

Confidential Information Memorandum (CIM)



Opportunity to Acquire:

Acme Corporation

Anchorage, Alaska

Industry:

Surfing Apparel & Equipment

Represented by:

**Morgan
& Westfield**

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For more information, please contact:

buyers@morganandwestfield.com

Dear Prospective Owner(s) of Acme Corporation,



I am fully committed to helping you succeed as the new owner(s) of Acme Corporation. I have invested a significant amount of time and money in making the business a success. I want to see you prosper and take this business to the next level.

While I intend to move on after I sell the business, I will make myself available for a significant period of time to ensure a smooth transition.

I am serious and motivated to sell and have invested a substantial amount of time preparing for the sale, both emotionally and organizationally. Many buyers of businesses waste a lot of time with unprepared sellers or those who are not genuinely motivated to sell. You can rest assured that I am both prepared and highly motivated to sell.

I stand ready to provide whatever local support and training is necessary to help you quickly assimilate into your new role. Beyond this, I hope to develop a close working relationship with you during the transition process. There are significant opportunities to grow the business, as mentioned in this document. By working together, I will have the chance to see you thrive in my former business and foster your new enterprise's development.

Sincerely,

Lucas Waters, Owner

Acme Corporation

8989 Bayport St.

Deltona, Florida 32725



Executive Summary

Business Information

Location:	Florida
Industry:	Surfing Apparel & Equipment
Real Estate:	Leased
Relocatable:	Yes, relocatable within the USA
Franchise:	No
Employees:	21 FT 0 PT
Year Established:	2005

Financial Information

Asking Price:	Not Disclosed + Inventory
Gross Revenue:	\$ 9,000,000 (Projected 2022)
Inventory Amount:	\$ 1,000,000
Seller Financing:	Negotiable

Acme Corporation is known for providing best-in-class wetsuits with an edgy, non-corporate look that appeals to the worldwide beach and surf community. The company has experienced over 100% gross revenue growth year-on-year since 2018, with 2021 presenting nearly 200% growth. Annual gross revenue in 2018 was \$476,000. This grew to just over \$1 million in 2019, to more than \$2.6 million in 2020, and leaped to over \$6.6 million in gross revenue in 2021. Revenue for 2022 is projected to exceed \$9 million. Growth occurred through increased unit sales across wholesale, retail, and online channels.

Significant growth opportunities exist through increasing online sales (currently 15% of total revenue), adding wholesale distributors, and increasing marketing through endorsements from professional athletes. The company is implementing significant price increases of up to 20% in 2022, keeping product pricing in the mid-range of their competitors.

Acme Corporation products are carried at over 300 retail locations across the United States and throughout 12 countries, in addition to their strong online sales. The company generates approximately 70% of its revenue from 300 wholesale customers, with the balance of revenue divided evenly between online and retail location sales. Roughly 15% of sales come from customers who visit the retail location in Florida, however, the business can be relocated to a new market without affecting operations. The products are manufactured in Asia by the recognized industry leader, with 100% proprietary designs exclusive to Acme Corporation.

The company has affiliations with two leading names in the professional surfing world, creating exclusive products for each of these two influencers. Wally Todd, known as the greatest free surfer of all time, wears his line of wetsuits on his YouTube channel, highlighting his partnership with Acme Corporation to his over

750k subscribers. The company also works with professional surfer Michael Fox to design, produce, and market his exclusive Surf's Up line of wetsuits. The original Acme Corporation product line that captured the interest of the surfing community is still designed by founder John Smith.

The company was bought in 2016 by the current owner, Lucas Waters, and rebranded as Acme Corporation Inc. Their superior quality, value pricing, and customer service sets the business apart from corporate competitors. In his five years of ownership, the owner has transformed the company into an international brand with sales in over 300 locations across the U.S. and 12 countries. This well-known brand can provide a shortcut to getting products into this specialty industry and its existing distribution channels.

The business has an office and retail facility in Florida. The retail shop is open 7 days a week located within walking distance to world-famous surfing beaches and near the biggest name surf shops in the industry. There is a 9,000 sq. ft. warehouse facility 12 miles away, with easy access to major highways for product delivery. The business offers multiple channels of revenue through product sales to wholesale buyers, online, in stores, and through surf rentals at their retail locations.

A team of long-term employees is in place with extensive knowledge of the business, market, and culture of their customers, as well as the passion, competency, and experience to affect steady annual growth. A professional management team, including key personnel such as the VP of Sales, help ensure scalable growth. The owner is minimally active in the business, spending approximately 20 to 30 hours per week. Daily operations are handled mainly by the VP of Sales and the management team.

The owner, Lucas Waters, has spent nearly 40 years as an executive in the high-tech industry, and 5 years running Acme Corporation. He is ready to move on and enjoy his retirement, knowing that the company will continue to grow and thrive under new ownership.





Acme Corporation is the only surf shop in Florida with a “Try Before You Buy” demo program. The retail shop carries a wide range of wetsuits, surfboards, and accessories for purchase or rent.



