



**Valuation Development Checklist
Adapted from NACVA and PPC**

1. Valuation Engagement

Purpose of Valuation: _____

Valuation Date: _____

Shares or ownership interest to be valued: _____

Standard of Value: _____

Premise of Value: _____

Requesting Party/Individual: _____ Title: _____

Address: _____

Phone: _____ E-mail: _____

Relationship: _____

Contact Person (if different): _____ Title: _____

Address: _____

Phone: _____ E-mail: _____

Relationship: _____

2. Subject Interest Information

Company Information

Name: _____

Address: _____

Telephone: _____

Fax: _____

Website: _____

Organizational Information

Corporate Type: _____

Date Incorporated: _____

State of Incorporation: _____

Selection: _____

Merger Date: _____

Recapitalization: _____

Agreement: _____

Common Shares

Number of shares authorized: _____



Number of shares issued and outstanding: _____

Restrictions, if any: _____

Treasury Shares

Number of shares held: _____

Date of purchase: _____

Purchase price: _____

Date of cancellation: _____

Preferred Shares

Number of shares authorized: _____

Number of shares issued and outstanding: _____

Description preference: _____

Dividend %: _____

Shareholder Information

Name:	Shares Owned or % Ownership
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Owner Participation

Name:	Title:	% Time on Business	Duties
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Related Parties (List)

Name:	Relationship:
_____	_____
_____	_____
_____	_____
_____	_____



Company/Subject Locations

Location:

Activity:

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3. Company History and Current Operations

Please provide the history of the company: _____

(include evolution of product lines, services, customer base, locations, employees, acquisitions and ownership)

Description of products or services used:

Description of customer base:



Sales Breakout:

Product:	% of Sales	Gross Profit %age
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Which product service is growing fastest and why: _____
Slowest and why: _____

Does cyclicalilty or seasonality exist (if so, what factors contribute)? _____

What are competitive advantages for each product/service line: _____

Disadvantages:

List proprietary aspects of each product/service line (e.g., any patents, technology, brands) _____



How does the company determine prices for products and services?

What are payment terms?

What types of promotion and advertising does the company use?

5. Competition

Who are the major competitors (including location, size and market share)?

What are the barriers to entry for products/services within the industry?

What are the competitive strengths and weaknesses with respect to competition?

6. Operations

Describe the company's organization structure



Describe the manufacturing or service process. Are any of the methods or equipment proprietary?

Please describe the manufacturing locations and how each operates.

Are buildings and machinery owned or leased? If leased, are the leases renewable and on what terms?

What is the overall condition of company's equipment (including technology)?

How capital intensive is the company? Labor intensive?

Please characterize the current employee relations (including any union issues)?

What is the current labor market for employees? How easy is it to attract qualified employees?

How extensively are independent contractors used?



Discuss key suppliers. Are any suppliers the sole source for products or services? Please discuss any major supply issues or problems.

Please discuss the regulatory environment (including regulations) that influences business operations.

7. Management

Name, Title, Location

Discuss the company's officers (age, health, education, experience and current duties)



Any turnover in key employees? If yes, describe.

Discuss basis of compensation. Also describe employee benefits (insurance, stock options, profit sharing, etc.)

How does the owner's compensation compare with the industry average? Are normalization adjustments necessary?

Discuss any employment contracts and non-compete agreements in place as of the valuation date.

Are officers easy to replace?

Does the company have a board of directors? If so, please list members and degree of activity.

8. Financial (see document checklist)

Has there been any nonrecurring or extraordinary income or expenses during the last five years?



Describe short-term sources of credit and how they were used during last five years.

Describe long-term sources of credit and how they were used during the last five years.

Discuss any special stock rights, warrants, options, etc.

Describe dividend history.

Discuss plans for major capital expenditures, how they will be financed, and how much represents expansion versus replace of existing assets.

Discuss any contingent liabilities, including lawsuits and pending or threatened litigation.

Describe any non-operating assets, such as aircraft, boats and real estate investments, and any intangible assets of the business that are not reflected in the company's balance sheet.

9. Company Expectations

Describe relevant past and expected future trends for the company, such as growth patterns, expansion or cutbacks of business segments, possible spinoffs, mergers or acquisitions.



Describe the company's future expectations, goals, objectives and long-range plans.
