# DUE DILIGENCE INFORMATION REQUEST

[To be completed for a private vs. publicly-owned business]

This request is being sent to you in connection with the proposed purchase of securities [Name of Business] (the “Company”). Please provide copies of the indicated documents or the information requested, as appropriate. To the extent that such documents have already been provided, please reference the appropriate disclosure. There are only ***three possible responses*** to each question. [**I**] If the answer to a question is “none” or “inapplicable,” please so indicate with initials “*NA*”. [**II**} If the information contained in the Company’s SEC filings, please cut and paste online address of that document. Or [**III**} If you are providing documentation, please indicate with “*DOC*”. If possible, please remit the *DOC* answers and documents via email in a MS Word document MS Excel or PDF file to [email address for receiving Party]. ***Please title all documents and responses with the corresponding item number.*** For example, if you were submitting documentation under Section I – Corporate/Organizational Records, question #2 your email attachment would be entitled as follows: DD-I-2. Please indicate the entity which the document is for.

**1. Corporate/Organizational Records**

1. Articles of Incorporation and Amendments.
2. By-laws and Amendments.
3. Minutes of all board of directors meetings, committees of the Board of Directors and stockholders of the Company since the Company’s incorporation, all written consents to actions without a meeting and all written notices of meetings or waivers therefore since inception.
4. List of officers, directors and key employees by position held (including detailed resumes of the members of the Board of Directors and Executive Officers of the Company) along with their key responsibilities and stock ownership.
5. An organization chart, listing all employees by name, job classification and annual payroll amount.
6. Filing or registration of: trademarks, patents, copyrights, logos, permits, licenses, authorizations and franchises.
7. Copies of all United States and foreign patents, trademarks, trade names and copyrights owned, held or applied for by or on behalf of the Company.
8. Copies or all licenses, assignments and royalty agreements to which the Company is a party relating to patents, trademarks, trade names and copyrights.
9. All reports to, correspondence with and notices from Federal, state and local regulatory and enforcement agencies since the Company’s incorporation.
10. Copies or articles and press releases issued by the Company relating to its business products or material.
11. A list of all trade associations with which the Company is affiliated.
12. Copies of any, provisions of any contract or arrangement under which any of the Company’s directors/officers is insured or indemnified in any manner against liability which they may incur in their capacity as such.
13. Qualifications and/or registrations to do business in other states or countries.
14. A list of states and foreign countries, if any, in which the Company either maintains an
	1. office (including the names of the key employees thereof)
	2. or is qualified to do business in which its trade names, if any, are registered.
15. List of all bank accounts and safety deposit boxes, including intended purpose and

 authorized signers.

1. List of any parties whose consent to a sale or merger of the company will or may be

 required and copies of all relevant documents evidencing the same.

1. Agreements with any person with respect to election or appointment as an officer or director.
2. Lists of any Government permits, notices of exemption and consents for issuance or transfer of the Company’s securities and evidence of qualification or exemption under applicable blue sky laws in the United States or in a foreign country, if applicable.
3. Certificate of Good Standing from jurisdiction of incorporation.
4. The name and contact information for the Company’s stock, if entity is publicly-owned:
	1. Transfer Agent and the CUSIP number for the Company’s securities – only applicable if company is publicly-owned.
5. Copy of IRS and SEC (if publicly-traded) Policy for Record Retention Period of Limitations: see Footnotes A and B herein.

**II. Stock Ownership**

1. If a privately owned company, list of all current shareholders of record, including addresses and number and percent of shares held, either directly or indirectly, in Trust or nominee’s name. If a publicly-owned company, the name, telephone number and address of the Company’s Transfer Agent and contact person therein.
2. All current holders of options or other form of rights to ownership.
3. All agreements and offering materials pursuant to which any person has purchased securities from the Company since the Company’s incorporation, including a schedule showing when any shares were issued by the Company and the price paid for such shares.
4. All agreements under which any person has registration rights or preemptive rights for shares of the Company’s securities.
5. All stockholders agreements, voting trusts or other agreements restricting sale or transfer of stock of the Company.
6. All reports or other communications with stockholders (i.e. family or non-family related) since the Company’s incorporation. If a publicly-held company, copies of all Proxy Notices sent for the past 5-years.
7. All subscription agreements, warrants, private placement, offering circulars, or other rights or documents regarding the sale or purchase of shares and a table of all outstanding options, warrants, or other rights to subscribe for the Company’s securities. Include all filings with any applicable state securities (or related) division and filings with the SEC.