The eye-catching designs that have made these wetsuits famous since 2005 are still designed exclusively for Acme Corporation, Inc. by John Smith – inspiring surfing enthusiasts of all ages.

Seller Interview

We have conducted a comprehensive telephone interview with the seller. The telephone interview covers the following topics:

- Overview of the product or service
- Overview of the history of the business
- Overview of the industry
- Overview of the market
- Overview of the customer base
- Description of the facilities
- Description of the current marketing strategies of the business
- Overview of the current staff
- Owner's reason for sale
- The game plan for a successful training and transition period

To access the confidential interview, please visit [this link](#) or copy [this link](#) into your web browser:

[Sample Link](#)

(For confidentiality purposes, the link to the telephone interview is not provided)



The company has grown from its origins in 2005 as a boutique custom wetsuit brand into an international brand featuring world-class wetsuits, surfboards, accessories, and apparel.

Investment Highlights & Potential

Highlights of the Business:

- **Steady Gross Revenue:** Acme Corporation experienced steady and significant annual gross revenue increases starting at \$476,000 in 2018, growing to just over \$1 million in 2019, then to more than \$2.6 million in 2020, and leaping to over \$6.6 million in 2021.
- **Multiple Channels of Revenue:** The business offers multiple channels of revenue through product sales in stores and online, and with surf rentals at their retail location.
- **Many Retail Locations:** Acme Corporation has over 300 retail locations throughout the United States, Australia, Japan, New Zealand, Korea, Brazil, Argentina, Ecuador, Chile, England, France, Spain, and South Africa.
- **Excellent Location and Demographics:** Excellent location and demographics in the Florida retail shop. High traffic area in walking distance to world-class surfing beaches and related retail shops.
- **Professional Spokespersons/Endorsers:** Professional spokespersons include the world-renowned free surfer, Wally Todd, as a primary product endorser. He and founder John Smith successfully introduced the initial line of signature wetsuits in 2019. Wally Todd's YouTube channel has over 750k subscribers who see him wearing his line of Acme Corporation apparel on a regular basis. Professional surfer Michael Fox signed with Acme Corporation in 2020 and successfully created the Surf's Up line of signature wetsuits.
- **Designer John Smith:** All Acme Corporation wetsuits and accessories are still designed by the original owner, John Smith.
- **Pricing:** Significant price increases of up to 20% are being implemented in 2022 and markups of 40% to 50% have been employed to strategically position products in the marketplace.
- **License:** No special license is required to operate the business.
- **Equipment:** Little equipment is needed to operate the business.
- **Marketing:** Established marketing systems are in place.
- **Long-Term Lease:** A long-term lease is in place with options for retail and warehouse locations.
- **Experienced and Long-Term Staff:** Experienced staff with strong knowledge of operations. Long-term employees and a professional management team of 12 people in place. Daily operations are handled mainly by the VP of Sales and the staff. The owner is minimally active in the business.
- **Long-Term Training:** Long-term training and support are included in the price.

A new owner can take the following actions to improve the business:

- **Increase Working Capital:** The primary limitation to growth now is funding operating expenses and additional inventory as the business scales. A buyer that has the capability to inject significant working capital can scale up the business much more quickly.
- **Improve Company Website:** Update the company website, including making it mobile-friendly.

Financial Overview

	2018	2019	2020	2021	2022 (Projected)
Gross Revenue	\$ 476,960	\$ 1,036,071	\$ 2,641,695	\$ 6,639,875	\$ 9,000,000
COGS	\$ 345,812	\$ 1,143,915	\$ 1,735,193	\$ 4,264,094	\$ 5,200,000
Gross Profit	\$ 131,148	-\$ 107,844	\$ 906,502	\$ 2,375,781	\$ 3,400,000

