

**Banister Financial, Inc. Initial Information Needs List, Business Valuation of Law Firm**



**For Questions Regarding this List Contact:**  
**BANISTER FINANCIAL, INC.**  
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**Note: Please provide information in PDF format (not password protected). We have a ShareFile account to which this information can be uploaded easily from your computer (information encrypted during transmission and at rest on ShareFile) 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 ShareFile and we will establish password protected accounts for them.**

**Practice:**

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

1. Last five years (prior to the valuation date) of detailed annual financial statements, including balance sheets, income statements, statement of changes in financial position, accompanying accountant notes to statements.
2. Last five years Federal corporation income tax returns leading up to the valuation date.
3. Latest interim and year-to-date financial statements to the valuation date, including detailed balance sheet and income statements, and for the same year to date results for the prior year-to-date period.
4. Equipment list and depreciation schedule at the latest year end (on both a book and tax basis) on or prior to the valuation date, and a listing of any purchases and sales of equipment and personal property from that time to the valuation date, including the item at issue, the cost of purchase or amount received from sale.
5. Detailed accounts receivable aging by client at latest year end and at the valuation date, and unbilled work in process schedule at same dates.
6. Revenues for each client (top 10 largest clients of Practice) in dollars for each of the last three years leading up to the valuation date. Please describe the nature of services provided, length of client relationship for each, and note the lawyer responsible for handling each account, as well as the lawyer responsible for generating the business.
7. Information on contingent fee cases as follows:
  - List of all contingent fee cases outstanding of the Practice and by attorney at the valuation date, with total amount sought, nature of claim, the percentage to be shared with the law Practice, expected win amount and probability.
  - Schedule detailing the amount of contingent fees received by Practice and by attorney responsible by year by case for each of the last five years leading up to the date of valuation date. Show total, Practice's share, and individual attorney's share.
  - Copies of any and all contingent fee agreements at the valuation date.
  - Schedule of any future payments expected or agreed to by year for cases previously handled by the Practice, whether for services rendered or as a result of contingent fee cases previously handled.
8. Provide an itemized and detailed breakdown of the following by year for each of the five years leading up to valuation date.
  - Unusual or non-recurring litigation related expenses by year.
  - Environmental or hazardous waste cleanup expenses by year.
  - Unusual or non-recurring income, expense by year.

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9. Provide a detailed, itemized breakdown, for each officer, shareholder, director and attorney of the following by year for each of the five years leading up to valuation date:
  - Annual compensation.
  - Director fees.
  - Life insurance premiums.
  - Disability insurance premiums.
  - Country club or similar dues.
  - Car leased by practice for their use.
  - Automobile expenses paid, including mileage reimbursement, fuel, maintenance and repair, automobile insurance.
  - Reimbursement for any business related travel of a personal nature, or which is partly personal.
  - Any other personal benefits paid or given of any kind.
  - Schedule of any deferred compensation.
  
11. List of employees and annual salary, position as of the valuation date.
  
12. Budgets, forecasts or business plans or projections of any kind.
  
13. Copies of detailed general ledgers by year for the last five years and year-to-date to the valuation date.
  
14. Copies of QuickBooks electronic file, along with version number of software and any password required to open the QuickBooks file.
  
15. List of each loan and credit facility outstanding at the valuation date, showing balance, interest rate, collateral.
  
16. Copies of all bank and financial institution loan and credit agreements, notes and security agreements, guarantee agreements at the valuation date.
  
17. Copies of any and all existing contracts of any kind, including but not limited to the following:
  - Employment agreements.
  - Covenants-not-to-compete.
  - Client agreements.
  - Royalty agreements.
  - Equipment lease or rental contracts.
  - Labor contracts.
  - Employee benefit plans.
  - Any miscellaneous contracts, copyrights, patents, etc.
  - Lease on premises, if any.
  - Contracts to purchase or sell assets or stock.
  - Any other contract or agreement of any kind whatsoever.
  
18. Schedule of life insurance in force at the valuation date, with the following information on policies covering shareholders or officers:
  - Face amount of policy.
  - Ownership of policy.
  - Beneficiary.
  - Cash value, if any, at the valuation date.
  - Amount of annual premiums paid by the Practice.
  
