



"Maximizing Value while Minimizing Risks"

Sellers Preliminary Due Diligence Information Check List

After a Non-Disclosure Agreement has been signed by the parties, and before any letter of intent is executed, qualified buyers usually review high level company data and financial information. Sellers should be prepared to:

- 1. Provide copies of the past 3 years corporate tax Returns. Pdf's with all attachments and related forms.**
 - a. Provide the Contact Information and credentials of filer for each of the three years.
- 2. Provide copies of internal financial statements for the past 3 years including profit & loss statements and balance sheets.**
 - a. Sellers like to review quick books or automated financial reports and for businesses over \$1M in sales they normally like to see month by month reports for each year.
- 3. Provide a Complete List all intangible assets that would convey with a sale including the service provider information;**
 - a. Websites- hosting information, annual cost and proof of no outstanding balance owed.
 - b. Reservations System- provider, monthly cost and proof of no outstanding balance owed.
 - c. Business Telephone #'s- provider, monthly cost and proof of no outstanding balance
 - d. Email Addresses- email hosting service, monthly cost and proof no outstanding balance.
 - e. Business Name, DBA and Trademarks registered
 - f. Social media account- handles and log ins
- 4. Provide a Listing of the vehicle assets you wish to include in the sale along with copies of**
 - a. Vehicle Title or loan summary
 - b. Photo of current odometer reading.
 - c. Photos of any current damage or defects
 - d. Proof of up to date and paid insurance.
- 5. Provide Copies of any lease agreement on primary business location if the new owner will stay.**
 - a. Monthly lease payment and proof of no balance owed.
- 6. Provide any PPP or Main Street Virus Related Loan Agreements**
- 7. Review of original Incorporation Documents.**
 - a. Articles of Incorporation
 - b. State and Federal Tax
- 8. Provide a List of the largest 100 customer accounts most recent annual revenue**
 - a. Buyers typically review the revenue concentration associated with major customers
 - b. Redacting actual customer names prior to a letter of intent being signed is advisable.
- 9. Provide a List of any and all Work In Progress Contracts and commitments**
 - a. Provide a list of all OPEN and ACTIVE reservations including those that have had deposits taken. Record of all reservations, deposits and balances.
 - b. Redacting actual customer names prior to a letter of intent being signed is advisable.
- 10. Provide a list of any past or pending Litigation (including settlements)**
 - a. Provide ANY and ALL lawsuits filed against this entity over the past 5 years.
- 11. Provide a copies of all DOT compliance and regulatory files- provide DOT #**