**III. Financial Statements**

1. Unaudited monthly internal GAAP or IFAS formatted financial statements (Statement of Income, Balance Sheet, Cash Flow and Statement of Retained Earnings ) for the last three fiscal years and for year-to-date.
2. Audited GAAP formatted financial statements for the last three years, if available.
3. Accounting policy and procedures manual, if available.
4. A detailed memorandum, if available, describing financial and auditing controls, prepared by the Company’s independent auditor, if a publicly-traded company.
5. All management representation letters to, and reports issued by, the Company’s independent accountants.
6. Copies of all financial or business projections relating to the Company and prepared

during the last three years, including detailed assumptions and a variance analysis and any explanations to historically reported financial reports (i.e tax returns) . The latter is to be issued under a Confidentiality Provision of Non-disclosure.

1. A memorandum, and the written policy, setting forth the aging of accounts receivable of the Company and a description of write-offs during last five years.
2. A list of any other auditing tax reported write-offs or adjustments for the past 3 years
3. Any outside consultant’s report relating to the operations of the Company.
4. All contracts for capital expenditures and a summary of capital expenditures from the last three fiscal years and to date.
5. The names and contract information of any key venders for the past 3-years.
6. A description of any existing assets, liabilities or commitments (contingent or otherwise) not disclosed in the financial statements or otherwise identified above.
7. All correspondence from the Company’s auditor’s within the last five years, including but not limited to: letters to management regarding internal accounting controls.
8. A description of any changes in accounting procedures during the last five years.
9. Detail of current backlog or major pending customer contracts.
10. Description of pricing policy and policy on discounts or special deferred payment arrangements. .
11. Detail listing of any prepaid accounts.
12. Name and qualifications of the Company’s current accountants, including their respective website, if applicable.
13. Copies of any accountant’s opinions for the past 3 years, if applicable as a publicly-owned business.
14. Copy of the Company’s Business Plan, ideally 3-5 year projection of Balance Sheet, Profit & Loss Statement, plus Statement of Cash Flow and Retained Earnings.
15. A ***confidential*** and detailed analysis of all management/ owner compensation, including any expenses paid on the part of the Company, i.e. cars, travel, household expenses, travel and any related family expenses, including any relatives on the payroll.
16. Job descriptions, if available - with ***all*** compensation paid, for all members of executive management.
17. If a publicly-reporting company, lists of all members of the Company’s Board of Directors, Audit, Compensation and Corporate Governance Committees, if applicable, plus their respective Chairman, and compensation policy.

**IV. Assets** [all schedules to be as of latest fiscal or quarterly date]

1. Aged accounts receivable trial balance, noting any balances over 90-days.
2. Analysis of reserves for doubtful accounts, noting any balances over 90-days or beyond any agreed upon industry and individualized trade terms.
3. Analysis of unbilled accounts receivable.
4. Analysis of any other accounts receivable.
5. Last 3 years indicating any accounts receivable or payable write-offs, with an explanation as to the reasoning for each adjustment.
6. Analysis of all prepaid expenses.
7. Detailed inventory listing (raw materials, work-in-progress and finished inventory) as of latest practicable date.
8. Detailed fixed assets listing and their respective accumulated depreciation balance along with a statement of the Company’s tax depreciation policy by asset classification.
9. List of Company owned or leased vehicles and titles to such vehicles, if applicable, and the respective beneficiary thereof.
10. Any other asset accounts not specifically described above.
11. A list of all major items of equipment that are owned or leased, by location, type and age of asset.
12. All leases (whether as lessor or lessee) of, and evidences of title to equipment and whether the lease is to a related party.
13. A description of the Company’s asset maintenance and service policy/ procedure.
14. All maintenance and service contracts, involving payment to or by the Company.
15. Schedule of any assets used by the Company but not owned and the latter’s respective location.
16. Description of all Intangible Assets and management’s estimate of their current Fair Market Value plus copies of any independent opinions issued.

