easily browse and place orders. The site is informative and interesting, and most importantly, easy to use with aesthetically pleasing graphics and photography, along with "How it Works" and detailed product descriptions. An additional feature of the website is our Undercare Seniorcare Blog featuring **Attorney Shoe Advises You** (relevant information to senior legal concerns) and **Sam the Man** (colorful commentary on access for the disabled at NYC metropolitan venues). Undercare has a presence on social media sites. We are active on Facebook, Twitter, and Instagram.

Promotion

Undercare will depend upon several promotion strategies to reach new customers. These strategies include: advertising through industry-wide magazines, catalogues, and newsletters, including senior care magazines, veterans' magazines, and magazines for the disabled. Additional methods of promotion will include direct mail campaigns, email; media, including radio and television; and Undercare will participate in industry trade shows and trade fairs to promote the company's products. This will enhance opportunities to learn, grow, and connect with potential clients and others business in the senior, disabled, and military markets. Word of mouth marketing is an effective marketing tool. Promotions through discounts on the website and in print media will be used at various times of year.

Image/Packaging

Various graphic designers have developed packaging, the website, brochures, hang tags and labels. Our tagline is "The Underwear Solution" and "Don't Let Limited Mobility Limit You." Our extended size line is called, "Befitted" and the accompanying tagline is "Not Too Big for Our Britches."

Position in the Marketplace

Undercare fills a gap in the marketplace that no one is serving. The product offers a convenient and attractive solution to promote independence and dignity in dressing for individuals with mobility impairment. Undercare offers unique specialty undergarments and bathing suits that are affordable, trendy, and fashionable, while meeting both the physical and emotional needs of the consumer. Undercare strives to erase the stigma associated with aging, disability, and hard to fit sizes. Additionally, Undercare values the concept of aging gracefully and Undercare's extended size line offers the two-fold benefit of an underwear solution and accommodation of persons outside of the traditional sizes. Undercare seeks to promote positive self-image to anyone who requires special assistance in dressing. We treat buying specialty underwear in a serious yet lighthearted manner. Vanity fabrics such as tie-dye, ethnic elastics, feminine details, and camouflage fabrication help to diminish stigma attached to adaptive wear. We aspire to maintain a sense of humor as an anti-aging defense.

Pricing

Cost and pricing has been determined by analysis of COGS and pricing is in line with comparable pricing on other types of specialty undergarments. Undercare is eco-friendly and sustainable. It is guaranteed for at least 250 washes. It is not a disposable undergarment like Depends and Tena Adult Diapers. The targeted senior market lives on a limited income so our goal is to keep price low as possible while manufacturing in USA with superior materials. Undercare will charge an average price of \$28.00 per unit. Discounts will be available in certain cases. Undercare's pricing reflects fair market value, comparable to other specialty undergarments such as Thinx, Knock out Panties, and Brooks Brothers.

Payment Terms

Customer Payment will be accepted by cash, check, PayPal, or credit card. Virtual Merchant services provided by Chase PaymentTech are attached to the website. One-half down payment requested on future orders (wholesale). We have terminal software and a payment gateway that allows Undercare to process credit cards. A secure shopping cart X-Cart platform is built into the e-commerce site, managed by BCS Engineering.

Returns/Exchanges

Undercare has a 30 day no questions asked return policy and return label is included in packaging.

VIII. Management Summary

Management

Mrs. Shoemaker oversees and runs all aspects of the business with occasional help. She has taken classes, and has been selected for several mentoring programs. For more detail, please see Susanne Leary Shoemaker resume in Appendix A.

Management Team

Undercare relies on a diverse and talented group of advisers who provide support for management and financial decisions, as well as provide industry expertise for day-to-day operations. Susanne Shoemaker will have overall responsibility for all aspects of the company, including operations, marketing, strategy, financing, company culture, human resources, compliance regulations, sales and public relations. Most importantly, she will set the strategy and vision for Undercare. Owner will not take a salary until company becomes profitable. Other management positions have not yet been filled. The company will require a strong finance manager to closely guard cash flow to ensure potential partners and investors that Undercare's finances are strong and support future growth. As company matures, it will pursue adding more experienced individuals to the team. Ultimately we will fill other senior level positions such as CFO, VP of Product Management; VP of Marketing; and VP of Sales. Additional positions will be identified as necessary. We plan to hire a web administrator and office manager, and we are working with local business colleges to find an office intern. There will be one part-time employee working 20-30 hours per week. The part-time employees will be paid at a rate of \$20.00 per hour.

