

Thank you for choosing SPAR DATA to value this business entity. Gathering information about the entity is the first step in our valuation process. We hold all information you provide in the strictest confidence.

Please submit to SPAR DATA's office the following documents for the entity to be valued. Signed documents can be emailed to [sales@spardata.com](mailto:sales@spardata.com) or mailed to the address below.

- 1. Management Questionnaire.** Complete this Questionnaire and sign it below. If you don't know an answer to a question, simply mark it with a question mark (?). If you need more space, attach additional sheets of paper.
- 2. Financial Statements.** Submit the entity's five most recent annual financial statements. Include balance sheet, income statement, cash flow statement and any available notes to the financials.
  - Include most current interim statement (month or quarter end)
  - If accountant-prepared financial statements are not available, please provide tax returns
  - If the entity is less than five years old, provide information since its inception
- 3. Shareholder / Partnership Agreement.** Provide the formation document (such as the shareholder agreement) explaining the entity's ownership structure.
- 4. Depreciation Schedule.** If available, provide the most recent detailed depreciation schedule.
- 5. Additional Documents.** Please include all of the following that are applicable:
  - Buy-Sell Agreement
  - Real Estate Property Appraisals
  - Major Equipment Appraisals
  - Other documents you feel are pertinent to the valuation

**Acknowledgement.** I understand that SPAR DATA will rely on the information supplied and will not make any independent effort to verify its accuracy. I further declare I am either (i) the legal owner of a beneficial interest in the security described herein or (ii) a duly appointed representative of the legal owner properly acting on his, her or its behalf.

_____	_____	____/____/____
Signature	Print Name	Date

Submit this Questionnaire and requested documents to:

SPAR DATA  
6785 Business Parkway, Suite 104  
Elkridge, MD 21075

Or e-mail signed documents to [sales@spardata.com](mailto:sales@spardata.com)

Questions? 800-895-4100 x3

**1. Entity to be Valued:**

\_\_\_\_\_

**2. Valuation Date:** \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Usually, this is a fiscal year-end date or appropriate estate tax valuation date

**3. Purpose of the Valuation** (check only one)

- Buying, selling or merging the business
- Attracting partners, investors or lenders
- Shareholder or partnership agreement (e.g. buy-sell agreement)
- Retirement and estate planning
- Estate tax filing (IRS Form 706)
- Gift tax filing (IRS Form 709)
- Establish Fair Market Value for a charitable donation
- Other

Please elaborate on the purpose of the valuation:

\_\_\_\_\_  
\_\_\_\_\_

**4. Controlling Interest or Minority Interest** Is the interest to be valued a:

- Controlling Interest.** Owner of this interest has unilateral authority or decision making power
- Minority Interest.** Owner of this interest has no unilateral authority or decision making power

Provide more detail if appropriate: \_\_\_\_\_

\_\_\_\_\_

*If you are unsure which type of interest is to be valued, please discuss with your trusted advisor to learn what type of valuation is required for your specific situation. Additional charges will apply if you change the order after the valuation first draft is completed.*

**5. Basic Information about the Business**

- Legal Name: \_\_\_\_\_
- Other Trade Names: \_\_\_\_\_
- Company website: \_\_\_\_\_
- Fiscal Year End (e.g. 12/31): \_\_\_\_\_ / \_\_\_\_\_
- NAICS Code that best reflects the industry your business operates in: \_\_\_\_\_  
*Refer to [www.naics.com](http://www.naics.com) for guidance. To be used for industry comparison purposes.*
- Incorporated in which state? \_\_\_\_\_
- Date business started: \_\_\_\_\_
- Business Type (C Corp, S Corp, LLC, Partnership, etc.): \_\_\_\_\_



**Basic Information about the Business, Continued**

- Location (city and state. If more than one location, specify headquarters location): \_\_\_\_\_
- State Corporate Tax Rate: \_\_\_\_\_
- Number of employees \_\_\_\_\_
- Briefly describe what the Company does: \_\_\_\_\_

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- Please provide a brief history of the Company \_\_\_\_\_

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**6. Competitive Landscape**

- Please list the Company's competitive strengths: \_\_\_\_\_

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- Please list the Company's competitive weaknesses: \_\_\_\_\_

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- List the Company's principal competitors: \_\_\_\_\_

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**7. Recent Changes in the Business**

Have there been any major changes in the Company's business since the end of its most recent fiscal year. Changes may include a non-recurring event, acquisition, change from full-time to part-time status, etc. Please describe in detail.

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**8. Concentration of Customers**

Is a majority of company revenue reliant on a small group of large customers? Please explain the customer(s) and % of revenue represented.

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**9. Concentration of Suppliers**

Does the company rely on a single or small group of suppliers? Please explain.

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**10. Geographic location**

How does the geographic location of your company influence revenue generation?

- Benefit                       Hindrance                       Neutral

Please explain: \_\_\_\_\_

**11. Sales Volatility**

Is the revenue stream consistent throughout the year or seasonal? Have sales levels varied over the past several years? Please explain.

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**12. Do you prepare projections?**  Yes  No If yes, please provide.