**V. Property**

1. A list and description of all real property owned or leased by the Company and of all

 states, countries and the city where property is owned or leased or where employees are

 located, and the jurisdictions in which the Company or any subsidiary is qualified to do

 business and/or is doing business.

1. A list of all offices, warehouses, manufacturing facilities and other real property used in the operation of the business.
2. All leases and subleases (whether as lessor to lessee) of real property.
3. Any existing title insurance policies and surveys for all leased real property.
4. All appraisals of real and personal property.
5. All deeds, mortgages, leases, construction contracts and other commitments related to real property owned or leased.
6. All security agreements related to personal property.
7. A description of the Company’s depreciation policy by asset category.
8. A description of any environmental requirements or violations thereto.

**VI. Liabilities**

1. A detailed listing of any key/ critical supplier(s), contract and the payment terms thereof.
2. Latest competitive bids on critical supplies.
3. Accounts payable, by invoice and by vendor.
4. A listing of any accounts payables written off over the past 3 years, with an explanation thereto..
5. Analysis of accrued expenses.
6. Analysis of unearned revenue accounts (including cash collections).
7. Any other liability accounts not specifically described above.

**VII. Contracts**

1. All current customer contracts.
2. All equipment leases or real property entered into by the Company since the Company’s incorporation and all documents evidencing security interests or other encumbrances against such property.
3. All real estate leases, including any related personal interests by management or any related party.
4. Bank loan agreements, other debt instruments or guarantees – personal or corporate.
5. A listing of any creditor investment request(s) to a financial institution or any Third Party.
6. Any loan agreements, line of credit agreements, indentures, mortgages, notes or other debt instruments (including any guarantees or such loans by other persons), and any correspondence with any lenders relating to any extension, default, acceleration or termination of any of these agreements and the name; and telephone numbers or the Company’s principal bankers.
7. A listing of any Joint-venture or marketing agreements.
8. All third party software used and product license agreements, and from whom.
9. Agreements with any consultants or agents.
10. Loan, stock-repurchase or any other agreements with or between shareholders.
11. List and briefly describe all commercial, scientific, technical assistance, or other agreements, affiliations and relationships (whether formal or informal, written or oral, existing or proposed) between the Company and any other party (excluding those listed elsewhere herein) relating to their services or research and development activities and to their existing and proposed services or products.
12. All written contracts for employment, consulting, license and/or development, project, technology.
13. Copy of Employee Policy Statement if any employees are classified as “at will” and thus can be such to termination for cause or non-cause purposes plus whether any employee is subject to any non-complete provisions and the terms thereof.
14. Confidential, trade secrets: proprietary information and inventions, and non-competition and any other similar or related agreements whether or not currently in effect (including all employee loan agreements or other agreements with employees).
15. A list of all significant suppliers and customers of the Company, together with copies of any purchase and service agreements.
16. Form of standard contract or agreement pursuant to which the Company provides its services.
17. List of sales representatives or finders and copies of all related agreements, both domestic and foreign, if any.
18. All agreements for mergers or acquisitions, the purchase, sale of material assets, entered into since the Company’s incorporation, and any agreements in principle, currently in effect, with respect to proposed mergers, acquisitions, or purchases or sales of assets.
19. All joint venture, license agreements, or product development agreements with names and telephone numbers of the principal parties.
20. A list or all governmental permits, licenses, approvals and external relationships held by or involving the Company and necessary for the conduct of its business, including copies of any pending applications therefor.
21. All reimbursement agreements, contribution agreements, mortgages, security agreements, capitalized leases, safe lease-back agreements, and purchase money or conditional sale agreements.
22. Agreements by which the Company or any of its subsidiaries is subject to any obligation or requirement to provide, or under which the Company or any of its subsidiaries is currently providing, funds to or making any investment (in the form of a loan, capital contribution or otherwise) in any person or entity.
23. Agreements, including those that are pending, with governmental agencies or any other contract which would be adversely affected by, or for which any filing or other notification to any governmental agency would be required because of a change in ownership.
24. Description of any “soft” contracts - (i.e., oral understandings, customary practices) that may establish rights, remedies or defenses to certain obligations/claims to which the Company is a party.
25. All purchase, non-compete and other agreements relating to acquisitions or dispositions of businesses or substantial assets for the last five years.
26. All contracts with the selling shareholders or any of their other affiliates.
27. All partnership and joint venture agreements.
28. All advertising and promotional service agreements.
29. Any other contracts which are material to the operation of the Company’s business or which may have a material affect on the Company’s assets or properties or the contemplated transaction.
30. Agreements, contracts or commitments limiting the freedom of the Company engage in any line of business or to compete with any other person.
31. Any other agreement, contract or commitment to which the Company is a party but not otherwise specifically included herein.