Financials

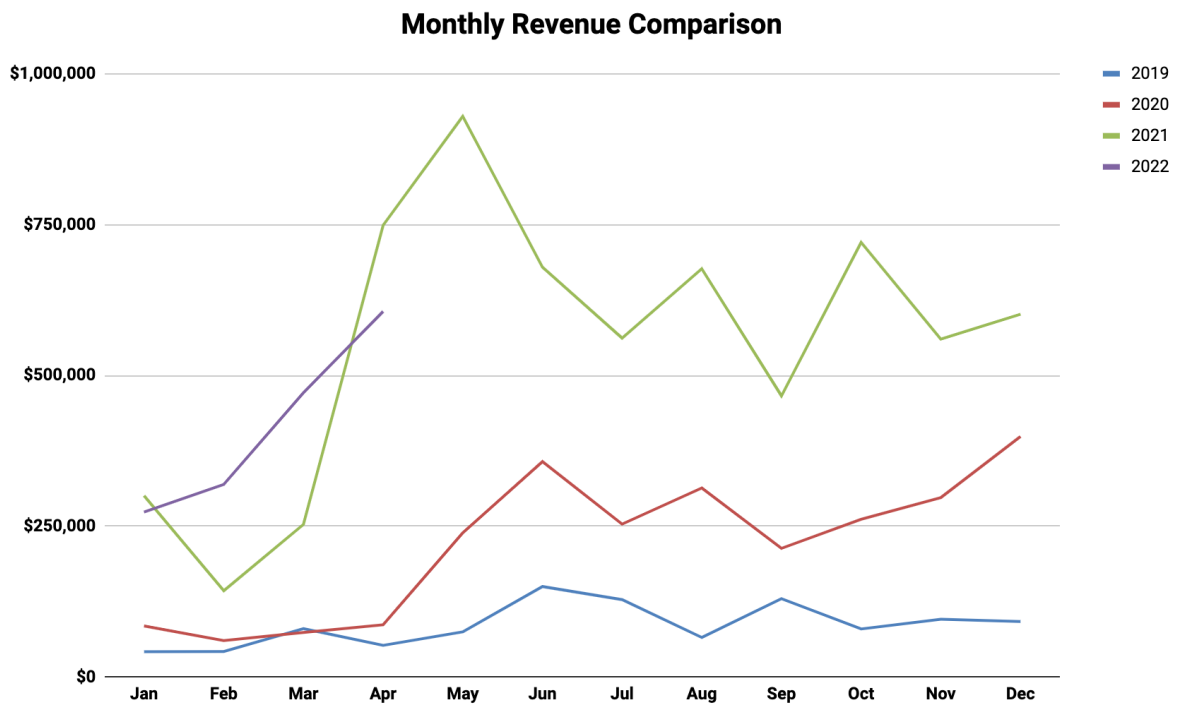
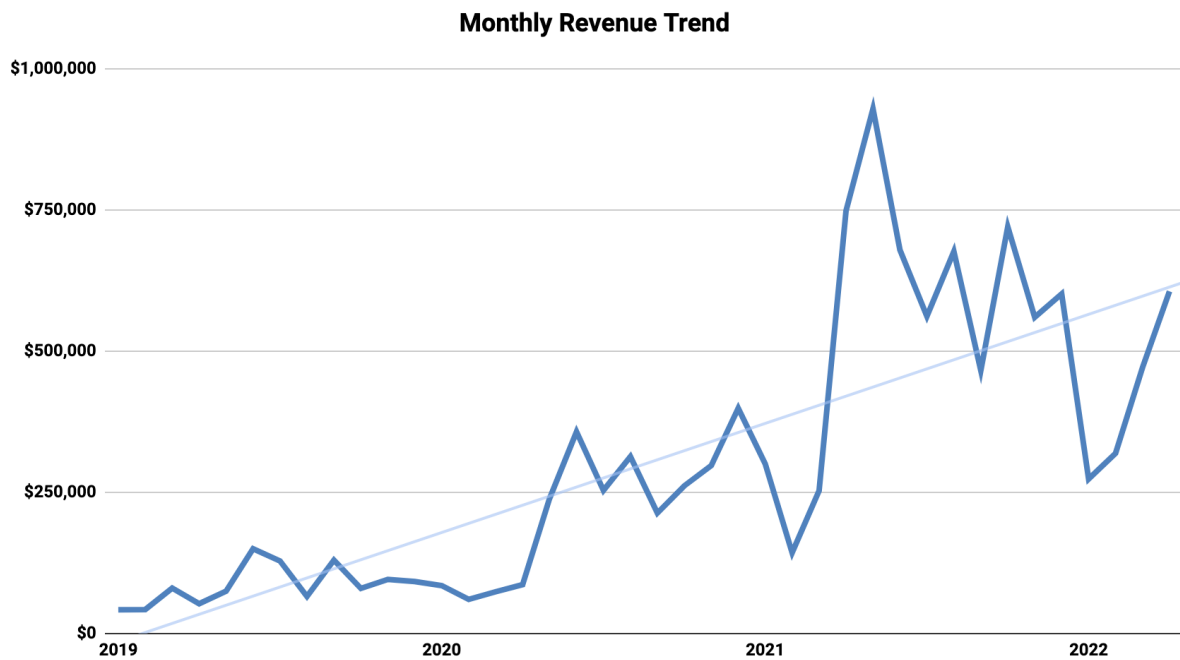
Working Capital

Accounts Receivable	\$ 500,000
Inventory	\$ 1,000,000
Accounts Payable	(\$ 1,000,000)
Net Working Capital (estimated)	\$ 500,000

Other

Annual Capital Expenditures (estimated)	Approximately \$40,000 in 2021, nothing planned for 2022
Average Transaction Value	<ul style="list-style-type: none"> • Retail: \$ 150 to \$ 200 • Wholesale: a little over \$ 3,200
Payment Methods	33% Cash, Credit Card, Check 66% Terms
Terms Offered to Customers	Net 30
Terms Offered by Suppliers	Wetsuits: 25% at Purchase Order placement, 25% 90 days prior to shipment, 50% at shipment. Surfboards: 50% at Purchase Order placement, 50% at shipment.





