

CARVER CROSS SECURITIES CORP.

MEMBER FINRA, SIPC

Financial Advisory Services for Buy-Side Merger/Acquisition Clients

Carver Cross is devoted to achieving the financial, investment, and corporate-development objectives of private companies and their shareholders. Those who seek to grow via corporate acquisition find that achieving their goal lies at the core of our competence and experience.

We know that private-company mergers/acquisitions raise many issues not typically encountered in a merger/acquisition of a public company. We know that the cost of a mistake can be high and that, for many business owners, acquiring another company is an infrequent, if not a once-in-a-lifetime, event. We have decades of experience and ***our focused and specialized background positions us extraordinarily well to serve as M&A advisor to private companies and investors.***

Every acquisition assignment is unique, and there is no “one size fits all” solution. Having first gained a thorough understanding of the acquirer’s business and objectives, we design an appropriate process tailored to the client’s particular situation. (See page 2 for an illustrative list of activities we generally undertake on behalf of an acquirer.)

All of our activities on behalf of the client are conducted within the context of one coordinated process that we, in conjunction with the client, design, orchestrate, and control. This presents the client with the maximum opportunity to draw the desired acquisition candidates into discussions (bearing in mind that attractive acquisition candidates may not necessarily be formally “on the market”) and to negotiate the best possible transaction terms. It is unlikely to be in the client’s interest to engage in one or more bilateral negotiations outside the organized process conducted by us. Thus, we act for the client on an exclusive basis. We believe this is in the best interest of the client. It also ensures that the M&A advisor’s interests and the client’s interests are fully aligned.

Our compensation in an acquisition assignment includes a monthly advisory fee and a cash completion fee that is based on the total value of the transaction. The other terms of an engagement include reimbursement of out-of-pocket expenses incurred on the client’s behalf and various boilerplate legal provisions including indemnification.

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Depending on the situation, our acquisition advisory services may include advice and assistance as follows:

1. Identifying, evaluating, and valuing acquisition candidates, including analyzing the candidates' historical and likely future financial performance and the likely future financial performance of the combined company.
2. Preparing materials that may be required in the course of presenting our client and its objectives to acquisition candidates.
3. Approaching acquisition candidates with a view toward maximizing the likelihood of drawing the candidate companies into discussions.
4. Assessing the interests and possible motivations of the candidates' shareholders and management.
5. Designing appropriate negotiating strategies and articulating our client's financial and non-financial interests and objectives to the directors, shareholders, and/or corporate parents of the acquisition candidates.
6. Preparing our client's management for, and engaging in, discussions with acquisition candidates.
7. Designing and negotiating the terms of a potential transaction, including the design, structure, and valuation of any non-cash portion of the purchase consideration.
8. Conducting a comprehensive review of the capital structure of our client, financing alternatives at the acquiror and acquiree levels, and transaction structure taking into account financial, tax, governance, and other issues.
9. Designing and analyzing possible legal and financial structures for likely transactions.
10. Designing and arranging financing that may be required to consummate a transaction.
11. Conducting a detailed due diligence of acquisition candidates.
12. Conducting negotiations with the directors, shareholders, and/or corporate parents of acquisition candidates.
13. Developing the definitive documentation required to consummate an acquisition.
14. Advising on the possible consequences of financial-market-related developments for the timing or success of any transaction under consideration.
15. Coordinating and monitoring the activities of legal, accounting, and other professional advisers whose services may be required by our client in executing the transaction.