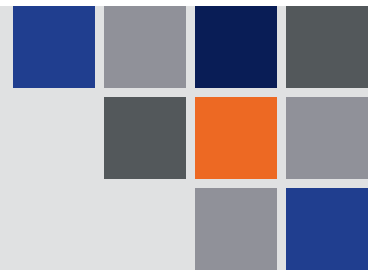


GlassRatner Services

DUE DILIGENCE



What is Due Diligence?

- **Blacks Law Dictionary:** “A prospective Buyer’s or Broker’s investigation and analysis of a target company, a piece of property, or a newly issued security.” Investigations are also often requested by lenders and others with fiduciary responsibilities, such as Boards of Directors.
- **Translation:** “Trust BUT verify” - The target of a due diligence investigation has a strong incentive to emphasize their strengths, progression and successes, but also to remain silent about weaknesses, deterioration and failures. What is not said may prove far more important than what is said. Our due diligence services are rooted in an investigative mentality to help shine light on the unspoken.

Due Diligence Procedures Commonly Requested by Our Clients Include:

- Analysis of historical earnings, as adjusted by management, and evaluation of the “quality of earnings”
- Analysis of management’s earnings and cash flow projections, including preparation of “EBITDA bridges” and accuracy of past projections
- Assess management’s ability to provide timely and reliable reporting, particularly for non-traditional borrowing bases such as net cash flows from wireless broadcast towers
- Validate the reporting of the inflows and outflows of cash by performing a “Proof of Cash” where expected cash transactions are calculated and compared to actual cash transactions
- Assess management’s competency, particularly in the areas of finance and accounting
- Analyze financial statements and conduct interviews with accounting and finance personnel to identify hidden risks such as off-balance sheet financings, contingent liabilities, and other potential financial risks
- Perform valuation analyses
- Evaluate the outlook for the industry in which the target company and assess the target company’s position
- Analyze risks in business infrastructure when acquiring a portion of a business
- Preparation of pro forma financial statements
- Analyze risks in accounting policies and procedures, particularly related to revenue recognition
- Analyze customer and vendor concentration risks
- Identify and quantify fixed versus variable and location-based costs
- Validate receivables collectability and existence by analytics, confirmation, and providing collateral audits

Representative Clients:

Private Equity Firms ■ Venture Capital & Angel Investors ■ Family Offices ■ Law Firms ■ Government Entities
Community/Regional/National Banks ■ Asset-Based Lenders ■ Specialty Lenders ■ Mezzanine Lenders

Atlanta: (678) 904-1990
Bakersfield: (661) 665-2010
Dallas: (214) 532-5434
Fort Lauderdale: (954) 859-5066

Irvine: (949) 429-4288
Kansas City: (816) 945-7825
Los Angeles: (424) 354-1717
New York: (212) 223-2430

Orlando: (407) 377-6375
Phoenix: (602) 635-1506
Tampa: (813) 440-6341
West Palm Beach: (561) 721-0312