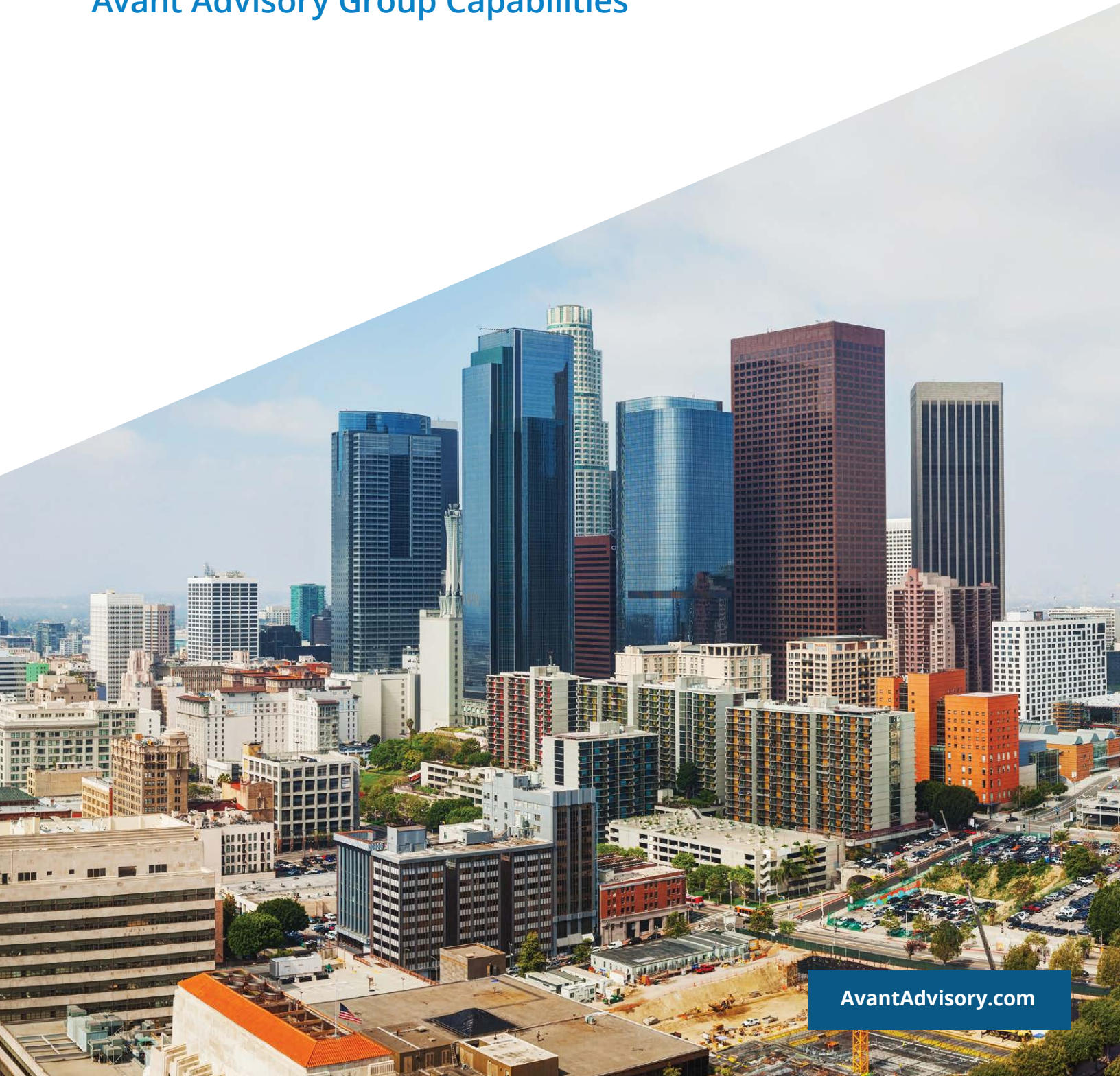


SECURING VALUE FOR CLIENTS

Avant Advisory Group Capabilities



MERGERS, ACQUISITIONS & TRANSACTION SUPPORT SERVICES

Avant Advisory Group's team of senior-level consultants combine financial, operational, turnaround and restructuring experience with capital market expertise to deliver the distinct **Avant-Edge™** transaction support that our clients seek. We proactively identify potential "deal breakers" to maximize value or prevent loss, and our client-focused approach sets Avant Advisory Group apart as a premier M&A and capital transactions advisory firm.