**VIII. Software**

 A. Lists and descriptions of:

1. All owned software developed internally (if any) and programs comprising the software.
2. All software used and products licensed from third parties

 B. Copies or access for review of program documentation and operating instruction manuals for all software, including those licensed from third parties.

 1. Details of any software developments or purchases over the past 3 years.

 2. A list of any contemplated or needed computer equipment over the next 3 years.

**IX. Employee Benefit Plans**

 Copies and/or descriptions of:

1. All stock option, stock purchase, phantom stock, stock appreciation, bonus, deferred compensation, profit sharing and other incentive plans and agreements.
2. Letters of determination for benefit plans.
3. Employee Manual describing company benefit, including any update requirements.
4. All personnel policies and employee handbooks and, to the extent not contained therein, a description of existing vacation, sick leave, severance and other employee policies and whether such is a Company or subsidiary policy or by operation of law.
5. Pension or profit sharing plans.
6. Any 401(k) or other defined contribution or benefit plans.
7. Any other benefits/plans, not described above.
8. All correspondence, memos, rulings, determinations, etc. relating to any of the above-referenced plans and their compliance with applicable laws, the deductibility of contributions thereto or distributions therefrom, their status under tax laws or audits of such plans, including all Form 5500’s for the last three years and any other federal and state regulatory compliance or qualification filings.
9. A copy of the Company’s Personnel and Policies Manual.
10. A detailed list of any Employee Claims for the past 3 years.
11. An opinion from corporate counsel that the Company is in conformity with all government regulations.

 **X. Employees and Independent Contractors**

1. List of employees including:
	1. Name, address, social security number and date of all employees..
	2. Management job descriptions.
	3. Current annual salary.
	4. Bonuses and commissions paid for last five years (and any such bonuses or commissions due for current year).
	5. Date of last raise and date of next planned salary review.
	6. For sales force, amount of reported and unreported earnings to date, sales

 and territories.

* 1. Copies of any employee agreements.
	2. All employee non-compete, confidentiality, assignment of inventions or similar agreements (or, alternatively, each form thereof, together with a list of the employees subject thereto).ion chart
	3. A detailed management organization chart.

 B. Copies of:

 1. All collective bargaining agreements or other material labor contracts.

 2. All correspondence, memos, rulings, determinations, orders, etc. relating to compliance or non-compliance with employment laws.

 3. Agreements for loans to and any other agreements with officers or directors including consulting contracts.

 C. List of all consultants and sales agents including:

 1. Name, address and social security number.

 2. Payments for last five years.

 3. Copies of all agreements with such consultants and/or sales agents.

 D. List of all auditors used by the Company within the last five years including:

 1. Name, address and telephone numbers.

 2. Accountants qualifications, licenses and website references, if applicable.

 3. Key assigned personnel to Company

 4. Payments for each of the last five years and scope of work undertaken.

 5. Copies of all agreements with such auditors.

 E. List of all attorneys used by the Company within the last five years including:

 1. Name, address and telephone numbers.

 2. Payments for last five years.

 3. Copies of all agreements.

 F. Records available for review:

 1. Correspondence files with any federal, state or other government agency concerning benefit plans, employees or any other personnel matter.

