

**blue-sky·ing: To hold or express unrealistic or impractical views, especially in estimating something [such as results].**

The American Heritage® Dictionary of the English Language, Fourth Edition.

If you surf around or ask around you will come across a lot of “blue-sky” claims about both the coin-laundry industry in general and individual coin-laundries.

My personal favorite involves claims of “cash on cash return” in excess of 15%. It is my favorite blue-sky claim because in the course of over 25 years and thousands of analyses I’ve never been able to confirm it for any leased coin laundry.

Let me be clear on this: I am saying that a fully informed, properly calculated “cash on cash return” analysis of a leased laundromat will not project a return of 15% or more.

If you have found a coin-laundry that is claimed to have an annualized return of 15% \*or more, I guarantee my analysis will identify one or more of the following problems:

seller fraud (fictional representations as to financial and other data);

incomplete information (you haven’t asked all the right questions);

miscalculation (you haven’t figured it out correctly).

\*This is not to suggest that representations as to lesser returns automatically fall into a “safe zone”. They do not.

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