We are dedicated to our clients — both buyers and sellers — that include private equity firms, strategic acquirers, family offices, and lenders in delivering value throughout each stage of the M&A lifecycle. Avant's interdisciplinary team of operationally and financially experienced M&A professionals are Certified Merger & Acquisition Advisors, CPAs with Certified Financial Forensic specialization credentials, Certified Fraud

Examiners, Certified Insolvency & Restructuring Advisors, Certified Turnaround Professionals, and Certified Board Advisors.

As former owners, investors, and senior-level financial and operating executives, we have a deep understanding of the needs and objectives of both owner/sellers and buyer/investors. These juxtaposed perspectives enable us to seamlessly integrate experience and credentialed expertise to provide comprehensive, wise investment recommendations.

Our Big 4 CPA and large-firm consulting backgrounds, forensic accounting and fraud investigation skills, in addition to our CFO and other senior executive experience translate into invaluable assets for vetting forecasts and performing quality of earnings and operations, information technology, and tax due diligence to discover both opportunities and risks.

We address a variety of concerns and issues:

Buyer / Investor

- » Quality of operations – risks & opportunities
- » Management assessment
- » Business integration challenges
- » Quality of reported financial information
- » Identification of unusual & nonrecurring items
- » Operational risks & contingencies
- » Identification of debt-like items
- » Operational & financial drivers
- » Information technology – planning & risks
- » Purchase price adjustments / valuation

Lender Concerns

- » Cash flows & working capital
- » Borrowing base requirements
- » Loan covenant compliance
- » Dilution, concentration, & collection issues
- » Inventory age & obsolescence
- » Financial reporting & information systems
- » Financial trends
- » Vetting financial projections
- » Management capabilities
- » Accounting policies & procedures
- » Company & industry specific anomalies

Quality of Earnings

- » Accounting issues affecting quality of reported earnings
- » Revenue recognition practices
- » GAAP adjustments & technical reporting issues
- » Unrecorded liabilities
- » Financial & operational abnormalities that skew recurring earnings
- » Potential staffing adjustments
- » Key assumptions & operational drivers that affect pro forma projections
- » Working capital requirements
- » Significant capital expenditures affecting free cash flows
- » Seller & buyer due diligence

Avant Advisory Group excels in assessing strategy, synergies, and cash flows. Our team has performed thousands of diligence engagements (quality of earnings, operations, IT, & tax), to identify risks and contingencies and aggressive or inappropriate accounting that impact normalized EBITDA. Our insights often facilitate successful and rapid close-of-transactions and have surfaced critical risks and concerns — even fraudulent accounting and financial reporting issues — that saved our clients millions of dollars in financial missteps.

Our due diligence teams have identified questionable and even fraudulent accounting and reporting issues that ultimately saved our clients millions of dollars in financial missteps. In other instances, Avant's analysis of working capital resulted in the identification of debt-like items and adjustments to working capital that changed transaction value in the millions of dollars.

Our M&A services include financial, operational, IT, or tax due diligence well beyond routine, buy-side or sell-side advisory, target identification, financial and cash flows modeling, financing options, deal structuring, strategy formulation, post-merger transition planning and integration. Avant always drive value for our clients.

Additional Core Capabilities

Our clients turn to us to solve business challenges during times of transition and to uncover hidden value that yields opportunities. By blending financial and operational experience with interdisciplinary expertise, we broaden the lens and identify opportunities for greater value creation.

Beyond M&A, Avant Advisory Group provides exceptional expertise in:

- » Forensic, fraud, investigative & dispute resolution
- » CFO services & C-Suite interim management
- » Distressed situations/turnaround & restructuring; performance improvement

We support private equity firms, family offices, lenders, and companies in multiple industries that include:

- » Industrial manufacturing & assembly
- » Consumer products & services
- » Technology, media & telecommunications
- » Food processing/packaging/restaurants/retail
- » Real estate, construction, & infrastructure
- » Professional & business services
- » Transportation & Logistics
- » Healthcare services, products, & medical devices

Selected Clients

Jim Davidson, CM&AA, CM&AP, CPA, CFE, CFF and Pat Aubort, CPA, CFE, CVA, the Avant team has worked on behalf of boards/audit committees, private equity firms, family offices, corporate acquirers, and other buyers & sellers, law firms, traditional and alternative lenders, a sample that include:

