APPENDIX A

ENGAGEMENT CHECKLIST
And Questionnaire

IACVS
INTERNATIONAL ASSOCIATION
of Certified Valuation Specialists
This page intentionally left blank.
ENGAGEMENT CHECKLIST

SCHEDULE OF REQUESTED DOCUMENTS

Financial Statements and Income Tax Returns:
1. Federal income tax returns for the last 5 years. Please also include information through ______________________
2. Annual financial statements for the last 5 years. Please also provide information through ______________________

Other Financial Data:
1. Accounts receivable aging report with payor detail, if available
2. List of inventory and description of accounting treatment (LIFO, FIFO, etc.).
3. Estimate of the number of days on hand of prepaids/office supplies as of date of valuation.
4. List of fixed assets. For each fixed asset the list should indicate the date of acquisition and the purchase amount.
5. Schedule of real estate investments, if any.
6. List of all subsidiaries and their annual financial statements for the last 5 years, if any.
7. List of all other businesses in which the Company has a financial investment and their annual financial statements for the last 5 years, if any.
8. Accounts payable aging report.
9. List of all notes payable. For each note please provide the name and address of the lender, the original amount of the note, the interest rate, the term of the note, any scheduled balloon payments, and any loan covenants.
10. List of all shareholders in the Company and the amount of shares owned by each shareholder.
11. If not shown in income statements, a breakdown of sales, by product or service, for each of the last 5 years.
12. If not shown in the income statements, a breakdown of cost of goods sold and operating expenses for each of the last 5 years.
13. A schedule showing, by Company officer, all direct compensation for the last 3 years.

14. A schedule showing, by Company officer, all payments made by the Company into a pension fund or retirement plan on behalf of the officer for the last 3 years.

15. A schedule showing, by Company officer, all payments made by the Company for health insurance on behalf of the officer for the last 3 years.

16. A schedule showing, by Company officer, all payments made by the Company for life insurance on behalf of the officer for the last 3 years.

17. Copies of any forecasts or projections made by the management of the Company or its consultants.

18. Copies of appraisal reports, if any, that opine to the value of assets owned by the Company or its subsidiaries.

Other Requested Data:

1. Copies of leases where the Company is either the lessee or the lessor.

2. Copies of buy/sell agreements involving ownership interests in the Company.

3. Copies of articles of incorporation, bylaws, and amendments.


5. Details of any pending litigation involving the Company as either plaintiff or defendant.

6. Details of transactions involving purchase or sale of ownership interests in the Company.

7. Copy of all employment agreements, partnership agreements, shareholders agreements, buy/sell agreements, consulting agreements, management agreements, and income distribution plans in use.
PREMISE AND BUSINESS INSPECTION FACT SHEET

INSTRUCTION TO CLIENT - Please complete in as much detail as possible prior to the site visit.

Company Name ____________________________

Valuator’s Name(s) ____________________________

Date of Inspection ____________________________

1. Company’s primary address:

_________________________________________________________________________________

2. Date of Company’s inception

_________________________________________________________________________________

3. Type of entity (Corporation, partnership, other)

_________________________________________________________________________________

4. Province or State Company formed/organized

_________________________________________________________________________________

5. Company’s primary SIC code number

Secondary SIC code number(s) _______________________

6. If corporation, number of shares authorized _______________________

Number outstanding _______________________

7. If corporation, number of shares of treasury stock, if any:

_________________________________________________________________________________

8. Describe other classes and/or types of stock, if any:

_________________________________________________________________________________

_________________________________________________________________________________

_________________________________________________________________________________

9. Briefly describe the history of the company from its inception to the date of valuation:

_________________________________________________________________________________

_________________________________________________________________________________

_________________________________________________________________________________

_________________________________________________________________________________

_________________________________________________________________________________
10. List all other locations where the Company performs business activities. Briefly describe the activity at each location.

Location
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

11. Describe the products or services provided by the Company.

______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

12. Describe the Company’s competition in the marketplace. Include the names of competitors who provide a substitute for the Company’s product or service.

______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
13. List five advantages and five disadvantages to Company’s products and/or services to those provided by its competitors.

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

14. List the Company’s primary customers and an estimate of the total revenues represented by each customer.

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

15. List the Company’s primary suppliers and the product or service they provide. Indicate whether or not suppliers can be easily replaced.

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

16. Briefly describe the industry in which the Company operates. Is the industry in a period of growth or decline? Are there many providers of the product/service or a few? Are companies acquiring one another? Does the industry follow the national economy?

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________
17. List trade publications pertaining to the industry. Include publisher’s name and address.

______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

18. List public companies that may be considered comparable “guideline” companies.

______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

19. Number of Employees:

    Full-time _______ Part-time _______ Temporary _______ Contracted _______

20. Are any employees covered by a collective bargaining agreement? _____ Yes _____ No

    If yes, briefly describe agreement and attached a copy of the agreement.

______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________

21. Briefly describe the premises (building) from which the Company operates. Is the
    facility owned or leased? If, leased what are the terms? Briefly describe lease. Are premises
    large enough to allow for expansion? If not, what are management’s intentions?

______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
22. Briefly describe age and condition of any major pieces of equipment used in the Company’s business.

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

23. Describe contingent liabilities.

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

24. Describe any offers to buy or sell business interests in the Company.

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

25. List all other key employees. Include their title, duties, and compensation.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Comp</th>
<th>Duties</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

26. Provide the following data for each officer working for the Company for each period that financial data is being provided.
<table>
<thead>
<tr>
<th>Officer #1 – name</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Title</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Shareholder/Owner?  Y  N</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● % of ownership</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● No. of shares owned</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Years with the Company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Salary and bonus</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Medical and dental ins</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Retirement contribution</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Officer #2 – name</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Title  Secretary</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Shareholder/Owner?  Y  N</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● % of ownership</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● No. of shares owned</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Years with the Company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Salary and bonus</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Medical and dental ins</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Retirement contribution</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Officer #3 – name</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Title</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Shareholder/Owner?  Y  N</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● % of ownership</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● No. of shares owned</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Years with the Company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Salary and bonus</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Medical and dental ins</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Retirement contribution</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Officer #4– name</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Title</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Shareholder/Owner?  Y  N</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● % of ownership</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● No. of shares owned</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Years with the Company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Salary and bonus</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Medical and dental ins</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Retirement contribution</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>