

Sunbelt offers a unique combination of expertise and market reach capability to help companies and individuals acquire or sell businesses. We have over 250 offices in the United States and 11 international locations, staffed with seasoned professionals hailing from various industry backgrounds. To address the specific needs of our target customers, we operate three divisions: **Main Street Business Brokerage, Mid-Market Mergers and Acquisitions and International Business Acquisitions**. The combined resources and the expertise in those divisions puts us in a unique position to help a wide range of clients reach their objectives in a timely and cost effective fashion. Since the inception of Sunbelt in 1981, we continue to strengthen our network, innovate on our processes and leverage new technologies to meet the evolving needs of our customers. Entrepreneur Magazine selected us as the top business brokerage franchise in the United States several years in a row. The 4000 transactions we concluded by 2005 bear testament to our performance. Qualified and experienced staff of professional business advisors are responsible for our continuous success and growth. They all have experience in starting, growing, managing, buying and selling businesses. As long-time local residents, all our business advisors are familiar with their region's economy and businesses. Their guiding business principles are always: **confidentiality, integrity and effectiveness**.

Main Street Brokerage



"Main Street Businesses" constitute the largest section of businesses in the United States; they also constitute the bulk of Sunbelt's activities. Each year thousands of them change ownership for a variety of reasons. That transfer process can be fraught with potential difficulties if it is not managed properly. Sunbelt Business Sales & Acquisitions has made professional business brokerage services accessible to "Main Street Business" owners. We take pride in our ability to help them get the best value for their hard work and work with buyers to realize their dream of being their own boss and securing a better future with good opportunities. Each year, we make thousands of such transactions possible.

Mid-Market Merger and Acquisitions



M&A transactions often involve a complex process requiring experienced professionals. In addition, the best buyers are often the furthest away. To address these needs, Sunbelt offers M&A representation utilizing experienced M&A professionals in Sunbelt's 250 offices in the US and 11 in other countries. Alternative representation on the level that Sunbelt offers has generally not been accessible and/or affordable for the mid-market. Investment bankers and boutique M&A firms either decline to represent the mid-market, due to the limiting size of billable fees, or charge relatively high upfront fees, which are prohibitive to most midmarket sellers. By leveraging upon Sunbelt's huge infrastructure, professional M&A services are now available to the mid-market with no or minimal upfront fees.

International Business Acquisitions



The United States is a very attractive market for both corporate and individual investors from around the World. For corporate buyers, acquiring an existing business may be the best way to get established in the US market. The objective of individual buyers may be to secure a steady source of income or diversify their portfolio. Whatever your objective, Sunbelt has developed a process to help you succeed. Our International Practice will help you identify the type of company that best suits your objectives, with a specific emphasis on cultural compatibility. In order to handle the immigration related issues, we have teamed up with an experienced law firm specialized in immigration law. This provides our international clients with a seamless process to address all the issues related to a trans-border acquisition.

We look forward to putting our expertise to work for you



SERVICES



The decision to buy or sell a business is a major one, but it need not be a complicated one if you retain the services of a qualified business brokerage firm. Our aim is to help you exceed your goals as you sell or buy a business.

For prospective sellers

You have invested time, money and energy into building a successful business that you have now decided to sell. Our expertise is to work with you to get the best value for years of hard work, in a confidential and results-oriented manner. More specifically, we will help you with the following:

-  **Determining the fair market value of the business:** The sale price of a business is a function of several factors: past sales history, upside potential, location, industry trends, timing, etc. Using well defined rules and parameters, we assist in determining the fair market value of the business for a quick successful sale.
-  **Preparing the business for sale:** We will work with the seller to develop the information, data, financial history and facts that prospective buyers need to evaluate in order to make a buying decision.
-  **Packaging and marketing the business:** A business must be properly packaged and presented to prospective buyers. On the basis of the information the seller provides us, we develop a marketing plan, presentation materials and a list of prospective buyers from those already registered with our office. To get the best value for the business, we market it to a larger pool of buyers, locally, nationally and internationally.
-  **Screening and qualifying prospective buyers:** We obtain from each buyer a non-disclosure agreement to ensure confidentiality. We develop buyer profiles, which include financial resources, objectives and area of interest. This ensures that the business will be shown only to serious qualified buyers.
-  **Showing and negotiations:** We arrange the showing of the business at times that are convenient for the seller and that do not interfere with normal daily operations. The seller continues to focus his time and energy on running his company and leaves it to us to find the right buyer.

