

FAIRNESS OPINIONS – BACKGROUND INFORMATION & DATA REQUIREMENTS and the PREPARATION PROCESS

Fairness opinions are used to aid fiduciaries in making decisions that affect the people and shareholders whose financial interests are at stake. In a litigious environment, corporate transactions are subject to increased scrutiny especially when potential for conflicts of interest exists. The integrity of expert opinions that judge the fairness of mergers, acquisitions and other transactions is more important than ever.

Foxboro Consulting Group, Inc. (“**Foxboro Consulting Group**”) offers important objectivity in evaluating the financial fairness of corporate transactions. Clients served by the professionals of Foxboro Consulting Group include boards of directors, special independent committees of boards, shareholders, fiduciaries such as ESOP trustees and other parties involved in change of control or other transactions.

In evaluating the consideration or financial terms of a transaction or reorganization, Foxboro Consulting Group considers:

- The value of the businesses or assets transferred or exchanged,
- The value and form of the consideration received or paid,
- Available alternatives offering greater value than proposed transaction including a “Testing of the Market” for the “highest and best price,”
- Whether the parties are financially better off as a result of the transaction, and
- The extent to which the proposed transaction adds value to businesses, securities or assets.

As corporate transactions receive increasing scrutiny from shareholders and regulators, the role of fairness opinions issued by credible and objective financial professionals has become more important.

Foxboro Consulting Group offers independence and thoroughness as a provider of fairness opinions, which are effective requisites in protecting fiduciaries and shareholders.

See case discussions at the following link:

<http://www.foxboro-consulting.com/clients/fairness-solvency-opinion-services/>

THE PROCESS

A. HISTORY AND NATURE OF THE COMPANY

1. Discussion of the history and operations of the Company, including major milestones and current nature of the business.
2. Copies of Company brochures or literature that describe the Company and its products / services. Please include any sales / promotional materials to prospective customers.
3. List of subsidiaries and significant interest in other companies.
4. Assess the Company's competitive position within the market now and in the future.
5. List the major shareholders of the Company, as of the Valuation Date, including shares held (by class) and a discussion of the effective voting rights and other attributes of each class.
6. List all actual and proposed (current or past) transactions involving the Company's stock. Include number of shares, type of transaction (third-party sale, related-party sale, etc.), price of the transaction, the manner in which the price was determined (arm's length negotiation, appraisal, etc.), and any other transaction-specific information that is available.

7. List all actual and proposed (current or past) transactions involving the Company's assets and / or operating subsidiaries. Include purchase price, type of transaction, the manner in which the price was determined (arm's length negotiation, appraisal, etc.), and any other transaction-specific information that is available.
8. Details of any previous offers or discussions to buy / sell the Company or any of its operating subsidiaries.
9. Articles of incorporation, bylaws (including amendments), LLC formation agreement(s), management agreements, etc.
10. List senior managers of the Company, including position, age, salary, bonuses, years in industry, and years with the Company.

B. PRODUCTS AND MARKETS

1. Discuss the pricing of products / services.
2. Discuss the impact of new products / services and / or competing technologies on the Company's products / services.
3. Discuss the growth prospects for the Company's products / services by major market.

C. SALES AND MARKETING

1. Describe the Company's marketing activities, including methods of generating new customers and sale of additional products / services to existing customers.
2. Discuss the size and structure of the Company's sales force, including both in-house and independent sales representatives.
3. Provide a copy of the Company's marketing plan, including advertising media and budgets.

D. FINANCIAL INFORMATION

1. Audited [or unaudited] financial information (balance sheets, income statements, and cash flow statements) for the last three years, including any information on net operating loss carry-forwards (NOLs) and any limitation on the use of NOLs, if applicable, for each operating subsidiary.