If No, please estimate company growth over the next five years. Describe any unusual circumstances, significant or non-recurring events that might promote or hinder growth:

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**13. Shares Outstanding, Recent Trades**

- Shares Outstanding: \_\_\_\_\_. (If more than one class of stock exists, on a separate sheet of paper describe the characteristics of each including repayment priority, conversion rights, redemption price upon liquidation, etc.)
- Recent Trades: If any Company shares/units were sold during the past 3 years (please include treasury stock transactions):
  - How many? \_\_\_\_\_
  - At what price? \_\_\_\_\_
  - When? \_\_\_\_/\_\_\_\_/\_\_\_\_
- List current shareholders with ownership levels.

Shareholder Name	# Voting Shares/Units Owned	# Non-Voting Shares/Units Owned

- Describe any sale or transfer restrictions on the Company's stock/units:  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**14. Have there been any recent offers to purchase the company?** (in whole or in part)

Yes    No      If yes, provide detail.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**15. Management Team**

For each member of the Management Team, please list name, title, annual salary and indicate whether the manager is an officer or key employee.

Name	Title	Annual Salary	Officer (√)	Key Employee (√)

**16. Compensation vs. Market Rate**

If you had to replace a member of the management team in the current marketplace, what would be a reasonable salary expense for these duties? If market rate differs from current compensation for any management members listed above, please explain below.

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**17. Other Benefits**

Are you paying personal expenses or other benefits to management that are **not** typical compensation expenses? For example, vacations, vehicles, etc. Please provide detail.

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**18. Depth of Management**

If the company experienced a sudden loss of the owner, manager or key employee, would there be an adverse effect on the business? (ex. reduced sales or profit, employee or customer retention, etc.) Please explain the impact for each relevant individual.

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**19. Accounts Receivable**

Is there any portion of your accounts receivable deemed uncollectible? If so, how much? \$ \_\_\_\_\_

**20. Inventory**

- What method do you use for inventory valuation:
  - LIFO (Last In, First Out)
  - FIFO (First In, First Out)
  - Cost
- If any of the Company's inventory shown on its latest financial statements was obsolete or otherwise unusable, estimate how much the inventory should be reduced: \$ \_\_\_\_\_

**21. Real Estate Assets (if any)**

Does the Company own the real estate in which the business operates?  Yes  No

- If you answered no to the previous question, is the real estate owned by a related party?  Yes  No
- If the real estate is owned by a related party, what is the monthly or annual rent? \$ \_\_\_\_\_
- Is the rent:  Above  Below  At, the market rate for similar property in the vicinity?
- If the rent is not at market, what do you estimate the market rent would be? - \$ \_\_\_\_\_

Please answer the following for each real property owned by the company:

- Property Description:
  - Location (address): \_\_\_\_\_
  - Type (warehouse, office, etc.): \_\_\_\_\_
  - Size (square feet): \_\_\_\_\_
- Estimated Fair Market Value: \$ \_\_\_\_\_
  - This FMV is based on:
    - Appraisal dated \_\_\_\_/\_\_\_\_/\_\_\_\_ (Please provide copy of appraisal)
    - Recent Sale
    - Original Cost
    - Tax Assessment (Please provide copy of assessment notice)
    - Other (describe): \_\_\_\_\_

**22. Assets Other Than Real Estate**

- If the Company's balance sheet understates the value of non-real estate assets (such as patents, copyrights, trademarks, other intellectual property (please identify) or transferable licenses), estimate its amount: \$\_\_\_\_\_ and describe the understatement:  
\_\_\_\_\_  
\_\_\_\_\_

- If the Company's balance sheets omit any contingent assets (pending lawsuit settlements, etc.), estimate its amount: \$\_\_\_\_\_ and describe the omission:  
\_\_\_\_\_  
\_\_\_\_\_

- If the Company's latest financial statements did not reflect fair market value for any investments, estimate its actual fair market value: \$\_\_\_\_\_ and describe it:  
\_\_\_\_\_  
\_\_\_\_\_

**23. Liabilities**

Estimate the following liabilities, if they are not already included in the balance sheet.

- Unrecorded pension liabilities \$\_\_\_\_\_
- Employee accrued vacation/sick leave \$\_\_\_\_\_
- Contingent Liabilities (pending lawsuit settlement, etc.)  
Amount \$\_\_\_\_\_ Briefly describe:\_\_\_\_\_

Likelihood of having to pay this contingent liability:

- Probable     Somewhat Likely     Possible, but not likely.

**24. Other Income or Expense Adjustments**

Other than the adjustments indicated above, if adjustments to any income or expense items are appropriate to bring those items in line with the reasonable and necessary costs of the operation of the business, please describe the item(s) and estimate the adjusted amount(s). Include all one-time or non-recurring items.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



--- OPTIONAL RESEARCH STUDY QUESTION ---

We invite you to participate in a study conducted by SPARDATA. The goal of the study is to determine the variance between what an owner 'thinks' the business is worth and the opinion of value determined in our valuation project.

Data will be collected for a 24 month period and published at the end of the study. To thank you for your participation, we will send you a copy of the study results.

The information you provide below will be removed from the questionnaire before your information package is provided to your SPARDATA analyst to review. Your input will not in any way influence or impact the valuation work we prepare for you. This information is for research purposes only.

1. What is your estimate of the current value of the business?

*(Round to the nearest \$500,000)*

\$ \_\_\_\_\_

2. To whom should we send the study results?

Name: \_\_\_\_\_

Email: \_\_\_\_\_

Thank you for your cooperation!