<i>Altos Energy Partners</i>	<i>Akerman</i>
<i>Aurora Resurgence</i>	<i>Bryan Cave</i>
<i>Balmoral Funds</i>	<i>Cahill Gordon Reindel</i>
<i>Camus Capital Group</i>	<i>Foley & Lardner</i>
<i>Centre Partners</i>	<i>Friedman Stroffe Gerard</i>
<i>Falcon Investment Advisors</i>	<i>Greenberg Glusker</i>
<i>Five Crowns Capital</i>	<i>Hueston Hennigan</i>
<i>Industrial Growth Partners</i>	<i>Kirkland & Ellis</i>
<i>Jupiter Holdings</i>	<i>Lavelly & Singer</i>
<i>Levine Leichtman</i>	<i>Musick Peeler</i>
<i>Marwit Capital</i>	<i>Ogletree Deakins</i>
<i>Meridian General</i>	<i>Navigato & Battin</i>
<i>Peninsula Pacific</i>	<i>Smiley Wang-Ekval</i>
<i>Praesidian Capital</i>	<i>South Bay Law Firm</i>
<i>Prudential Capital</i>	<i>Steckbauer Weinhart</i>
<i>Ramex Private Equity</i>	<i>Venable LLP</i>
<i>Salem Halifax</i>	
<i>Spanos Barber Jesse</i>	<i>Bobcat North America</i>
<i>StoneCreek Capital</i>	<i>China COSCO Shipping</i>
<i>TA Associates</i>	<i>Cambelt International</i>
<i>Tennenbaum Capital</i>	<i>Dispatch Transportation</i>
<i>TSG Consumer Partners</i>	<i>EuroChem</i>
<i>Validity Holdings</i>	<i>Express Line</i>
<i>Vantage Investments</i>	<i>Green Fleet Systems</i>
<i>Victory Park Capital</i>	<i>G-M Industries</i>
<i>Vintage Capital</i>	<i>HCI</i>
<i>Z Capital Partners</i>	<i>Integrity Directional Services</i>
<i>21st Century</i>	<i>KP Aviation</i>
<i>3S Capital</i>	<i>Marcus Corporation</i>
	<i>Modere</i>
<i>Bank of America</i>	<i>MonaVie</i>
<i>Comerica Bank</i>	<i>MRV Communications</i>
<i>Crystal Financial</i>	<i>Neways</i>
<i>East West Bank</i>	<i>Premier Food Safety</i>
<i>GE Capital</i>	<i>RMG Networks</i>
<i>LBC Credit Partners</i>	<i>Universal Display & Fixtures</i>
<i>Opus Bank</i>	<i>Verrex</i>
<i>Pacific Mercantile Bank</i>	<i>Vesta Modular</i>
<i>PNC Bank</i>	<i>Wismarq</i>
<i>Wells Fargo Bank</i>	<i>World Oil</i>
<i>Wells Fargo Capital Finance</i>	

PRIVATE EQUITY & FAMILY OFFICE SERVICES

Avant Advisory Group is committed to supporting private equity firms, family offices, and their portfolio companies across the investment lifecycle and throughout changing economic conditions.

Avant Advisory Group professionals provide investors credentialed expertise and a flexible, tailored, hands on approach. We are Big Four CPA-trained and large consulting firm financial and operational experts, former CEOs, CFOs, and other senior executives. Avant delivers the range of capabilities, skills, and acumen needed to transform and transition businesses. We provide a comprehensive set of services designed to realize a deal's full potential throughout the investment lifecycle. From distressed to high growth companies, Avant has the depth and breadth of professionals to provide incisive, independent analysis and technical support. As experienced private equity and family office specialists, we provide objective financial analyses, practical performance improvement advice and execution to increase value and further our clients' success.



We seamlessly and quickly deploy our resources to support investors and their portfolio companies during times of transition with breadth of services that include:

M & A Transaction Advisory

Avant combines advisory and hands-on structuring expertise with capital markets capabilities to support successful mergers, acquisitions and financing transactions. Transaction support engagements include buy-side and sell-side advisory, target identification, financial and cash flows modeling, deal structuring, strategy formulation, and purchase price accounting.

As credentialed M&A intermediaries and consultants, we provide M&A transaction advisory that includes integration support, carve-outs/divestitures, 100-day plan development, transition and project management.