2. Latest interim financial statements (which will be assumed to be as of the Valuation Date). Please include interim statements for the prior year's "latest interim period" (i.e., if the first three months of this fiscal year are provided, also provide the first three months for the prior year) for each operating subsidiary.
3. Identify any nonrecurring or special accounting items that had a material impact on the Company's performance, by operating subsidiary, by year.
4. Provide details on any intercompany transactions.
5. Pro-forma income statement and balance sheet showing the Company's annual projected revenues, expenses, and balance sheet positions over its forecast period. Please separately identify or itemize interest, depreciation, and amortization expenses. In addition, please include price, volume, and customer retention assumptions for each year of the explicit forecast.
6. Projected capital expenditures and working capital (i.e., Days Payable, Days Receivable, Days Inventory, Prepaids, Accruals, etc.) required to support the projected growth in revenues.
7. Any recent business plans and documents regarding the products and operations of the Company, including its products and services, markets, and competitors.
8. Any material opportunities (i.e., new product launches) that the Company is considering and that have not been factored into the projections.
9. Identification of any non-operating income or assets such as excess land, facilities, equipment, or marketable securities.
10. Identification of any contingent or off-balance-sheet assets or liabilities (pending lawsuits, compliance requirements, leasehold interests, other contingencies, etc.).
11. If not disclosed in the financial statements, provide details on what is classified in "Other Expenses," "Other Assets," and "Other Liabilities."
12. List of significant customer relationships, supplier relationships, contracts, patents, copyrights, trademarks, and other intangible assets.
13. Amounts and dates of any dividend distributions (if not included on the financial statements).

14. Describe any significant benefits and perquisites received by shareholders, officers, or management of the Company or its subsidiaries.
15. List any significant personal expenses of shareholders, officers or manager that have been paid by the Company.
16. Describe any significant differences in the accounting for tax and book purposed for the Company.
17. Provide statements of accounts receivable with aging as of the Valuation Date if not detailed in the financial statements.

E. COMPETITION

1. List and describe each of the Company's competitors. Provide details on company size, market share, and products / services offered in each of the Company's markets.
2. Discuss the competitive nature of the market (i.e., do companies compete on the basis of price, quality, service, etc.?).
3. Is there a dominant business / competitive strategy among the successful firms? Is this model currently changing / evolving and how?

F. FACILITIES

1. List the Company's major facilities, including locations, brief descriptions of their size and layout, function, limitations, if any, and whether they are owned or leased. Include original cost, net book values, and approximate ages, if known.
2. Describe any property, plant, or equipment owned by the Company that is not presently used in the Company's operations. Include original cost and approximate fair market value, if known.
3. Provide any available market value information for fixed assets, such as previous real or personal property appraisals, insurance appraisals, earlier offers to purchase the property or assets, etc.

G. GOVERNMENT REGULATION

1. Asses the regulation of the subject entity, customers, and suppliers by local, state, and federal regulatory authorities and the effect on costs and Company growth.
2. Identify any changes in government regulations (existing or pending) that may significantly impact the financial performance of the Company.

H. TECHNOLOGY

1. Describe the current technology utilized in the Company's operations.
2. Discuss new technologies being implemented and their potential impact on the Company's operations.

I. OTHER

1. Reports of any appraisals or valuations performed relating to the determination of transaction prices or opinions of value for the Company's stock or its assets.
2. Any existing buy-sell agreements, options to purchase stock, or rights of first refusal.
3. Copies of any shareholder agreements or agreements relating to the transfer of the Company's stock (preferred or common).
4. Copies of all significant contracts or leases to which the Company is or has been a party during the last two years.

Recently Completed Valuation for the Buy-Out of Fractional Shareholders

The Company, a Massachusetts company, provided a single-source solution on its website for all of the credit information and collection services a company may need. The Company was organized as a C corporation for Federal income tax purposes.

The Company has been an industry leader for the past 23 years providing complete business and consumer risk management solutions. The Company has matured and expanded into the largest National Reseller for Experian BIS in North America. Utilizing America's leading credit information bureaus of Dun and Bradstreet, Experian, Equifax and Trans Union, the Company provides the necessary tools to help companies make fast, smart, and profitable credit decisions. Foxboro Consulting Group fairness opinion specialists determined the fair market value of the three (3) series of convertible preferred stock, common stock and related options so that the fractional shareholders could be bought-out at a "Fair Price".

See links below for resumes of key executives:

<http://www.foxboro-consulting.com/ronald-j-adams-c-p-a-a-b-v-c-v-a-c-b-a-c-f-f-f-v-s-c-g-m-a/>

For more information on Business Valuation & Financial Advisory Services, please feel free to contact us directly at: (774) 719-2236, or (508) 878-8390, or e-mail us at: adams.r@foxboro-consulting.com .