The company has experienced over 100% gross revenue growth year-on-year since 2018, with 2021 presenting nearly 200% growth. Monthly revenue peaks during the warmer months in the Northern Hemisphere and is consistently strong across wholesale, retail, and online channels.

Industry Overview

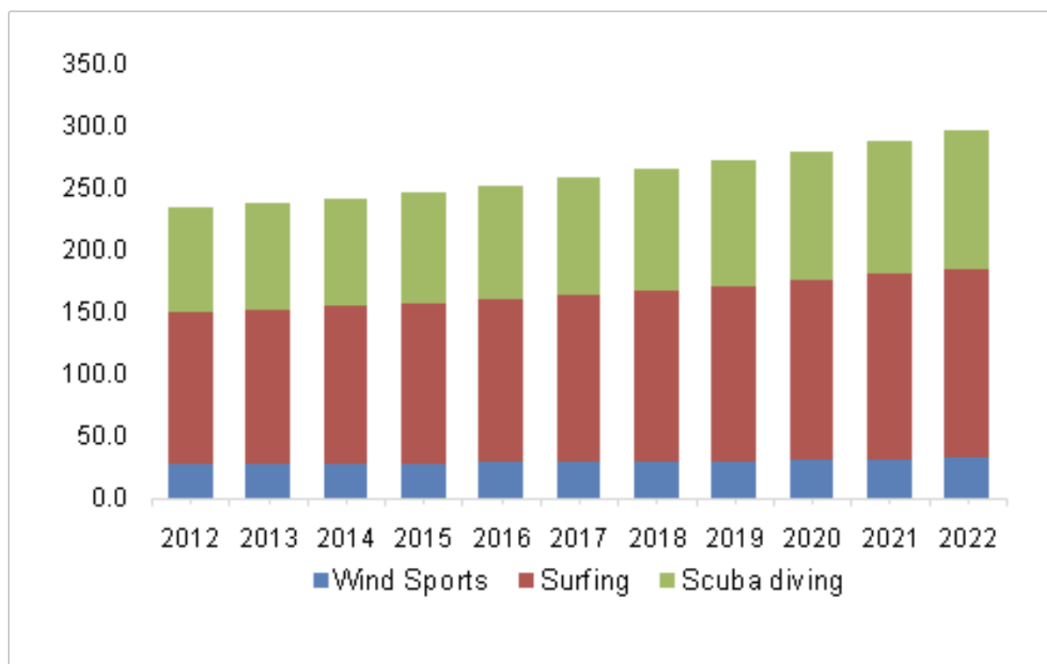
Description of the Retail/Wholesale > Surfing Apparel & Equipment Industry

“Industry analytics present a positive growth outlook which our projected growth far exceeds.” – Lucas Waters, Owner

Highlights of the Global Industry

- The global surfing apparel and accessory market size was valued at \$1.23 billion in 2020 and is expected to expand at a compound annual growth rate (CAGR) of 5.0% from 2021 to 2028. The increased number of surf schools, the growing trend of surfwear and surf-inspired clothes, and acceptance of surfing as a lifestyle sport among all age groups are likely to boost the market growth over the forecast period.
- North America is expected to dominate the global wetsuits market and accounted for over 40% of the total revenue share in previous years. In 2020, North America accounted for the largest revenue share of more than 47%. The growing popularity of surfing among adventure enthusiasts in North America is fueling the product demand in the region. In August 2019, there were 2.87 million surfers in the United States, according to the Sports & Fitness Industry Association.

North America wetsuits market revenue by product, 2012-2022, (USD Million)



- Novel technologies in artificial waves and wave parks are anticipated to boost the overall surfing and aligned industries.

- According to well-established and trusted sources like the International Surfing Association, the Surf Industry Manufacturers' Association (SIMA), and Surfing Australia, the worldwide surfing population is estimated at between 17 million and 35 million.
- The surfing boards segment dominated the market with a revenue share of more than 68% in 2020. During the forecast period, sales of surfing boards will be boosted due to the rising engagement in surfing, growing surf tourism, and increasing disposable income levels.
- Surging responsiveness to water-based sports activities, development of inland surfing grounds, and artificial wave generation techniques are expected to favorably impact industry growth.
- In terms of value, surf apparel dominated the market with a share of over 75.0% in 2020. Professional surfers' increased desire for accessories, such as wetsuit booties and reef socks, has fueled the segment expansion. Sustainable methods/materials are being used by surfing apparel businesses to create sustainable items.
- Surfing is now experiencing unprecedented growth and the infusion of new surfers has been a major role in fueling market demand. With gyms and other outdoor gaming activities being shut due to the pandemic, young novices and adults alike turned to surfing as a socially isolated, entertaining activity.
- As the worldwide mandate to shelter in place and social distance disrupted lives, the sport of surfing boomed. The wetsuits industry has been witnessing decent growth since 2020 as various people jumped off to the sea to take a break from the new normal, Work from Home activity. With huge masses opting for vacationing on and around beaches and indulging in surfing and diving activities, the demand for wetsuits surged accordingly.
- Surfing is big business. Besides the many independent companies, surf camps, and schools, there are large corporations involved in selling equipment, promoting competitions, and giving endorsements to professional surfers.
- Surfers share a common love and lifestyle. This brings people together, bridging different cultures, classes, nationalities, and walks of life. It is hard not to predict a bright future for surfing as a global sport. Two events will help make it an attractive physical pastime: the Olympic Games and the rise of the surf pool movement. With the rise of three or four reliable wave pool technologies, surfing will no longer be just an ocean sport.
- From Hawaii to Bali, Portugal to Russia, South Africa, Brazil, California, and Morocco, there are dedicated surfers, hobbyists, professionals, and casual admirers of surf culture around the world. Man-made waves will allow younger and older people to connect with the bliss of walking on water. People will be able to learn and improve their wave riding skills in unusual, landlocked areas and countries. Surfing is making its way to becoming an outdoor recreation as accessible as finding a swimming pool.

