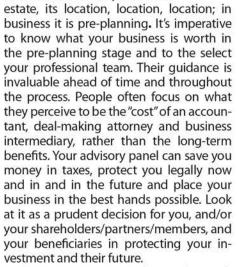
How to Value and Effectively Sell Your Business at the RIGHT TIME, UNDER THE RIGHT CONDITIONS TO MAXIMIZE VALUE

by KATHRYN T. SCARMATO, Managing Director, Ascend Capital Group

his article is the final phase of a series of actual Q&A's from owners of a company that interviewed Ascend Capital Group (ACG) before selecting our firm to represent its interests.

We trust this information will be of value and recommend you keep it for when you are ready to take that first step. As in real



Client: Do you screen buyers for availability of funds, seriousness, etc?

ACG: Yes. After a buyer or buyers make an inquiry into your company they are heavily screened and provided with a profile that they sign which states: "For further information, a detailed, in-depth Confidential Offering Memorandum is available to qualified Buyers subject to the execution of the Non-Disclosure Agreement (NDA)... combined with an in-depth interview and permission of the Client." The NDA states that they have the funds needed, are qualified to acquire your type



of business and that they are ready to do so now. As a matter of policy, Ascend Capital Group always runs a Dun & Bradstreet to obtain the company's rating and history and uses the most sophisticated software for company information unavailable to the general public. If we are dealing with an individual, we

require a personal financial statement and a bank statement which indicates the source and availability of funds.

Client: Please explain the fee structure.

ACG: The fee structure is broken down into multiple parts and is customized for each client.

Client: What types of business valuations are performed, for what purpose(s) and can you explain how the valuation process works?

ACG: Excellent questions. First, the types of valuations that are performed through our affiliate, GCFValuation are one, "Value Calculations" utilized to provide a "preliminary" value for the business intermediary to list a client's business for sale. The second is a "Complete Appraisal – Summary Report" which meets USPAP requirements and, last is a "Complete Appraisal – Self-Contained Report" which can be used in court or if the report needs to be reviewed by others, such as the IRS. Business valuations are performed for buying or selling a business, for securing investment capital, for partner buy-outs or for buy-sell agreements, for litigation support, for partnership and or marital dissolution, for family and business estate planning, gift and estate taxes, and mergers and acquisitions. For the purpose of this article, let's assume you are selling vour business. Upon engagement, ACG will send you an electronic list of required documents and a, proprietary, on-line interactive questionnaire. Upon completion, we recommend you share the document with your advisors before we go to market. Typically, this is an "internal" tool to assist in properly valuing the company and to assist in deal structure.

Client: How is confidentiality insured?

ACG: Confidentially is something we take very seriously. We take all precautions necessary to ensure confidentially throughout the entire process. It has become our trademark so to speak and we require all buyers to sign the NDA up front without even knowing your company name and where you are specifically located. Our NDA often referred to as a "Confidentiality Agreement" has never been breached in our 24 years of doing business. The document specifies that for two years following the signing, the buyer(s) are not allowed to recruit your employees, divulge any information to the public, approach any of your accounts, utilize any of your proprietary processes and so on. Site visits are coordinated during off hours or off-site through ACG. A representative must be present at all times. Our objective is to sell your company confidentially, under the right circumstances and the right time so that you may effectively run your company without interruption.

Client: Will you provide advice on fixing any holes that might become apparent in order to make the business more attractive for sale?

ACG: Yes, this takes place as "issues" are discovered during our process and before we go to the marketplace. Together we identify what we call the "SWOT" theory. That is, we identify and list your company's

"Strengths, Weaknesses, Opportunities and Threats". We disclose any "blemishes" up front to the buyer so we do not have surprises down the road. We recommend you and your advisors visit our company website at www.AscendCapitalGroup.com – on the front page you will find a downloadable document entitled: "The complete checklist for the purchase or sale of a business: 101+ Reasons why you will want to use a specialist".

Client: Do we get approval on the package that is sent to potential buyers?

ACG: Yes. When the offering memorandum is complete, you will sign off well before any data are sent to prospective buyers. ACG does not go to market until every stone is unturned to create the best pool of qualified buyers.

Client: Can you provide a timeline?

ACG: We can provide an estimate. First, the Valuation is performed. Upon completion we go over it with you, your partners and your accountant. Much of the time frame depends upon how organized you are and how long it takes for you to complete the information. In Phase II, we commence with the research of buyer's and your industry and put together our marketing strategy. This process runs concurrently with preparing the "Blind Profile and NDA" and preparing the "COM". The entire process from start to the completion of a successful transaction can take between six and 12 months depending on all the variables.

To learn more about Ascend Capital Group and its confidential services, contact Kathryn Scarmato at 541.633.6790 and visit our website at www.AscendCapitalGroup.com . Cocontributor: Darren S. Mize, CSA, performing business valuations for 25 years www. GValue.com .