Quality of Earnings & Operations Diligence

Avant provides independent, objective, and expert assessments of a potential investment, including its viability, strengths, challenges, risks, and contingencies. We quickly identify the transaction's value drivers and deal breakers, risks, issues, and opportunities to help investors and deal makers formulate better informed decisions. Our team's many years of executive and operations management, audit, financial reporting, and technical accounting experience — combined with our CPA, forensic, fraud, M&A, turnaround/restructuring and certifications — yield exceptional quality of earnings engagements and operational assessments of portfolio companies.

Our due diligence teams have identified questionable and even fraudulent accounting and reporting issues that ultimately saved our clients millions of dollars in financial missteps. In other instances, Avant's analysis of working capital resulted in the identification of debt-like items and adjustments to working capital that changed transaction value in the millions of dollars.

Forensic, Fraud & Corporate Investigations

Avant Advisory Group has performed hundreds of forensic, fraud, and corporate investigations on behalf of private equity firms, banks, corporate boards of directors, alternative lenders, law firms, and other stakeholders. Thanks to our years of experience as Big Four accounting firm professionals and specialized financial forensic and fraud certifications, we are particularly equipped with both deep technical knowledge and the practical skills necessary to cost-efficiently drive value and mitigate risk. Furthermore, our consultants' broad veteran perspectives surpass those who only perform traditional financial audits or due diligence. As a result of our credentialed expertise, experience, and investigative findings, we have served as designated expert witnesses in state and federal disputes involving M&A, bankruptcy, corporate governance, forensic accounting, and fraudulent reporting issues.

Distressed Situations & Performance Improvement

Avant's Certified Turnaround Professionals and Certified Insolvency & Restructuring Advisors are well-suited to perform operational turnarounds, crisis-management, financial restructuring, bankruptcy case management, receiverships, trusteeships, liquidations, and insolvency analysis. We provide large firm quality with unparalleled boutique firm efficiency, service, and cost. Whether advising a company in crisis, a private equity firm, family office, other investors' group, or insolvency counsel, Avant is a trusted guide during distressed and crisis situations.

We also deliver performance improvements to transform an underperforming business, increase cash from operations, and enhance the value of a healthy company. Our highly experienced and credentialed consultants work directly with clients to translate our expertise and experience into personalized guidance that optimize a company's business.

CFO Services & C-Suite Interim Management

Avant Advisory Group's seasoned and credentialed financial and operational experts lead companies through the transition process. Harnessing years of senior management experience spent with large – and middle-market companies, our consultants analyze profitability, realign operations, reduce costs and expenses, minimize cash, reduce working capital requirements, and maximize asset utilization to strengthen the company's post-transition position. Our experts move quickly, objectively, and thoroughly to immediately integrate into a company, assess challenges, pursue opportunities, and mobilize the right resources. Whether CEO, CRO, CFO or other interim executive, our interim leadership team members streamline integration, solve problems, and maximize results.

Family Office & Private Equity Clients

Led by Jim Davidson, CM&AA, CM&AP, CPA, CFE, CFF and Pat Aubort, CPA, CFE, CVA, the Avant team has served well over a hundred private equity firms, family offices, and their financing partners, including:

Altos Energy Partners
Aurora Resurgence
Balmoral Funds
Camus Capital Group
Centre Partners
Falcon Investment Advisors
Five Crowns Capital
Industrial Growth Partners
Jupiter Holdings
Levine Leichtman
Marwit Capital
Meridian General
Peninsula Pacific
Praesidian Capital
Prudential Capital
Ramex Private Equity
Salem Halifax
Spanos Barber Jesse
StoneCreek Capital
TA Associates
Tennenbaum Capital
TSG Consumer Partners
Validity Holdings
Vantage Investments
Victory Park Capital
Vintage Capital
Z Capital Partners
21st Century
3S Capital

Bank of America
Comerica Bank
Crystal Financial
East West Bank
GE Capital
LBC Credit Partners
Opus Bank
Pacific Mercantile Bank
PNC Bank
Wells Fargo Bank
Wells Fargo Capital Finance

FORENSICS, FRAUD, & DISPUTE RESOLUTION

Avant Advisory Group supports businesses and investors when the numbers just don't add up.

Forensics, Fraud, Investigative, & Dispute Resolution Services

Whether cash balances do not match reported profitability, expenses misalign, or inventory, receivables, or reported sales appear manipulated, Avant Advisory Group's expert forensic accountants, fraud examiners, and investigators provide impartial and valuable insights to guide decision makers. We effectively and cost-efficiently perform forensic analyses and corporate investigations to retrace activities and identify potential missteps. In the face of economic challenges and the pressures to meet financial targets, Avant's unbiased perspective provides our clients with the certainty and quality that mark Avant Advisory Group as a trustworthy guide through cloudy or complicated situations.

