

Grand Avenue clients should be prepared for due diligence by the potential acquirer as well as by the Grand Avenue investment banker who will typically examine the following as part of the Confidential Investor Memorandum that is written by Grand Avenue Capital and contains the following:

**TYPICAL OUTLINE OF CONFIDENTIAL INVESTOR MEMORANDUM**

SELL-SIDE ENGAGEMENT, typical example, designed specifically for the client's company and industry

**Table of Contents**

**1. Executive Summary**

**2. Industry Overview**

Supply/Demand for client's products  
Competitive landscape in which client works  
Industry trends, exogenous factors, legislation,

**Client's Specific Competitors**

Brief overview of top 5 competitors,  
what are our client's strengths / weaknesses  
vs. competition

**3. Client Overview of Operations**

a. Company History and Formation

b. Client's core competencies

- c. Sales, Marketing and Customer Service
  - Sales organization, staffing, locations
  - Key Customer Profiles
  - Historical revenues, market shares
- d. Description of Products and Services
- e. Specific Operations
- f. Equipment
- g. Facilities
- h. Customer Service
- i. Key suppliers and vendors
- j. Quality control and assurance
- k. Insurance: property and casualty coverage
- l. Employee Benefit Programs and Labor Relations
- m. Legal issues and lawsuits
- n. Environmental Issues
- o. Management Information Systems
- p. Community and Government Relations

**4. Organization and Management**

- a. Senior Management Biographies and pictures
- b. Personnel
- c. Organization Chart
- d. Current Board of Directors and Biographies

**5. Shareholder Profiles / Cap Table**

**6. Historical Financial Performance**

Consolidated Company Performance, Last three years and current year to date

- P/L Analysis and Discussion
- Revenue Analysis and Discussion
- Margin Analysis and Discussion
- Balance Sheet Analysis and Discussion
- Cash Flow Analysis and Discussion

**7. Long Range Plan (LRP) and Forecast**

- Principal assumptions and business plan for next 5 years
- P/L, B/S, Cash Flow, CAPEX
- Graphs and charts

**8. Conclusion and Investor Guidance**

### 9. Appendix

- Complete financial statements, last three years with notes and explanations
- A/R, Inventory and A/P details
- Asset Schedule
- detailed marketing materials and product line sheets
- patent summaries, if applicable
- detailed company records regarding any of the above Overview section

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