 2. Personnel files for all current and former employees.

 3. A detailed payroll print‑out of the salaries of all employees.

 4. All collective bargaining agreements, if any, stock option,

 a. Profit‑sharing, pension, bonus incentive or other similar

 b. Compensation or retirement plans or arrangements and any IRS

 c. Determination letters relating thereto.

 5. Copies of all Company sponsored benefit plans (including but not limited to

 life, medical, or dental insurance) or the terms thereof (including expense accounts and allowances by each employee).

**XI. Distributors, Sales Representatives, Customers, Prospects and Suppliers**

 Copies or Lists of:

 1. List of current customers, including: primary contact, address and telephone; date customer became a customer.

 2. List of targeted potential customers and revenue expectations.

 3. Monthly sales/revenue by customer and by product or service provided for last two years.

 4. All credit memos issued for last two years by customer.

 5. Customer terminations for last two years and reason for termination.

 6. All business sold but not yet closed (deals about to close).

 7. All principal suppliers and amounts of purchases.

 8. Current rates paid by customer.

 9. Sales and marketing literature.

 10. Standard purchase-order or other forms.

 11. All outstanding purchase orders.

 12. All purchase commitments and long-term supply agreements.

 13. A list of all distributors and sales representatives, the approximate length of time

 each has been a distributor or sales representative and the territory of each.

1. All standard forms of distribution and sales representative agreements and a list of the distributors and sales representatives subject thereto, and all non-standard distribution and sales representative agreements.
2. Copies of all form contracts (customer contracts or purchase orders and all other documents under which express warranties to customers are made or disclaimed) and copies of all customer contracts not on such forms which (i) provide for different warranty terms; (ii) are not due for completion within the next two months; or (iii) involve payments to or by the Company.
3. A description of all trade allowance, bill back, rebate, discount or
4. similar programs with customers.
5. A description of any existing distributors, sales representatives,
6. customers or suppliers who have notified any of the selling
7. shareholders, the Company or its subsidiaries of such person’s intention to terminate his or its relationships with the Company or any subsidiary or who the selling shareholders or the officers of the Company or any subsidiary believe may terminate such relationships as a result of the proposed acquisition.
8. Dealer, agency, manufacturer’s representative, franchise, advertising, marketing or similar agreements.
9. Conditional sales agreements, standard purchase orders and service agreements.
10. Forms of warranties and guaranties provided to customers.

**XII. Taxes**

 Copies of:

 1. Summary list of all taxes to which the Company is subject (including sales and use

 taxes, franchise taxes, gross receipts, personal property, excise, etc.) and a copy of

 your current tax calendar.

 2. Copies of all federal and state tax returns for the last five years (including, without

 limitation, income taxes, sales and use taxes, franchise taxes and payroll taxes),

 together with all exhibits and schedules thereto.

 3. A schedule indicating the dates any federal, state or local tax returns have been

 examined by the respective taxing authority.

1. A schedule describing any ongoing tax disputes together with copies of revenue agents' reports, correspondence, etc. with respect to pending federal or state tax proceedings with regard to open years or items relating to Company.
2. Copies of all agreements waiving the statute of limitations or extending the time

 for assessment of income taxes.

1. Copies of all state real estate tax, sales and use tax returns, personal property tax, employment tax returns, etc. for the past three years.
2. Reports of adjustments and settlements by any taxing authority for the

Company since inception for all applicable taxes.

1. Details of any proposed taxing authority adjustments and settlements for all

Current audits for the Company.

1. Notices received by the Company from and any related communications with

any taxing authorities concerning any investigation or audit of tax liabilities since inception, including any liabilities or penalties assessed.