19. Amounts of liability and product liability insurance carried by the Practice at the valuation date and the anticipated cost of any upcoming renewal premiums if materially different than historic premiums
  
20. Full and complete copies of Practice documents including:
  - Articles of incorporation.

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- Bylaws.
  - Any amendments to the above.
  - Corporate minutes.
  - All corporate or partnership documents of any kind.
21. Copies of:
- Shareholder or buy/sell agreements.
  - Options to purchase stock, rights of first refusal.
  - Trust agreements.
  - Other documents affecting the ownership rights of the interest being valued.
  - Information on any restrictions on shares.
  - If there are non-voting shares, information on any matters in which such shares would have voting rights.
  - Letter or legend restrictions on shares.
  - Liquidation or other preferences.
  - Dividend rights and history.
22. List of stockholders as of the valuation date, including the number of shares held by class (voting, non-voting, common and preferred).
23. Information on all prior transactions in the Practice's shares, including terms, purchase price, any written contracts, payments made. Details on any consideration paid, such as continued share of or income from work in process, contingent cases, etc.
24. Information on any past, current or potential future offers or plans to buy or sell part or all of the Practice's shares or assets, merge with another law practice, acquire another law practice, or enter into any business combination or joint venture arrangement of any kind.
25. Brief written history, if available.
26. Copies of promotional and marketing literature.
27. List of attorneys, paralegals, managerial and employees as of the valuation date, with the following information on each:
- Start date with Practice.
  - Date of birth.
  - Position.
  - Annual compensation.
  - Employment agreements or covenants not to compete to which subject.
28. Details on any paid officers or employees who are:
- Not active on a day-to-day basis.
  - Not integral to the business.
29. Resumes of all Practice attorneys as of the valuation date.
30. Consulting studies prepared for the Practice, if any. Business plans, if any.
31. Information on any related party transactions (with officers, shareholders, partners, owners or related parties thereto) of any kind whatsoever, including but not limited to the following:
- Leases of real or personal property. Copy of any associated lease, amendments. If no least, summary terms of lease, amount of rent, reimbursements of any property taxes, insurance, maintenance or other details.
  - Management or service fees.

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- Loan guarantee fees.
  - Purchases or sales of goods or services.
32. Any contingent or off-balance sheet assets or liabilities of any kind of the Practice whatsoever as of the valuation date, such as:
- Pending or threatened lawsuits or malpractice claims.
  - Regulatory compliance requirements.
  - Warranty or other product liability.
  - Hazardous waste or other environmental.
  - ERISA claims or problems.
  - OSHA problems.
  - Letter of credit liabilities.
  - Liens or judgments of any kind.
  - Guarantees by the Practice of any obligations.
  - IRS liens, payroll, sales or other tax liens- payment status of all of these items.
  - Off balance-sheet assets or liabilities.
  - Exposure on self-insurance programs and degree to which reinsurance partially or fully covers the anticipated liability.
  - Exposure under phantom stock ownership plans.
33. Status of any current or past IRS audits.
34. Information on:
- Any recent, pending or possible future addition or loss of a client, attorney, etc., which might materially impact the Practice.
  - The recent loss of key employees that might harm the Practice, whether through a loss of revenues, result in the establishment of a competing practice, or any other material impact on the business.
  - Pending or possible acquisitions or purchases of other practices or assets, etc.
  - Any factor of any kind that might have a material impact, positively or negatively, on the Practice's financial or operating performance, or value.
35. Information on malpractice coverage amounts, premiums, by attorney and for Practice at the valuation date. Also provide name of carrier. Is there any indication rates will change materially or that the Practice or attorneys will lose coverage? Provide copies of policies in force at the valuation date.
36. Details on any prior malpractice claims, awards, allegations, and the same for any pending or threatened matters at the valuation date.
37. Information on any historic, actual, pending or threatened disciplinary action by the state bar or other authorities against any of the Practice's attorneys or employees.
38. Information on any health or other mental or physical problems with Practice attorneys at the valuation date that might potentially affect the Practice.
39. Billable hour totals for each attorney for each year, last five years.
40. Billed and collected revenues by attorney for each year, last five years.
41. Details of any formulas used for attorney compensation and copies of calculations for each attorney's compensation for last five years.
42. Copies of any existing indicators of asset values, including latest property tax assessments (include copies of county tax bills for Practice real and personal property owned as of the valuation date, or bills as of property as of January 1 preceding the valuation date) and any appraisals that have been prepared including real and personal property appraisals.

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43. Please provide a list of all assets and liabilities that are not used in the day-to-day business. For example, non-operating assets might include marketable securities, cash value of life insurance, investment or excess real estate, assets held for sale or for personal use, etc.
44. Information on any other material factor of any kind that will materially positively or negatively affect the Practice, its revenues, earnings or value as of the valuation date.