

MK Automotive, Inc.



Company Overview

MK Automotive, Inc. operates a premier chain of automotive maintenance and repair stores in the Las Vegas area under the name AutoTech™ ("AutoTech"). We have built a reputation across the Las Vegas Valley for reliable, trustworthy service. AutoTech promotes itself as a dealer alternative, and has grown by delivering quality service, fair prices and an unconditional 90-day warranty on all work. We operate on the principal of 100% customer satisfaction.

AutoTech employs ASE Certified Master Mechanics and equips every store with state-of-the-art equipment and computers. Technical data and service bulletins for all vehicles are available in AutoTech stores at the touch of a button.

As we say on our website, "Ask Questions. The more you know, the better we look."

Historical Growth

Michael "Mike" R. Murphy, President of MK Automotive, Inc., founded the company in July of 2002 with the purchase of one failing store. Today the company has grown to seven stores. Our mission is to provide high-quality, reliable and trustworthy vehicle care for retail customers and commercial businesses. Our competitive advantages include a proprietary store operating model driven by computer software developed internally. We believe that our methods allow competitive pricing while providing a superior product and service experience to the customer.

Recognizing that a quality customer experience starts with quality employees, we place a high priority on recruiting the best people. We provide full benefits and career advancement training for all employees, and have established our own internal minimum wage of \$10 per hour for entry-level candidates. All positions in our stores pay in the top quartile for the job class nationwide. We support several local charities, and actively work to have a couple "second chance" trainees on the payroll at all times. For more information, visit www.mkautomotive.com.

Summary

Our goal is to increase our growth rate exponentially.

The size of the available market is enormous and it is extremely fragmented. Each 1% market share equals more than \$1.5 billion in revenues.

The automotive aftermarket is already well defined with purchasing patterns in place and little or no new market risk in this area. Success depends on the ability of management to execute its plan.

Contact

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Use of Funds - Growth Agenda

- Pay off long-term debt. Management prefers a conservative balance sheet.
- During the next 12 months we will finish the documentation and registration requirements to launch a franchise division.
- We have expanded at a rate of more than one store per year using internally generated capital and financing. In the ensuing years our plan is to expand via franchising by bringing in owner operators who will finance their own stores.
- Using the franchise approach the rate of expansion is less dependent on internally generated capital, and more dependent on our ability to market the franchise and support the franchisees.
- Management and our franchising consultants view competition in the automotive arena as weak. We believe that the combination of our business model and a fair deal for franchise owners will make us one of the premier companies in our market.

Investment Considerations

Experienced Management Team:

Our management team and core tech staff has been together more than five years and has proven to be successful in expanding our core auto repair business.

Substantial Market Opportunity:

We are positioned to capitalize on current dissatisfaction of competitive auto repair facilities.

Expansion of Business Model:

Our business model includes rapid growth nationwide via franchising and acquiring existing repair facilities and re-branding them to our business model.