 10. Deferred tax schedules for the Company.

 11. Tax sharing and other similar agreements to which the Company is a party.

 12. Copies of any legal or tax opinions received by the Company from outside

 advisors such as, but not limited to, attorneys and accountants.

**XIII. Proceedings/Judgments/Litigation/Government Investigations**

 Copies or descriptions of:

1 All pending or threatened litigation, investigations, non-asserted claims,

 outstanding and orders.

2. A list of all pending and threatened claims and litigation, all administrative or

 governmental proceedings and all completed proceedings involving a claim for

 relief against the Company, its officers or director and copies of correspondence

 and pleading relating thereto.

3. A list of all notices, citations, investigations or similar proceedings related

 in any way to the Company which may reasonably be expected to result in

 litigation.

4. Copies of all counsel’s letters to the Company with respect to claims made,

 litigation, contingent liabilities and other matters.

5. All judgments or settlement agreements for the last three years.

6. All legal bills for the last three years.

7. Indemnification agreements, or indemnification provisions in any material

 agreements not otherwise provided, to which the Company or a subsidiary is a

 party.

8. All “litigation” letters which have been sent to auditors in connection with any

 fiscal year-end or interim audit during the last five years

9. All active litigation files, including letters asserting claims,

 complaints, answers, discovery, etc.

1. All litigation settlement documents during the last five years and /or which are

currently in effect.

1. Any decrees, orders or judgments of courts or governmental agencies issued

during the last five years involving the Company, or its subsidiaries.

1. Documents relating to any claimed breached of any warranty made by the

Company or any subsidiary and the resolution of any such claims.

1. A description of any material claims that have been made to insurers by or on

behalf of the Company or its subsidiaries during the last five years.

1. A description of any governmental investigations that have been made or

threatened against the Company or its subsidiaries during the last five years, including but not limited to: tax audits, safety and health inquiries, OSHA or EEO investigations – if in the U.S..

1. A description of any governmental investigations that have been made or

threatened against the Company or its subsidiaries during the last five years, including tax audits, safety and health inquiries, OSHA or EEO investigations – pertains to companies only in the U.S.

1. Copies of all documents relating to any bankruptcy or insolvency of the

Company or any officer and director within the last seven years.

**XIV. Insurance**

 1. A schedule of all insurance covering the Company and their employees, copies

 of such policies and copies of any claims made by or on behalf of the Company

 and any communication with respect thereto.

 2. Copies of all business and employee benefit insurance policies.

 **XV.** **SEC Filings, Etc. [if applicable, as a SEC fully reporting company]]**

Copies of – *FOR* *A PUBLICLY TRADED COMPANY WHICH REQUIRES EDGAR REPORTING*

 1. All reports (10-Q’s, 10-K’s, 8-K’s), proxy statements, registration statements,

 if any, and any other documents filed by the Company with the Securities and

 Exchange Commission (including exhibits) or with any other regulatory

 agency since the Company’s incorporation (If voluminous, please initially

 provide a complete list of all reports filed by the Company with the SEC),

 including all correspondence to or from the SEC, any State securities

 commission, or Financial Industry Regulatory Authority (FINRA).

2. Annual or quarterly financial statements since the Company’s inception (unless

 copies of the same have been produced in its SEC Annual and Quarterly

 Reports).

 3. Recent officer and director questionnaires.

**XVI.** **Environmental [applicable only if a business must comply to local environmental reporting regulations]**

 1. All communications to and from, and all filings and agreements with, any

 federal, state, local or foreign departments of natural resources, waste control

 and sewage commissions, pollution and other environmental enforcement

 agencies.

2. All licenses, permits and agreements or similar documents relating to the

 disposal of effluent and liquid solid wastes, including permits, stipulation

 agreements, licenses and agreements.

3. All documents constituting the employee right-to-know hazardous.

 communication standard (or spill prevention control and countermeasure)

 plan.

 4. All documents comprising pending or asserted notices of violations or likely

 to be asserted environmental claims.

 5. All OSHA or other governmental citations, complaints, notices of violations

 and stipulations.