Reference:

GrandViewResearch | [Wetsuits Market Analysis By Product](#), 2016
GrandViewResearch | [Surfing Apparel And Accessory](#), 2021
GrandViewResearch | [Surfing Equipment](#), 2021
GMIInsights | [Wetsuits Market Size, Share and Industry Analysis Report](#)
RaptureCamps | [Why is surfing popular? Here's 25 reasons!](#), June 2021
MarinMagazine | [Surfing Is More Popular Than Ever](#), June 2021
SurferToday | [How many surfers are there in the world?](#)

Company Overview

History of the Business

- The business was originally started in 2005 by the previous owner, John Smith, and operated as a boutique custom wetsuit brand. The company was purchased in 2016 by the current owner Lucas Waters, rebranded as Acme Corporation Inc., and transformed into an international brand. All Acme Corporation wetsuits and accessories are still designed by John Smith.
- The business is a C Corporation with 1 owner – Lucas Waters (100% ownership).

Significant Accomplishments and Changes for Acme Corporation

- **2005:** Founded by John Smith as Acme Corporation.
- **2009:** Operated as primarily a boutique custom wetsuit maker specializing in OEM/private label products for customers such as Volcom, Nike, RVCA, Monster Energy, Reef, Oakley, and others.
- **2016:** Company was purchased by Lucas Waters with redirection to build a global brand.
- **2017:** Added distribution infrastructure with a network of U.S. and international sales reps.
- **2018:** Successfully added a line of soft-top surfboards and continued retail expansion to over 100 independent retail surf shops.
- **2019:** Signed world-renowned free surfer Wally Todd as a primary product endorser and successfully introduced the initial line of his signature wetsuits. His YouTube channel has over 750k subscribers who see him wearing his line of Acme Corporation apparel on a regular basis.
- **2020:** Signed professional surfer Michael Fox and successfully created the Surf's Up line of his signature wetsuits.
- **2021:** Grew retail base to over 300 retail locations selling Acme Corporation products in the U.S. and internationally across 12 countries.
- **2021:** The company has experienced over 100% gross revenue growth year-on-year since 2018, with 2021 presenting nearly 200% growth.

Reason for Sale

The owner, Lucas Waters, has spent nearly 40 years as an executive in the high-tech industry, and 5 years running Acme Corporation. He works in the business 20 to 30 hours a week and is ready to move on and enjoy his retirement now.



Product Description

Product	Product Description	Breakdown of Revenue (%)	Average Transaction Value
Wetsuits	Full Suits, Spring Suits, Jackets, Men's, Women's, Juniors and Kids Suits	79%	\$ 548
Surfboards	Soft-Top (Foamies), Other Brands of Hard Boards	12%	\$ 1,005
Accessories	Booties, Gloves, and Hoods	4%	\$ 160
Softgoods	Apparel by Acme Corporation Brand and Others	2%	\$ 50
Rentals	Surfboards and Wetsuits	3%	\$ 40 (approximately)

More information on the company's products and services can be found on its website, www.website.com.

Pricing

- The owner believes their pricing is low in the market relative to their competitors.
- Markups of 40% to 50% have been employed to strategically position products in the marketplace.
- Significant price increases of up to 20% are being implemented in 2022.

Competitive Differentiation

- Acme Corporation is successfully viewed by the market as the best-in-class wetsuit and preferred "non-corporate" choice for wetsuits.
- Their products are known for value pricing with superior quality and customer service.
- Best-in-class reviews.

Additional Products, Services, or Market Areas the New Owner Can Pursue

- Significant growth opportunities in online sales.

Proprietary Products and Services

- All Acme Corporation wetsuit designs are proprietary.



Sales & Marketing

Advertising and Marketing Methods

Acme Corporation invested \$245,413, or approximately 4% of its total revenue, in marketing and advertising in 2021.

The business has used the following advertising, marketing, and sales methods:

- Social Media Platforms (Facebook, Twitter, Instagram)

Internet, Website, and Social Media

The company employs the following methods to market the business online:

- The current website for the business is www.website.com.
- Approximately 10% of sales are generated from the Internet.

