

TERESA M. MERCER  
LEGAL ASSISTANT

LAW OFFICES OF  
**JOSEPH H. HEMMING**  
30445 NORTHWESTERN HWY., SUITE 230  
FARMINGTON HILLS, MI 48334  
Telephone (248) 851-9777  
Facsimile (248) 851-3363  
E-mail: [jh@hemminglaw.com](mailto:jh@hemminglaw.com)

OF COUNSEL  
LAURA GOULD  
RICHARD ALEF  
CHRISTOPHER S. CARLSON  
HARVEY BABCOCK

## **Documents Requested for Business Valuation**

### **FINANCIAL STATEMENTS**

1. Annual financial statements for the last five years.
2. Interim financial statements for the most recent 12 months and the preceding 12-month period.
3. Federal income tax returns (and state returns, if applicable) for the last five years.
4. List of affiliated companies, subsidiaries, partnerships, proprietorships or other businesses in which the subject company has an ownership interest, together with their financial statements for the last five years.

### **OTHER FINANCIAL DATA**

5. List of cash accounts and any significant cash investments.
6. Aged accounts receivable listing.
7. List of items comprising inventory (quantity description and cost) and information on inventory accounting policies.
8. List of order backlog and monthly backlogs for the last three years.
9. Fixed asset register or detailed depreciation schedules.
10. List of items comprising significant other asset balances.
11. Accounts payable listing, preferably aged.
12. Analysis of significant accrued liabilities.
13. List of notes payable and other interest-bearing debt.
14. List of items comprising significant other liability balances.
15. Schedule of sales and gross profit by product for each period that an income statement is obtained.
16. List of accounts comprising significant major expense captions on the income statement, unless that data is presented on the income statement.
17. Copies of sales, capital, or operating budgets.
18. Copies of financial forecasts and/or projections.
19. Copies of any business plans.
20. List of current officers and directors, including background, experience, age, and compensation, including all company paid benefits.
21. List of other key management personnel, including job title, background, experience, responsibilities, compensation and age of each.
22. Schedule of key person life insurance policies.

23. Reports of other professionals:
  - a) Appraisals on specific assets.
  - b) Reports of other consultants.
24. Other regular management reports.

#### OTHER OPERATING DATA

25. Brochures, price lists, catalogs, or other product or service information.
26. List of stockholders or partners, showing the amount of stock or percentage owned by each person. List of any transactions in company stock since inception.
27. Organization chart.
28. List of five largest customers and suppliers and the total amount of sales and purchases, respectively, for each during the five years.
29. Details of transactions with related parties.
30. Other operating information:
  - a) Capacity utilization.
  - b) Level of operating leverage employed.
  - c) Cost control measures in place or planned.
  - d) Effectiveness of production management information system.

#### LEGAL DOCUMENTS

31. Articles of Incorporation and Bylaws.
32. Copies of significant leases, franchise agreements, and loans, including notes receivable and notes payable.
33. Copies of stockholder or partnership agreements, including any stock option agreements.
34. Minutes of board of directors meetings for the last ten years.
35. Copies of any buy-sell agreements and/or all offers (whether written or oral) to purchase and/or sell stock or real estate received and sent.
36. Copies of key managers' employment contracts.
37. Copies of any major sale or purchase contracts.
38. Details of any litigation, including pending or threatened lawsuits.
39. Details of any employee benefit plans, including pension plans, profit sharing plans, and employee stock option plans.
40. Collective bargaining agreement.
41. Employee handbook.
42. Reports of examination issued by government agencies such as EPA, OSHA, IRS, or EEOC.
43. Attorney's invoices/billing statements.

#### OTHER COMPANY DATA

44. Description of physical facilities.
45. List any of the following:

- a) Patents.
  - b) Copyrights.
  - c) Trademarks.
  - d) Similar intangibles.
46. Details of any contingent liabilities (such as guarantees or warranties) or off balance sheet financing (such as letters of credit).
  47. Copies of any other value indicators, such as property tax forms or appraisals.
  48. Brief written history of the business.
  49. Newspaper or magazine articles regarding products, services, or key employees.
  50. List of competitors, with location, relative size, any other relevant information and your company's position relative to the competition.
  51. List of locations where company operates.
  52. List of trade associations for your industry. Please indicate the associations of which the company is a member.
  53. List of relevant trade publications for your industry.
  54. Copies of any bank or other loan applications, financial statements or documents submitted.
  55. A site visit and interview with the business owner(s) and significant financial staff (controller, accountant, bookkeeper) will also need to be scheduled at your convenience.

Please note: Not all of these items may be relevant to your business. Please indicate those items which are not applicable with N/A.

Once the above information is analyzed, additional information may be needed.