 6. All documents constituting or relating to the company’s shipment off-site,

 disposal and/or recycling of hazardous substances, if any.

 7. All litigation files relating to environmental matters.

 8. All documents relating to above-ground and underground storage tanks, if

 any, including UST notifications and registration numbers, inventory

 records, tank tightness testing programs and construction and maintenance

 records.

 9. All documents constituting or related to any environmental audit, survey or

 examination of any owned or leased property, including environmental

 audits, asbestos and radon audits and documents relating to PCB use.

 10. Insurance policies which may provide coverage for environmental claims,

 including comprehensive general liability policies.

 11.List of any hazardous substances used or disposed of (in the past or

 presently) on the Company’s or its subsidiaries premises (leased or owned).

12.All agreements with adjacent property owners providing access to such

 property for purposes of conducting environmental testing or taking remedial

 measures.

13.All EPA generator ID numbers and all notifications of hazardous waste

 activities and compliance with RCRA.

**XVII. Patents, Trademarks, Copyrights, Etc.**

 1. A list of all patents, trademarks, trade names, service marks and copyrights

 (federal, state, foreign and common law), and copies of all registrations

 Thereof and a statement as to each intangible asset value determination.

 2. A list of all invention disclosures made and patent applications filed and a

 summary of the nature of the invention.

 3. All licenses or intellectual property, whether as licensor or licensee, and all

 proprietary information, confidentiality and trade secret agreements

4. Copies of all correspondence from or to third parties regarding potential

 infringement of intellectual property rights of others or of the Company and

 all internal memos or external reports on possible infringement of rights of

 third parties or of the Company and its subsidiaries.

5. List of internet domain names, email domains and worldwide web addresses

 registered or otherwise operated or maintained by Company.

 6. List of proprietary processes controlled by the Company and other trade

 secrets.

7. Copies of confidentiality and secrecy agreements or a copy of the sample

 form and list of employees who have signed it.

XVIII Licenses and Permits

A list of all licenses and permits (national county, local and foreign) that the Company or its subsidiaries are required to have obtained or maintained in order to engage in the type of business in which they are involved, and copies of all such licenses and permits that are not provided pursuant to any other item hereto

XIX. Banking

1. All credit and loan documents, notes and guarantees, security agreements,

 financing agreements, etc.

 2. Any term loan facilities currently in place and support documents related

to such agreements relating to current or future debt (including reimbursement) obligations for borrowed money, including agreements to acquire any such debt obligation of others or for a leasing transaction of a type required to be capitalized. signer, endorser, co maker, indemnitifor, or otherwise in respect of the obligation of any other person or entity.

1. A list of all investments of the Company with a brief description of each

 including, for example, the type of instrument (commercial paper,

 certificate of deposit, etc.), name of issuer, amount, interest rate, maturity

 date, and custodian.

1. A list of liens and financing statements on any stock or assets of the

Company.

**XX. Insurance Coverage; Workers’ Compensation and Unemployment Compensation**

1. A description of all insurance coverage, including premiums, limits and

deductibles.

2. All insurance policies (including all product liability, property, public

liability, business interruption, workers’ compensation, director and officer indemnification and “key man” policies), binders and self-insurance authorizations, and all related financing and indemnification agreements

 3. A schedule of names and addresses of the insurers, the expiration dates

 thereof and the annual premiums and payment terms thereof with respect to

 the foregoing.

 4. A description of workers’ and unemployment compensation experience

 and experience rating. .

 5. List and brief description of all resolved claims and unresolved claims

 under the Company's insurance policies for the past five years.

**XXI. A synopsis of the Company’s products (including product literature), current market,**

**size and composition plus current competitors and market trends, plus copies of any Third**

**Party market research reports. Also describe the Company’s current market position and**

**any contemplated adjustments thereto, including new product introductions.**

In addition, please provide a list of all direct and indirect subsidiaries of the Company (including a list of names and jurisdictions of incorporation plus permits of the Company’s subsidiaries and percentage and method of ownership by the Company, its directors, officers and other subsidiaries) and where applicable above, please supply such documentation for such subsidiary (providing a separate response for the parent and each subsidiary). If there are other documents of a material nature that are not covered by the list, these too should be made available to us upon request.

