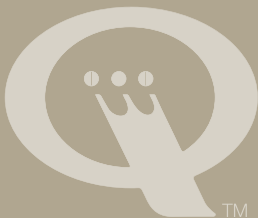




Speed Queen

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CASE STUDY: LAVANDERIA EL GRINGO

Ed McCobb: One of my first jobs was Universal Studios, and I got hired on as a production assistant for a show called Simon and Simon. I ended up later writing an episode.

How old are you?

[Laughter]

Ed McCobb: The money I got from writing that episode in 1985, I bought this house.

Mrs. McCobb: He's my big gringo!

Ed McCobb: That's right.

Ed McCobb: I was about to turn 40, and I thought, you know, "Time to make a change. I've been doing this 18 years."

This is a Simon and Simon pewter mug.

A friend of mine was out here in California. He's like 45 years old, takes a job at a veterinary clinic. He goes, "But we should do this business." He says, "We can hire these doctors." We opened the hospital. All of a sudden, people are showing up. We're doing surgery now. I mean, I remember seeing my first animal under anesthesia. Completely freaked me out! I'm like, "Wow!"

This is the surgery area.

One of the problems is leasing commercial real estate property, because we have felt very much under the thumb of landlords over the years.

[00:01:01]

You know, you have a lease, and you think you're protected, and you're not.

This was the original design of the laundromat.

So we thought our next move was really, "Let's buy some property. Let's own something."

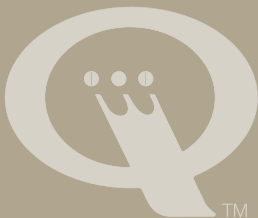
Ed McCobb: Here's the original –

Ed McCobb: One of our facilities was gonna need to move. The property was for sale. So we looked around for the



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appropriate building, and we were alerted that a property had dropped like 25 percent in value, so we bought the property.

Ed McCobb: The building – the main floor is 65 –

Ed McCobb: My brother and I were deciding, “What the heck are we gonna do with that giant building?” An investment – something that could fill our property – and a laundromat business seemed to be a really good idea.

Ed McCobb: This is it! Lavanderia el Gringo.

Nannette Wade: This is one of the most beautiful laundries ever. I was able to help them by doing a design for the laundry itself, in addition to doing a feasibility study –

[00:02:00]

– analyzing the area and why I think this would be a good area for a laundry.

30-pound stacked dryers –

Ed McCobb: Nanette was so right on that our first month in business we beat her expectation by ten percent.

Nannette Wade: I consider any laundry I have anything to do with as my laundry, so I love my laundry.

Ed McCobb: That’s right. That’s right. No, it is yours.

Rich McCobb: Love that! They can come put their whole week’s laundry or their whole family’s load all in there at once.

Rich McCobb: It’s meeting our expectations every month. It’s getting busier and busier. Probably 10 or 20 percent better than we had planned the first month.

They’ve come out with their Quantum Gold controls, which we were very excited about because of the versatility. The competitor didn’t have the answers that the Speed Queen distributor had. They didn’t know engineers. They didn’t know contractors. They seemed to have no information. You know, that overall fuzzy feeling – well, we were getting it a lot more with Speed Queen.

You know, take your time ramping up – that ramp –

Steve Pyle: Our relationship with the McCobbs is extremely important



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as customers.

[00:03:03]

We continuously try to refine the process to see what is the best things we can do out there that will help the customer obtain their goals and for us to obtain our goals as well.

Ed McCobb:

Oh, our banker agreed that it was the best possible laundromat financing. They couldn't compete on any level, and then the flexibility of the finance department was –

Steve Pyle:

It's coming from an expert source when the bank tells you that – you know, "Go with Speed Queen Finance. They've got a great package."

Ed McCobb:

The Speed Queen truly has been with us every step of the way, and they continue to be with us. Their maintenance guy is right there.

Ed McCobb:

He's the man!

Robert Barile:

They were introduced to me so that I could talk to them a little bit about installation and construction of their new laundromat. In a store this size, it can become overwhelming. We had several meetings in the beginning discussing what they might run into, what the possibilities would be.

So this is all low-voltage.

Ed McCobb:

We soft opened. Within an hour, there were people walking through the door. We haven't done any advertising – not one stitch – and the place is just jammed.

[00:04:03]

We're doing really well. We actually are currently thinking of expanding. This is obviously something that's profitable. It's a large investment, but it's profitable at the end of the day.

[End of Audio]