For prospective buyers

Whether you want to become your own boss, ensure a lifetime of employment or diversify your investment portfolio, we can find the right business. For each business available for sale, that meets your criteria, we will present to you all the information you need to make an informed purchase decision.

-  **Buyers needs assessment and validation:** We meet with the buyer to discuss and validate their needs and requirements in order to match them against businesses in our inventory.
-  **Specific domestic and international searches:** We then conduct a specific domestic and international search to locate businesses that correspond to your requirements.
-  **Industry trends:** As a registered Sunbelt buyer, you get automatic updates on our inventory including

The Sell and Buy Process – Step by Step

SELLER

1. Business Valuation

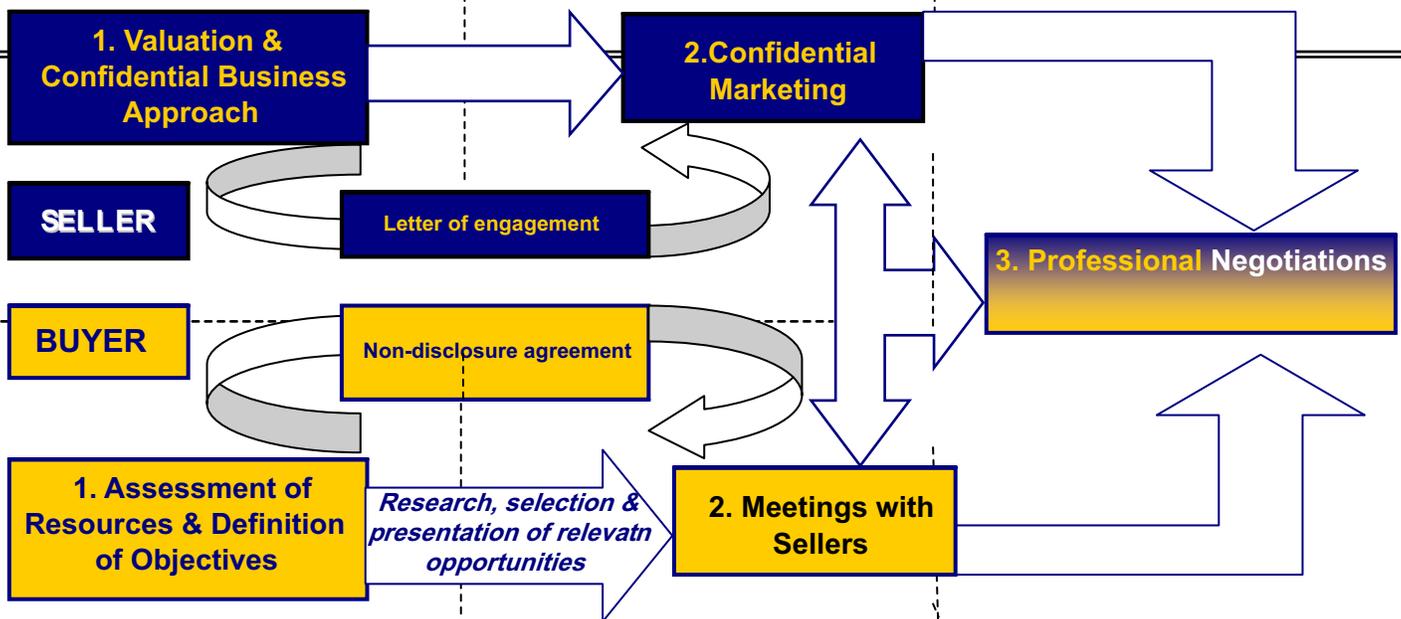
We gather information about your business and conduct an analysis to determine its fair market value. The analysis will help you decide to go to market or to wait to build value for a later exit plan.

2. Confidential Marketing

We develop a strategic business plan and improve the packaging of your business to prospective buyers to maximize the value of your business. We also conduct a targeted qualified buyer search.

3. Professional Negotiations

Offers are submitted to us for review and forwarded to you. We guide you through each step of the complex negotiation process to optimize the sale value of your business.



BUYER

1. Resource and Objectives Assessment

We work with you to better define your objectives and your resources and to discuss the buying process. You sign a non-disclosure agreement to ensure the confidentiality of the information shared with you .

2. Meeting Appropriate Sellers

We present to you pertinent data and facts about the businesses that meet your criteria. We also arrange and coordinate site visits and sellers meetings for the selected businesses.

3. Professional Negotiations

We receive and present your offer to the seller and guide you step by step through the complex negotiation process.