I hereby certify that the answers and information provided above is complete, true and accurate.

 [Name of Company and Officer signing]

[Corporate Officer and Title]

[Date]

*Footnote A: IRS*

Income tax returns

* Records for 3 years if situations (4), (5), and (6) below do not apply to you.
* Records for 3 years from the date business entity filed your original return or 2 years from the date taxes were paid, whichever is later, if there was filed a claim for credit or refund after return was filed.
* Records for 7 years if a claim was filed for a loss from worthless securities or bad debt deduction.
* Records for 6 years if one did not report income that should had been reported, and it is more than 25% of the gross income shown on the return.
* Records indefinitely if one did not file a return.
* Records indefinitely if a fraudulent return was filed.
* employment tax records for at least 4 years after the date that the tax becomes due or is paid, whichever is later.

*Footnote B: SEC*

* + 1. Retention Period: Life of the broker-dealer and of any successor broker-dealer

*This includes the following types of documents (although it may not be all inclusive):*

* *Board of Director’s Minutes*
* *Membership Agreement*
* *Stock Certificate Books*
* *Partnership Articles and/or Articles of Incorporation*
* *All Forms BD and BDW, including all amendments thereto, and all licenses or other documentation showing registrations with any securities regulatory authority.*

2.) Office Records**:**

Retention Period: Three years; during the first two years the records must be kept in a readily accessible place

*Includes the following:*

* *Order Tickets*
* *Confirmations*
* *Checkbooks, Bank Statements*
* *Trial Balance*
* *Subsidiary Records*
* *FOCUS Reports*
* *Examination Reports*
* *Correspondence (includes email)*
* *Customer Complaints (includes evidence of providing customer with the complaint disclosure notice)*
* *Option Records*
* *Communication Records – includes (and must be retained for three years from the date of last use):*
	+ *Advertising*
	+ *Sales Literature*

3.) Other Records

Retention Period: Six years; during the first two years the records must be kept in a readily accessible place

*Includes the following:*

* *Blotters*
* *General Ledger*
* *Security Position Records (each long and short position)*
* *Customer Ledgers*

4.) Compliance Records, if entity is publicly-traded

Retention Period: Three years after the termination of use of the manual

Firms must keep copies of each compliance, supervisory, and procedure manual, including any updates, modifications, and revisions, which describe the policies and practices of the firms with respect to compliance with applicable laws and rules, and supervision of the activities of associated persons. This includes supervisory procedures, supervisory control procedures, training plans and other procedural manuals maintained by the firm relative to its business.

5.) Associated Person Records**:**

Retention Period: Three years after the associated person has terminated employment and all other connections with the firm

*Includes:*

* *Employment Applications for Associated Persons*
* *Forms U4, U5*
* *Copy of Fingerprint Card*
* *Record of their CRD number and any internal identification number or code assigned by the firm*
* *Evidence of verification of three years of employment*
* *Form U5 from prior firm (if applicable)*

6.) Associated Person Compensation Records:

Retention Period: Three years; during the first two years the records must be in an easily accessible place

*Includes:*

* + *Registered Representative Documentation*
	+ *Agreements*
	+ *Office Location Information*
	+ *Commission/Compensation Runs*

7.) Customer Account Records:

Retention Period: Six years after the closing of the account or the date on which the information was replaced or updated, whichever is earlier

This would include new account forms or other account/relationship opening documents that include information as required in SEC Rule 17a-3(a)(17), documents evidencing the broker-dealer updated account information at least every 36 months, records of changes in address or investment objective, and any customer agreements and evidence copies of such that were provided to the customer.

If you have questions regarding the books and records rules, please contact your Compliance Partners account manager or one of the compliance specialists at Regulatory Compliance at 603-434-3594; 603-434-3594.

**Section III – items:**