At this point in time, Undercare is a small business and therefore requires a simple organizational structure. Undercare must be prepared however for the possibility of rapid scaling. A large government contract, a television appearance, or word of mouth instant success could lead to a quick upturn in production. With this possibility in mind, we have secured a production partner with manufacturing

capability; we are talent scouting for new key team members; we are lining up sources of funding through equity investment, loans from family and friends, and bank loans. Our fulfillment center and accounting firm are prepared to grow with us.

Professional Advisors and Associations

As a start-up company, Undercare has limited operating history. To mitigate risks relating to inexperience, the company will leverage the experience of external advisors to provide support for management decisions, as well as industry expertise and day-to-day operations. Accounting, tax, and legal matters will be handled by contracted professionals. Legal matters will be advised by Owner's husband, Paul T. Shoemaker, a lawyer, who is a partner at Greenfield, Stein and Senior in NYC and has been practicing law for thirty-five years. Caputo and Boncardo, CPAs in Rye Brook, NY provide accounting and tax services. Alan Dlugash of Marks, Spaneth provides tax and business advice on an as-needed basis. Trademarking and patenting issues are handled by Kenyon&Kenyon, a NYC law firm specializing in Intellectual Property. Kenyon&Kenyon has already obtained a patent, issued in March 2013. Owner will continue to receive mentoring and support from Dal LaMagna, Women's Enterprise Development Center (WEDC), The Acceleration Project (TAP), Peer Exchange Program, SCORE, Small Business Development Center (SBDC) in Rockland County, New York and Westchester County, New York, IBM Mentorship Program, and MasterCard Pro Bono Challenge.

In February 2015, we established a professional relationship with Professor Trevor Little at the North Carolina State College of Textiles. Dr. Little has worked closely with our products and has helped with patterns, grading, and marking. Specifications and technical packs have been prepared under his supervision.

Industry experts, Anna Livermore of V.Mora in Chicago, and Boaz David of HumanB in NYC, offer consulting services and facilitate the research and development of prototypes, brand-building and launch of the product line.

Additionally, we work with industry Carolina Textile District/Manufacturing Solutions Center, National Association for Sewn Products Industry (SEAMS), Americas Apparel Producers Network (AAPN), among other industry associations.

We attend trade shows to keep up to date on current trends in fabrication and trim. Last year we visited D&G, and TexWorld in NYC. We keep current The Sourcing Journal, Fashion Brain Academy, and Human B updates on the apparel industry. We attended the Aging2.0 Conference in San Francisco in November 2015, where we were invited to exhibit and pitch.

Record Keeping, Inventory and Finances

The CEO uses Quickbooks for financial and accounting purposes. Investors receive quarterly updates on the company. The CEO has opened a business checking and savings account at JPMorgan Chase in Bronxville, NY. UC utilizes GS1 barcoding to maintain inventory stock levels and track sales. Our website is connected to Sweetwater Logistics for inventory management and fulfillment. We will purchase barcodes through GS1. We will purchase 100 barcodes at \$750.00 with a \$150 yearly renewal fee. This will provide us with a 12-digit code to track sales and inventory. The barcode system is required by most retail vendors. We feel it is better to begin with the barcodes assigned at the launch, rather than converting SKU codes to barcodes later.

Licenses, Permits, and Other Registrations

A Certificate of Authority to Collect Sales Tax was obtained through NY State Department of Taxation. Undercare will collect the appropriate state sales tax from customers on sales where applicable. Out-of-state internet sales are not taxable. Wholesale sales receive resale exemption and are not taxable. We have received barcodes from GS1 and an RN number.

IX. Financials

Assumptions

Retail and wholesale sales will gradually and steadily increase over years 2016 and 2017 and company will become profitable in month 7 of 2016. In July 2016, additional product lines will be introduced, and this will mark a turning point in sales. The bathing suit line, which will be introduced in July 2016, stands to be our best seller and our most profitable revenue stream.

Wholesale selling among menswear will occur at about three times retail sales in 2016 and 2017. Womenswear wholesale will sell at about two times the retail rate. Large government contracts can increase sales and revenue dramatically. Projections do not include these numbers as we do not know when a contract may be awarded. Nevertheless, we are prepared to scale up operations as needed. Manufacturer is prepared to handle increase in production volume, and we are prepared to hire more staff. As volume increases, manufacturing costs will drop. Major price breaks are at 4,000 pieces/month, and 10,000 pieces a month. At 4,000, price per unit will decrease by 30% and at 10,000 pieces by 50%.