Buyer Education

1. Confidentiality is critical

- If sellers employees, suppliers, bankers and customers don't know the business is for sale, business operations remain less affected by change in ownership.
- It is often important that buyer's employer doesn't know a move is being considered.

2. Buy a business you like and can manage

- You can look forward to going to work every day
- You don't have to know everything the seller will help train you
- Only general knowledge and business skills are important

3. Key considerations when selecting a business

- Location
- Track Record
- Management
- Why is the seller selling?

4. Don't expect 100 percent bank financing

- Banks are asset-based lenders
- Banks can't run a small business if borrower leaves.
- Bankers view small business tax returns differently.
- Buyers should expect to pay 20 percent minimum for down payment.

5. Expect some owner financing

- Owner financing demonstrates seller's confidence in the business.
- Owner financing provides tax benefits to seller.
- If there is a default, seller can step in and run the business
- Buyer benefits from seller's demonstrated confidence in the business
- Buyer has seller's goodwill during term of payments. If something goes wrong, seller has an interest in helping it go right

6. Expect to negotiate

7. Look at different business opportunities that interest you.

8. Write a contingency offer



SUNBELT®
BUSINESS SALES
& ACQUISITIONS

THE BUYING PROCESS

If you will follow the process you will save time and money

The process of buying an existing business is as follows:

1. Evaluate the basic information on alternative businesses that sound interesting to you.
2. Visit the businesses your broker designates without announcing yourself as a buyer (incognito) to get a “feel” for the business. **DO NOT** make any contact with the owner or employees as a potential buyer or engage them in any conversation other than as a “customer”. Compromising the confidentiality of the transaction may make you liable for damages to the business
3. Coordinate with your broker to meet with the Seller. Ask the seller general to probing questions on anything and everything, except actual price or terms.
4. Allow your Sunbelt Agent to show you how an offer would be made that will protect you and that you can use for your preliminary evaluation.
5. Do your preliminary evaluations, based on the information provided by the seller to Sunbelt and to you.
6. Make an offer, assuming that all the information provided is correct, but include contingencies which will allow you to confirm such information. Sunbelt will show you how to write an offer to protect you as the buyer.
7. Once a sales price is agreed upon, make a closer investigation of the business, “The due diligence period, confirming to your satisfaction the validity of your offer.”
8. Prepare closing documents. You may agree with the seller to share the cost of the closing attorney. This lawyer will not argue the position for either party, but drafts all necessary legal documents to comply with the Agreement a buyer and seller have reached.
9. Close the purchase, and begin your first day as the owner of **your own business**. The seller will assist in an orderly transition because most of their money is coming from your success.

Steps in buying a business

1. Provide buyer information

- ❖ Broker's agreement with seller includes pre-qualifying buyers (see Buyer Education).
- ❖ Broker can then assist buyer in finding the "right" opportunity.
- ❖ Broker assists buyer in selecting "right" professional relationships (banker, lawyer, CPA, etc.) if necessary.

2. Review business profile

- ❖ Executive summary description of company
- ❖ Profile of company including key financial information
(cash flow, assets, employees, age of the company, asking price, etc.)
- ❖ Cash flow detail

3. Buyer and seller meet each other

- ❖ Get to know seller to see if "chemistry" is favorable for a win/win transaction
- ❖ Come prepared to ask questions generated by detailed review of business profile.
- ❖ Seek fact finding only, not negotiations regarding price or terms of the deal.
- ❖ Buyer will gain all information necessary to write an 'Offer to Purchase'.

4. Write offer and provide escrow check

- ❖ Offer will let buyer and seller know if there is a need to invest further time and work.
- ❖ Offer will make seller comfortable enough to "fully disclose" business, including providing tax returns, Profit and Loss statements, private financial records of the business.
- ❖ Many contingencies protect the buyer. If buyer finds anything wrong, escrow is refunded without cost.
- ❖ If buyer fails to get suitable financing, escrow is refunded without cost.
- ❖ Other contingencies protect the buyer.

5. Perform diligence

- ❖ Seller begins full disclosure, providing tax returns, profit and loss statements, balance sheets, asset lists, contracts, and any other information pertinent to buyer for verifying Business Profile.
- ❖ Buyer reviews leases, contracts, or other agreements.
- ❖ Buyer reviews all aspects of the business.

6. Closing attorney prepares closing documents

- ❖ Asset purchase agreement
- ❖ Bill of Sale
- ❖ Other documents (if applicable) non-compete, seller consulting agreement, etc.
- ❖ All documents reviewed by both buyer and seller and any of their advisors necessary.

7. Close transaction