



## Business Valuation Experts

For more than 35 years, Quist has provided valuation services to privately held companies, public corporations and private investment entities representing a wide variety of business models located throughout the U.S. and around the world.

Our valuation expertise is wide ranging. As companies grow and needs change, we can provide the valuation services they may require. Quist offers unequalled business valuation expertise and a quality of client care not found in other firms.

Over the years, our clients have invited us to become strategic advisers in their businesses and we have been rewarded with long-term client relationships as a result.

Our client list is robust, and ranges from small emerging companies to large, multinational corporations.

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## Preparing for the Valuation Process & Documentation Guide

To begin an engagement for valuation, there are several key items we discuss with clients. We start by understanding the client's strategy, the *purpose* for the valuation such as for gifting, shareholder buy-in/out, option grant, or sale. Another important consideration is the date the valuation needs to be completed.

Once these items are discussed, we then delve into the details about the *subject interest* to clarify if it is voting vs. non-voting, blocks vs. on a per share or one percent interest basis, or if one report vs. several reports are needed.

Next, we determine *pricing*. There are many factors that impact pricing such as complexity (e.g. size and capital structure), delivery time, the number of interests to be valued, and the quality of the documentation.

From beginning to end, the valuation *process* typically takes between 4 – 6 weeks. However, scope of work and deliverables can vary the time required.

There is a well-defined set of documents required for review in order to determine valuation. In order to streamline the document review process, we developed a list of the required documents. The valuation document checklist will help you prepare.

## Valuation Document Checklist

### Holding Company

- Five years of historical financial statements
- Asset statements as of the Valuation Date, including:
  - Bank/checking account statement
  - Investment account statement
  - Real estate appraisals
- Liability statements as of the Valuation Date, including:
  - Mortgage Note agreement/statement
  - Promissory Note agreement/statement
- Ownership table
- Distribution History
- Operating/Partnership agreement
- Most recent Tax Return

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### Operating Company

- Five years of historical financial statements, including detail on any one-time or non-recurring revenue or expense items
- Interim financial statements
- Three to five year projections, including:
  - Capital expenditure requirements
  - Working capital requirements
- Ownership table
- List of key members of management (tenure, title, responsibilities)
- Copy of articles of incorporation, operating agreement, by-laws, and shareholder agreements
- Copy of any recent board materials or company presentations
- Trade association information, forecast or insights

Once we have the required documents, our process continues. The graphic below illustrates Quist's Valuation Process from document review to the delivery of the final report.