At launch, retail pricing is essentially keystone pricing; it is priced to sell at approximately double the manufacturing cost. The main expenses of the company will be production of inventory: marketing plan and execution, including website maintenance; and salaries.

Financing will come from equity investments in 2016 and additional debt financing in 2017.

Revenue Assumptions (\$)	FY2016	FY2017
Men's Briefs Retail	54,600	117,600
Men's Briefs Wholesale	134,000	375,200
Men's Boxers Retail	66,300	142,800
Men's Boxers Wholesale	231,000	594,000
Men's Board Shorts Swim Retail	95,700	243,600
Men's Board Shorts Swim Wholesale	195,000	728,000
Women's Classic Brief Retail	46,800	100,800
Women's Classic Brief Wholesale	43,125	204,125
Women's Boxer Retail	66,300	142,800
Women's Boxer Wholesale	63,750	284,750
Women's Bathing Suit Retail	355,500	1,856,500
Women's Bathing Suit Wholesale	281,250	1,331,250
Totals	1,633,325	6,121,425

Profit and Loss 2014-2017 by Year

	FY2016	FY2017
Revenue	\$1,633,325	\$6,121,425
Direct Costs	\$854,652	\$3,118,160
Gross Margin	\$778,673	\$3,003,265
Gross Margin %	48%	49%
Operating Expenses		
Salary	\$68,752	\$125,000
Employee Related Expenses	\$13,750	\$25,000
Insurance	\$750	\$750
Office Supplies	\$1,000	\$1,000
Phone / Internet / Cell Phone	\$2,160	\$2,160
Transportation - Gas, Tolls, Parking	\$3,000	\$3,000
Entertainment	\$1,800	\$1,800
Travel - Hotels, airfare meals	\$9,000	\$9,000
Education & Training	\$1,200	\$1,200
Website Maintenance	\$1,800	\$1,800
Storage Unit	\$9,600	\$9,600
Advertising brochures	\$1,200	\$1,200
Advertising Media	\$3,000	\$3,000
Bank Fees / Checking Account	\$216	\$216
Accounting Fees	\$3,000	\$3,000
Total Operating Expenses	\$120,228	\$187,726
Operating Income	\$658,445	\$2,815,539
Income Taxes	\$0	\$0
Net Profit	\$658,445	\$2,815,539
Net Profit / Sales	40%	46%

Note: Undercare has not earned any revenues to date. Development costs in 2014 and 2015 were \$101,493, and \$70,521, respectively. These costs included the costs of developing all product patents, the company website, setting up manufacturing relationships and other business development costs.

FY2016	Jan '16	Feb '16	Mar '16	Apr '16	May '16	Jun '16	Jul '16	Aug '16	Sep '16	Oct '16	Nov '16	Dec '16	FY 2016
Revenue	\$0	\$0	\$17,700	\$23,700	\$29,700	\$53,400	\$188,250	\$197,150	\$217,050	\$302,125	\$302,125	\$302,125	\$1,633,325
Direct Costs	\$0	\$0	\$14,115	\$16,850	\$19,584	\$36,434	\$97,835	\$100,825	\$110,565	\$152,815	\$152,815	\$152,815	\$854,653
Gross Margin	\$0	\$0	\$3,585	\$6,850	\$10,116	\$16,966	\$90,415	\$96,325	\$106,485	\$149,310	\$149,310	\$149,310	\$778,672
Gross Margin %	0%	0%	20%	29%	34%	32%	48%	49%	49%	49%	49%	49%	48%
Operating Expenses													
Salary	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417	\$68,752
Employee Related Expenses	\$250	\$250	\$250	\$250	\$250	\$250	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$13,748
Insurance	\$62	\$62	\$62	\$62	\$62	\$62	\$63	\$63	\$63	\$63	\$63	\$63	\$750
Office Supplies	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$84	\$84	\$84	\$84	\$1,000
Phone / Internet / Cell Phone	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$2,160
Transportation - Gas, Tolls, Parking	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$3,000
Entertainment	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$1,800
Travel - Hotels, airfare meals	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$9,000
Education & Training	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Website Maintenance	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$1,800
Storage Unit	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$9,600
Advertising brochures	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Advertising Media	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$3,000
Bank Fees / Checking Account	\$18	\$18	\$18	\$18	\$18	\$18	\$18	\$18	\$18	\$18	\$18	\$18	\$216
Accounting Fees	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$3,000
Total Operating Expenses	\$3,143	\$4,643	\$4,643	\$4,643	\$4,643	\$4,643	\$15,644	\$15,644	\$15,645	\$15,645	\$15,645	\$15,645	\$120,226
Operating Income	(3143)	(4643)	(1058)	\$2,207	\$5,473	\$12,323	\$74,771	\$80,681	\$90,840	\$133,665	\$133,665	\$133,665	\$658,446
Operating Margin			(0)	9%	18%	23%	40%	41%	42%	44%	44%	44%	40%
Interest Incurred													
Income Taxes	0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Profit	(3143)	(4643)	(1058)	\$2,207	\$5,473	\$12,323	\$74,771	\$80,681	\$90,840	\$133,665	\$133,665	\$133,665	\$658,446

