

DUE DILIGENCE

ACQUIRING A BUSINESS CHECKLIST

ANTITRUST AND REGULATORY ISSUES

- ☐ Prior and potential antitrust and regulatory issues

INFORMATION TECHNOLOGY CONCERNS

- ☐ List of software used by company
- ☐ List of software licenses bought
- ☐ Outsourcing agreements with IT companies

PUBLICITY

- ☐ Articles and press releases about the company

OUTSOURCED PROFESSIONALS

- ☐ List of all independent professionals

INSURANCE COVERAGE

- ☐ Copy of insurance claims
- ☐ Copy of company's insurance coverage

LITIGATION

- ☐ List of pending litigation
- ☐ Documents about injunctions or settlements

PRODUCT AND SERVICES

- ☐ List of products and services offered and in development

CUSTOMER INFORMATION

- ☐ List of competitors
- ☐ Current ad programs, marketing budgets and marketing materials

TAX INFORMATION

- ☐ Federal, state, local, and foreign tax returns
- ☐ IRS Form 5500

MATERIALS CONTRACTS

- ☐ Monthly manufacturing yields
- ☐ Agreements with any subsidiaries and partnerships

LICENSES AND PERMITS

- ☐ Copies of federal, state, and local licenses

ENVIRONMENTAL ISSUES

- ☐ List of any environmental liabilities

REAL ESTATE

- ☐ Listings of all owned or leased properties

PHYSICAL ASSETS

- ☐ List of UCC filings
- ☐ List of leased equipment

INTELLECTUAL PROPERTY

- ☐ List of foreign and domestic patent applications
- ☐ List of copyrights and trademarks

EMPLOYEES AND BENEFITS

- ☐ Copies of stock purchase and stock option benefits
- ☐ Worker's compensation and unemployment claims history
- ☐ List of all employees and their positions, salaries, years of service and total compensation

COMPANY GOOD STANDING

- ☐ All formation documents and amendments
- ☐ All corporate documents pertaining to business operation

FINANCIAL INFORMATION

- ☐ Audited and unaudited financial statements
- ☐ Company credit report

REVENUE STREAMS

- ☐ Provide recurring revenue stream

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