Future Marketing Opportunities

A new owner can use the following sales and marketing methods:

- **Online Marketing Campaign:** Hire a CTO to create an aggressive online marketing campaign. Current online sales are approximately 10% of revenue, which represents a significant growth opportunity for the new owner.
- **Multimedia Content:** Create multimedia content for industry magazines, trade journals, and social media channels to increase industry exposure.
- **Expand Product Offerings:** Expand product offerings, such as wetsuits, surfboards, and apparel into higher and lower-end price points to expand revenue across additional customer segments. The business is currently focused exclusively on mid-range priced products.
- **Increase Retail Outlets:** Open additional retail outlets on a global scale, specifically in Australia, Europe, Africa, and South America.
- **Search New Markets:** Identify new markets to advertise and target, including paddleboards, windsurfing, and wakeboarding.
- **Increase Pricing:** Increase pricing to test pricing elasticity.



Customer & Operations Overview

Market Area

Acme Corporation serves over 300 retail locations throughout the United States, Australia, Japan, New Zealand, Korea, Brazil, Argentina, Ecuador, Chile, England, France, Spain, and South Africa.

Target Market and Customer Description

The target market for Acme Corporation is the worldwide surf community, which is estimated to include almost 3 million surfers in the U.S. and between 17 and 35 million surfers worldwide.

Total Number of Customers

- Acme Corporation serves 20 to 40 retail and online customers daily.
- They serve approximately 300 wholesale customers monthly.

Breakdown of Revenue Based on Customer Type

- 69% – Wholesale
- 16% – Web Sales
- 15% – Retail Shop Sales

Customer Concentration

The top 10 wholesale customers comprise approximately 25% of the business's total current revenue.

Technology Used in Operations

The business uses the following technology in its operations:

- NetSuite
- Shopify

Major Regulations & Business Insurance Policies

The business follows major regulations such as:

- Routine Florida business regulations



Location & Facilities

Facilities		
	Retail Office Facility	Warehouse Facility
Hours of Operation	Monday to Sunday 9:00 am to 5:30 pm	Monday to Friday 7:00 am to 3:30 pm
Square Feet	Approximately 9,000+ sq. ft.	Approximately 9,000+ sq. ft.
Expiration Date	July 31, 2025	June 30, 2023
Total Monthly Rent	\$ 16,598/mo	\$ 7,800/mo
Lease Options	Two 5-year options	Subject to terms of sublease

Description of the Location and Facilities

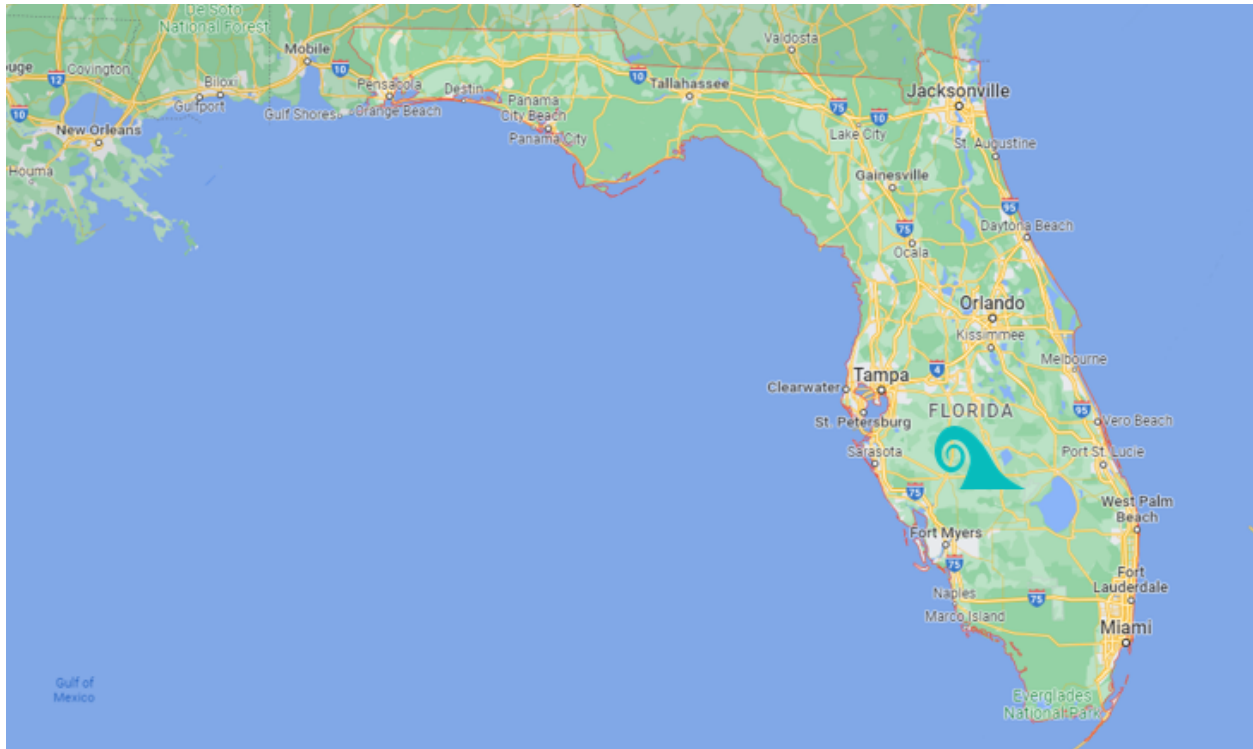
- **Retail Shop/Office:** Approximately 9,000 sq. ft. leased retail and office space on a major street in an area of Florida that is popularly known for surfing and near the biggest-name surf shops in the industry. Plentiful street parking for shop patrons and rear parking for employees. There is also significant retail foot traffic in the area.
- **Warehouse:** Approximately 9,000 sq. ft. of warehouse space is located in an industrial park approximately 12 miles distance from the retail/office facility.