FY2017	Jan '17	Feb '17	Mar '17	Apr '17	May '17	Jun '17	Jul '17	Aug '17	Sep '17	Oct '17	Nov '17	Dec '17	FY 2017
Revenue	\$341,625	\$437,700	\$437,700	\$437,700	\$437,700	\$437,700	\$572,700	\$589,700	\$589,700	\$620,400	\$609,400	\$609,400	\$6,121,425
Direct Costs	\$164,940	\$213,940	\$213,940	\$213,940	\$213,940	\$213,940	\$295,120	\$308,620	\$308,620	\$328,220	\$321,470	\$321,470	\$3,118,160
Gross Margin	\$176,685	\$223,760	\$223,760	\$223,760	\$223,760	\$223,760	\$277,580	\$281,080	\$281,080	\$292,180	\$287,930	\$287,930	\$3,003,265
Gross Margin %	52%	51%	51%	51%	51%	51%	48%	48%	48%	47%	47%	47%	49%
Operating Expenses													
Salary	\$10,416	\$10,416	\$10,416	\$10,416	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417	\$10,417	\$125,000
Employee Related Expenses	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$24,996
Insurance	\$62	\$62	\$62	\$62	\$62	\$62	\$63	\$63	\$63	\$63	\$63	\$63	\$750
Office Supplies	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$84	\$84	\$84	\$84	\$1,000
Phone / Internet / Cell Phone	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$2,160
Transportation - Gas, Tolls, Parking	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$3,000
Entertainment	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$1,800
Travel - Hotels, airfare meals	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$9,000
Education & Training	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Website Maintenance	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$1,800
Storage Unit	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$9,600
Advertising brochures	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Advertising Media	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$3,000
Bank Fees / Checking Account	\$18	\$18	\$18	\$18	\$18	\$18	\$18	\$18	\$18	\$18	\$18	\$18	\$216
Accounting Fees	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$3,000
Total Operating Expenses	\$15,642	\$15,642	\$15,642	\$15,642	\$15,643	\$15,643	\$15,644	\$15,644	\$15,645	\$15,645	\$15,645	\$15,645	\$187,722
Operating Income	\$161,043	\$208,118	\$208,118	\$208,118	\$208,117	\$208,117	\$261,936	\$265,436	\$265,435	\$276,535	\$272,285	\$272,285	\$2,815,543
Operating Margin		48%	48%	48%	48%	48%	46%	45%	45%	45%	45%	45%	46%
Interest Incurred													
Income Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Profit	\$161,043	\$208,118	\$208,118	\$208,118	\$208,117	\$208,117	\$261,936	\$265,436	\$265,435	\$276,535	\$272,285	\$272,285	\$2,815,543

Balance Sheet 2013-2017 by Year

Balance Sheet

	2013	2014	Estimated	Projected	Projected
	EOP	EOP	2015	2016	2017
	EOP	EOP	EOP	EOP	EOP
Assets:					
Cash	29,043	15,383	3,760	281,580	2,192,994
Accounts Rec less bad debts				93,574	187,899
Inventories	8,246	7,102	5,000	378,880	1,407,927
Depreciable Assets	27,025	29,934	29,000	27,550	26,173
Total assets	64,314	52,419	37,760	781,584	3,814,993
Liabilities & Equity:					
Accounts payable				86,828	306,071
Short Term Financing	495	3,462	3,500	3,500	103,500
Loans from shareholders	96,032	104,264	104,264	104,264	204,264
Capital stock	90,313	171,563	171,563	227,387	312,765
Additional paid-in capital			55,824	85,378	17,866
Retained earnings	(122,526)	(226,870)	(297,391)	361,055	3,176,598
Total liabilities and shs' equity	64,314	55,419	37,760	781,584	3,814,993

