

## Information Needs for Valuation of Auto Dealer



**For Questions Regarding this List Contact:**  
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**Note: Please provide information in PDF format (not password protected). We have a secure server to which this information can be uploaded easily from your computer (information encrypted during transmission to our server) and is easier and more secure than by email. Please email the names and email addresses of parties who will have access to submitting or retrieving information from the server and we will establish password protected accounts for them.**

### **Company:**

### **Valuation Date (Value as of):**

1. Detailed financial statements, last five years, including balance sheets, income statements, statement of changes in financial position, and accompanying accountants notes.
2. Company income tax returns, last five years, including all schedules and attachments and any amendments.
3. Year end final dealer financial statements prepared for manufacturers, last five years.
4. Copies of recent industry peer comparisons of the dealer financial results against similar-sized dealer peers.
5. Latest interim and year-to-date financial statements, including detailed balance sheet and income statements, up to the valuation date.
6. Latest year-to-date dealer financial statements prepared for manufacturers.
7. List of subsidiaries, parent, or affiliates (if any) along with relevant financial statements for the last five fiscal years, along with current interim and year-to-date financial statements up to the valuation date.
8. Equipment list and depreciation schedule, on or prior to the valuation date.
9. Current detailed accounts receivable aging, on or prior to the valuation date.
10. Aging of installment notes outstanding on which the dealership has recourse, along with potential dealership repurchase liability.
11. Copies of all dealer franchise agreements and any amendments thereto.
12. Information on the possibility, or certainty, of any termination of any dealer franchise agreements, or defaults or violations under such agreements. Information on new franchises that may be awarded the dealership.
13. Copies of any other existing contracts (employment agreements, covenants-not-to-compete, supplier and franchise agreements, customer agreements, royalty agreements, equipment lease or rental contracts, loan agreements, labor contracts, employee benefit plans, etc.).
14. Copies of any distributorship agreements.
15. Copies of any miscellaneous contracts, copyrights, patents, etc.
16. Copy of lease on premises, if any.
17. List of stockholders/members, with number of shares/membership interests owned by each.
18. Compensation schedule for all owners and officers by year for each of the last five fiscal years and the current year-to-date period through the valuation date.
19. List of all benefits and personal expenses paid officers and shareholders and a schedule of any deferred compensation for each of the last five fiscal years and for the year-to-date through the

valuation date. This information should be detailed by officer and should correspond to the amounts shown in the Company's annual financial statements.

20. List of employees (including key management) including approximate tenure with company, age, experience in industry, position and responsibilities, breakdown of salary, bonus, and commissions paid during the most recent fiscal year, other perquisites paid by company (resumes of key officers, if available, would be helpful).
21. Copies or descriptions of employee benefit plans (if any) including a schedule, by year, of any pension or profit sharing contributions.
22. Schedule of insurance in force (key man life, property and casualty, liability). Life insurance breakdown should include the following for any officers or shareholders:
  - a. Face amount of policy.
  - b. Ownership of policy.
  - c. Beneficiary.
  - d. Cash value (if any) at the valuation date.
  - e. Amount of annual premiums.
23. Copies of articles of incorporation (articles of organization), bylaws (operating agreement), amendments to either, and corporate minutes.
24. Copies of any existing shareholder or buy/sell agreements, options to purchase stock, rights of first refusal, voting trust agreements, ESOP plan documents, or other documents affecting the ownership rights of the interest being valued.
25. Brief history, including how long in business. Details of any changes in ownership and/or bona-fide offers received to sell all or part of the business.
26. Brief description of the business, including copies of promotional and marketing literature.
27. Information on related party transactions. Copies of any leases, loans, or other relationships with related parties.
28. List of any client whose annual volume equals or exceeds 10% of total sales volume.
29. Copies of any existing indicators of asset values, including latest property tax assessments and any appraisals that have been done, including real property appraisals.
30. List of any patents, copyrights, trademarks and other intangible assets.
31. Any contingent or off-balance sheet assets or liabilities of any kind whatsoever as of each valuation date, such as:
  - Pending or threatened lawsuits/malpractice claims.
  - Regulatory compliance.
  - Warranty or other product liability.
  - Hazardous waste/environmental.
  - ERISA claims or problems.
  - OSHA problems.
  - Letter of credit liabilities.
  - Liens or judgments of any kind.
  - Guarantees by Company of any obligations.
  - Off balance-sheet assets or liabilities of any kind not showing on the Company's balance sheet as of the valuation date.
  - Non-compliance or pending or threatened default with respect to the terms of any dealer agreement.
  - Any pending or threatened acceleration or event of default under any borrowing, loan or floorplan or similar financing agreement or other agreements of any kind.
  - Information on any other factors of any kind not noted that could have a material positive or negative impact on the financial or operating condition of the Company and/or its value.

## **Information Needs for Valuation of Auto Dealer**

32. Information on prior transactions in the stock, including terms, purchase price, and any written contracts.
33. Copy of existing notes payable or receivable, bank loans and security agreements, floorplan agreements.
34. Detailed breakdown of all debt outstanding (including floorplan lines) as of the valuation date.
35. Amounts of liability insurance carried by the company and the anticipated cost of any upcoming renewal premiums if materially different than historic premiums.
36. Detail (by year) of any income or expenses of a personal nature that are run through the Company.
37. Detail on any assets in the Company that are unrelated to the Company's production of income (ex: vacation home, etc.).
38. Information on any recourse obligations on dealer paper and other off-balance sheet liabilities.
39. Copies of letters from auto manufacturers regarding the Company's performance, its meeting of quotas, expectations, etc.
40. Information on:
  - Any recent, pending or possible future loss of a project or other factor which might materially impact the business
  - Any recent, pending or possible future addition of a key project or other factor which might materially impact the business
  - The recent loss of key employees that might harm the business, whether through a loss of revenues, result in the establishment of a competing firm, or any other material impact on the business
  - Pending or possible acquisitions or purchases of other companies or assets, product lines, etc.
41. Information on the recent or potential loss of a key employee.
42. Information on any past, current or potential future offers, plans, or consideration given to buy or sell part or all of the Company's shares or assets, even if general, or highly preliminary, currently or historically. Discussions with any possible buyer and information on any offers received.