Importance of Location and Ability to Relocate

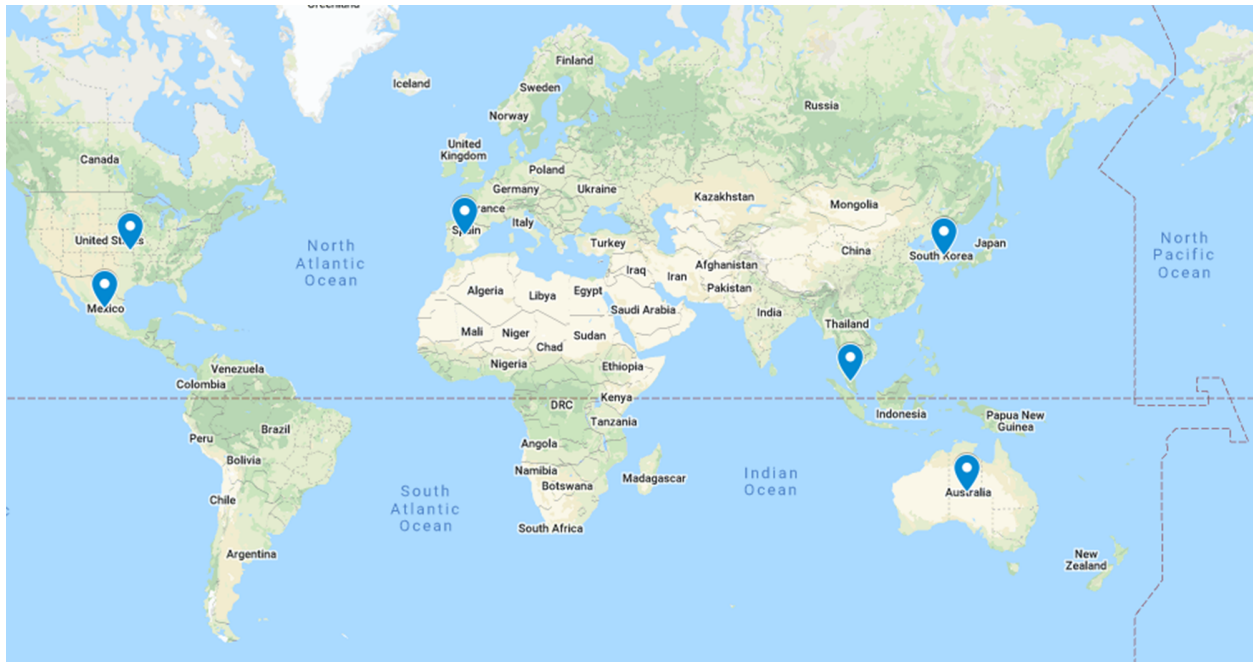
- Customers visit the retail location for purchases and surfboard rentals. However, the business can be relocated to a new market without affecting operations.



Business Location/Geographic Market



Acme Corporation - 8989 Bayport St. Deltona, FL 32725



Acme Corporation does business in 300 retail locations across the United States and 12 countries.

Staff | Transition

Owners				
Name		Duties	Hours	
Lucas Waters		CEO, Sole Owner: Primarily managing the team and reviewing financials.	20 to 30 hours/week	
Staff				
#	Role	Duties	Hours	Salary
1	Founder, VP Design	Product design, specification creation, R&D	40 hours/week	\$ 120,000/year
1	VP Sales	Product sales and forecast, customer service	40 hours/week	\$ 90,000/year + commission
1	VP Operations	Inventory mgmt, fulfillment, and logistics, procurement	40 hours/week	\$ 120,000/year
1	VP Marketing	All marketing activities, social media, athlete mgmt.	40 hours/week	\$ 108,000/year
1	VP Finance, HR and Administration	All finance-related activities, HR and administration	40 hours/week	\$ 108,000/year
1	Manager Project Management	Coordination of product development, forecasting, and introduction	40 hours/week	\$ 75,000/yer
1	Shop Manager	All retail surf shop activities	40 hours/week	\$ 54,000/year
1	Customer Service Mgr	All customer service activities	40 hours/week	\$ 64,000/year
1	Warehouse Manager	Warehouse, shipping and receiving, Inventory	40 hours/week	\$ 62,000/year
1	Development Support and Warranty Manager	Design, R&D, quality, warranty	40 hours/week	\$ 54,000/year
11	Hourly Staff	Shop sales, accounting, warehouse	40 hours/week	\$ 20 to \$ 27/hr.