Appendix A - Resume

Susanne Leary Shoemaker

40 Memorial Highway, 19L
New Rochelle, NY 10801
susannelshoe@aol.com
914 337-0581

Education:

Georgetown University, B.A. English, 1980
New York Academy of Art, M.F.A. Drawing, 1996

Experience:

- 2011-Present CEO and Founder Undercare, Inc./www.undercare.com/
Design and manufacture of patented specialty undergarments for individuals with mobility impairment

Women's Enterprise Development Center (WEDC) 15-week course on entrepreneurship (June 2012); Peer Exchange Program (PEP) (2013); The Acceleration Partnership (TAP): one on one start-up business counseling (March 2013); SCORE counseling and support (2012-present); Procurement Technical Assistance Center (PTAC) support (2012-present); IBM Mentorship Program (Spring 2014); MasterCard Pro Bono Challenge (June 2015); Small Business Development Center support (2012-present); WOSB: Woman Owned Small Business Certified; M/WBE Certification Application (submitted)

- Awards:
 - Patent: US D677,447 S, March 2013
 - LANZA Award, WEDC, June 2012, Strength of Business Plan
 - Keynote Speaker: My Entrepreneurial Journey, WEDC, February 2015
 - Aging2.0 Global #30 in #30, Washington, D.C., Third Place Pitch Award, June 2015
- 2005-2011 Head Art Teacher, Windward School, White Plains, NY
- 2008-2011 Summer Art Teacher, Hoff-Barthelson Music School, Scarsdale, NY
- 2008-2013 Private Tutor/Dr. Sarah W. Peters, Bronxville, NY
- 2003-2006 Head Art Teacher, School of the Holy Child, Rye, NY
- 1980-1985 Editorial proofreader, The New Yorker Magazine, NY, NY

Interests: Cross-cultural Thresholds, Nairobi, Kenya, Mural painter 2009;
Coming Home Ministry, Support for recently released inmates;
New York Academy of Art Alumni Association;
Curriculum designer and writer, Go Figure! A curriculum for teaching figure drawing

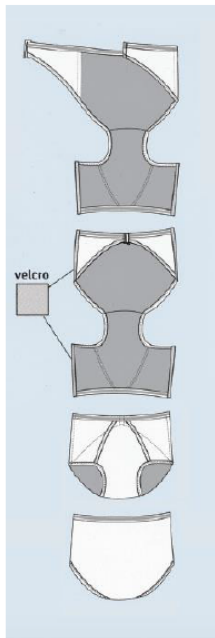
Appendix B - Capability Statement



CAPABILITY STATEMENT

PRODUCTS

- Men's Specialty Briefs
- Women's Specialty Briefs
- Men's Specialty Boxers
- Women's Specialty Boxers
- Men's Specialty Board Shorts
- Women's Specialty Swimsuits



HOW IT WORKS

Take two ends of the waistband and Velcro them together in the middle of the waist. Pull middle panel through legs from back to front and attach to Velcro strip on left and right hip regions



UNDERCARE, INC.

40 Memorial Highway, 19L
New Rochelle, NY 10801
t: 917.746.2330
f: 917.746.2332

www.undercare.com

Susanne@undercare.com

Contact: Susanne Leary Shoemaker

ABOUT US

Woman-owned small business concern that manufactures and sells easy on, easy off specialty undergarments for individuals with mobility impairment offering dignity and independence. No need to bend, balance, or stand on one leg to place your feet and legs through the leg opening on your underwear. Once on, Undercare looks, feels, and functions like traditional underwear. Regular and extended sizes available (XS-10X). Helpful to those who take care of the disabled as well.

DUNS: 969962021

TIN: 452140093

CAGE: 6KEK4

PATENT: US Patent No. D67747

WOSB Certification

M/WBE Certification

FSS 65IIA, Subcategory A-94,

"Intro. Of New Products"

NAICS CODES:

315220 Men&Boys Cut&Sew Apparel Mfg.

315240 Women's, Girls, Infants' Cut&Sew Apparel Mfg.

339113 Surgical Appliance&Supplies Mfg.

QUICK AND EASY

No need to put on your underwear the old-fashioned way, one leg at a time. Our perfect, patented, wrap and fasten undergarments attach with soft and flexible Velcro.

Put on your underwear quicker than a New York minute!

