

**Sample Information Needs  
for the Valuation/Appraisal of a Local Telephone, Cable Television or CLEC Company  
(Every Situation Will Differ and a Specific List Will Be Developed)**



**For Questions Regarding this List Contact:  
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**Company:**

**Valuation Date:**

- 1) Detailed, final CPA prepared consolidated and consolidating annual financial statements for the last five fiscal years, including all notes and supplemental schedules.
- 2) Corporation Federal income tax returns for the year last five fiscal years, any amendments.
- 3) Consolidated and consolidating financial statements (income statement, balance sheet, statement of cash flows) along with any associated notes, for the year-to-date period to the valuation date, and for the same year-to-date period of the prior year.
- 4) Number of total access lines as of each year end for the last five years- by residential, business. If the Company has CLEC lines list them separately.
- 5) Numbers of for each of the following as of each of the last five year ends and as of the valuation date:
  - Cable TV subscribers
  - Video subscribers
  - Cable Internet subscribers
  - DSL subscribers
  - Wireless customers, either directly (or through reseller arrangements)
- 6) Appraised or tax assessed values of investment, non-operating real estate.
- 7) Copies of covenants-not-to -compete, employment agreements.
- 8) Copies of any copyrights, patents, trademarks, etc.
- 9) List of stockholders, with number of shares owned by each and voting/non-voting, as of the valuation date.
- 10) Corporation documents;
  - Copies of articles of incorporation, bylaws, any amendments to either
  - corporate minutes (last 5 yrs).
  - shareholder/buy/sell agreements
  - options to purchase stock
  - rights of first refusal
  - trust agreements
  - other documents affecting the ownership rights of the interest being valued.
- 11) Information on related party transactions. Copies of any leases with related parties.
- 12) Any contingent or off-balance sheet assets or liabilities, including, but not limited to:
  - pending or threatened lawsuits

- judgements
  - compliance requirements
  - warranty or other product liability
  - hazardous waste or other environmental
  - regulatory problems
  - assets or liabilities not shown on the Company's balance sheet.
  - status of any current IRS audits.
- 12) Prior transactions in the stock for consideration (not gifts), terms, purchase price, any written contracts
- 13) Information on any past or current offers to buy part or all of the Company's shares or assets or any discussions that have occurred, even if highly preliminary. Provide information on any possibility of a future sale of the Company, a redemption or outstanding shares, or a public or private offering.
- 14) Dividends:
- Regular and special dividends paid by year for the last five years, and year-to-date to valuation date. Please separate regular, special dividends, and amounts to pay taxes on S corp. earnings.
  - Any current dividend policy.
  - Planned dividends for the current year.
- 15) Information on any unusual or non-recurring income or expense items for the last five years, year to date to the valuation date.
- 16) Rate increases approved by the PSC last five years, and any petitions planned for increases in the future.
- 17) Detail of total annual compensation paid each officer, shareholder and their family members compensation for each of the last five years, year-to-date to the valuation date (we are not trying to be nosey- we need this to recast the Company's income statement as a buyer would view the business).
- 18) Compensation or benefits paid to individuals not involved in the Company.
- 19) Information on any personal expenses or non-necessary expenses.
- 20) Information on any pending or threatened default or acceleration of loans or loss of access to bank financing.
- 21) List of any spectrum licenses held by the Company and/or its subsidiaries, when acquired, for how much, details of market and frequencies covered.
- 22) Information on any:
- Recent/pending/possible future loss or addition of product line/customer/supplier that might materially impact the business
  - Loss of key employees that might harm the business
  - Pending/possible acquisitions/purchases of other companies or assets, product lines, etc.
  - Factor that might have a material impact, positively/negatively, on the Company's financial/operating performance/value.
- 23) Market value of any marketable securities (debt or equity) held by the Company as of the valuation date, and investments held, including the hedge funds and other assets.
- 24) Financial budgets or forecasts of Company results, if any.
- 25) Organizational chart of management, employees, if available. List of top management team, title, responsibility.
- 26) Map of service areas for telephone, video/cable, etc.
- 27) List of non-regulated businesses.