Owner's Role in the Business

The owner works part-time 20 to 30 hours per week in the business. Daily operations are handled mainly by the VP of Sales and the management team.

Benefits

The following benefits are provided to staff members:

- Health Insurance reimbursement to 2 employees

Training

The owner is willing to train the new owner for a period of time, following the closing, with the specific duration and compensation to be determined. A longer training period with the owner can be negotiated if necessary and several employees may be available to help during the training period.

Transition Period and the Owner's Role

The owner would like to stay involved part-time in the business for a period of time and is willing to stay involved as CEO or GM until a suitable replacement has been found. This is a significant benefit as the owner is available long-term for training and support to ensure that you succeed in your new role.



Acme Corporation merges function and fun with proprietary designs of superior quality and the latest technology in warmth and flexibility for surfers of all ages.

Assets

Assets	
Vehicles	\$ 30,000; 1 vehicle included in the sale – a 2020 Ford van
Furniture, Fixtures, and Equipment	\$ 150,000
Leased Equipment	None
Loaned Equipment	None

Intellectual Property

The sale includes all wetsuit designs, which are all proprietary.

Equipment

All equipment is in good condition and operable. All of the hard assets are included in the price. All assets will be delivered free and clear of liens and encumbrances at the close of escrow, except for any leased equipment.

The Following Items are Included in the Purchase Price:

- (1) 2020 Ford Van
- (Misc.) Computers

The Following Items are Excluded from the Sale:

- (1) Owner's Personal Computer
- (1) Owner's Personal Vehicle
- (1) Owner's Personal Cell Phone
- Accounts Receivable
- Cash in Checking and Savings Account(s)
- Prepaid Expenses
- Working Capital



Disclosure Statement

1. Is the business in default on any of its current obligations?	No
2. Are there any customers who account for more than 10% of annual gross revenue?	No
3. Are there any commitments to employees or independent contractors regarding future compensation increases, promotions, or ownership interests? <i>'Employee Stock Options'</i>	Yes
4. Are there suppliers or customers who have a personal or special relationship with the business or its owners?	No
5. Are any of the employees or independent contractors related to any of the business owners or one another?	No
6. Have you had, or do you anticipate having, any disputes with the landlord or problems with the premises the business occupies?	No
7. Does the premises have any deferred maintenance for which the tenant is responsible?	No
8. Is there any equipment used in the business that is not in good and operable condition, or for which maintenance has been deferred, or which is unsuitable for current usage?	No
9. Are there any items used in the business that the seller does not own, such as leased or loaned equipment, consigned resale inventory, or employees' tools?	No
10. Does the business collect sales tax? If so, for which states?	No
11. Does the business have old or obsolete inventory?	No
12. Does the business have a franchise, distributorship, or licensing agreement?	No
13. Are you aware of any pending zoning changes, redevelopment, or nearby construction that might affect the business?	No
14. Are there past or pending litigations or any alleged violations filed or under investigation by ANY authorities?	No
15. Are you aware of any other facts or conditions not disclosed above that may adversely affect the operation of the business, a buyer's decision to purchase it, or the price a buyer might pay for it?	No

Guide to Buying a Business

Following is an overview of the process of buying a business with Morgan & Westfield:

1. Ask Questions or Receive Additional Information

- *If you have questions about the business*, would like to request additional information (e.g., Adjusted Financials), or meet with the seller, contact Morgan & Westfield at buyers@morganandwestfield.com

2. Make an Offer

- **Complete Term Sheet:** If you are interested in the business and would like to make an offer, please complete the [Term Sheet](#), which outlines the basic terms of the deal.
- **We will prepare an Offer:** We will contact you if we have questions after receiving your Term Sheet and when an offer is ready to present to the seller. Once the offer is accepted, you will provide an earnest money deposit (typically 5%), which will be held by a third party (the escrow agent).

3. Complete Due Diligence

- **Buyer Due Diligence:** You will conduct an in-depth review of the business, including financials, bank statements, tax returns, leases, and other documentation.
- **Seller Due Diligence:** You should provide the seller a copy of your credit report, bank statements, and other information if the seller is financing the transaction or if they will remain as a guarantor on any leases.

4. Closing

- We will prepare a purchase agreement for the parties to review, attempt to remove any outstanding contingencies (e.g., bank financing, lessor or franchisor approval, etc.), and schedule the closing date. The closing can be held virtually or physically.

View a detailed overview of the process at www.morganandwestfield.com/buyers/buyers-guide/

We are an M&A firm specializing in selling companies with revenues up to \$100 million, having sold businesses in over a hundred industries in the United States and Canada.

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