Who We Are

Avant synthesizes the objectivity, credibility, industry knowledge, and depth of experience needed to perform exceptional investigations and help navigate financial disputes. In conjunction with our breadth of practice and commitment to excellence, Avant's team of professionals offer the highest credentials and specialty certifications: Certified Fraud Examiners, CPAs with specialized credentialing in financial forensics, Chartered Global Management Accountants, Certified Board Advisors, SOX-defined "financial experts," federal and state court-recognized experts, licensed private investigators as well as former C-suite executives, Big Four CPA auditors, and members of boards of directors. Our reputation for integrity, competence, and thoroughness complement these credentials and underscore the Avant-Edge™ that differentiates Avant Advisory Group from other financial, forensic, and investigative firms.

From the courtroom to the boardroom, Avant's experts shine in their respective fields. We deliver unmatched credentials, skills, and experience in fraud examinations,

dispute consulting, forensic accounting, financial reporting, M&A due diligence, and expert witness testimony. Whether analyzing complex business transactions, reconstructing lost accounting trails, or uncovering hidden facts, our team reassembles the pieces of the puzzle to present the full picture.

Topical Expertise

- » Post-acquisition transaction review and dispute analysis
- » Board and audit committee whistleblower and conflict-of-interest investigations
- » Assistance with deposition of key witnesses and opposing experts
- » Investigation and documentation of case facts
- » Response to complaints, interrogatories, and document requests
- » Preparation of expert reports and testimony

Professional Services

- » Financial statement misrepresentations
- » Misappropriation of assets
- » Fraudulent financial reporting and restatements
- » Management fraud and embezzlements
- » SEC investigations
- » Violations of accounting principles

**A FORTUNE GAINED BY DECEIT IS A
FLEETING VAPOR AND A DEADLY SNARE.**

Proverbs 21:6



Selected Clients

Led by Jim Davidson, CPA, CFE, CFF, and Pat Aubort, CPA, CFE, CVA, the Avant team has worked on behalf of corporate boards of directors and audit committees, private equity firms, family offices, traditional and alternative lenders, a sample which includes:

<i>Altos Energy Partners</i>	<i>Bobcat North America</i>
<i>Aurora Resurgence</i>	<i>China COSCO Shipping</i>
<i>Balmoral Funds</i>	<i>Cambelt International</i>
<i>Camus Capital Group</i>	<i>Dispatch Transportation</i>
<i>Centre Partners</i>	<i>EuroChem</i>
<i>Falcon Investment Advisors</i>	<i>Express Line</i>
<i>Five Crowns Capital</i>	<i>Green Fleet Systems</i>
<i>Industrial Growth Partners</i>	<i>G-M Industries</i>
<i>Jupiter Holdings</i>	<i>HCI</i>
<i>Levine Leichtman</i>	<i>Integrity Directional Services</i>
<i>Marwit Capital</i>	<i>KP Aviation</i>
<i>Meridian General</i>	<i>Marcus Corporation</i>
<i>Peninsula Pacific</i>	<i>Modere</i>
<i>Praesidian Capital</i>	<i>MonaVie</i>
<i>Prudential Capital</i>	<i>MRV Communications</i>
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<i>Tennenbaum Capital</i>	<i>Vesta Modular</i>
<i>TSG Consumer Partners</i>	<i>Wismarq</i>
<i>Validity Holdings</i>	<i>World Oil</i>
<i>Vantage Investments</i>	
<i>Victory Park Capital</i>	<i>Akerman</i>
<i>Vintage Capital</i>	<i>Bryan Cave</i>
<i>Z Capital Partners</i>	<i>Cahill Gordon Reindel</i>
<i>21st Century</i>	<i>Foley & Lardner</i>
<i>3S Capital</i>	<i>Friedman Stroffe Gerard</i>
	<i>Greenberg Glusker</i>
<i>Bank of America</i>	<i>Hueston Hennigan</i>
<i>Comerica Bank</i>	<i>Kirkland & Ellis</i>
<i>Crystal Financial</i>	<i>Lavelly & Singer</i>
<i>East West Bank</i>	<i>Musick Peeler</i>
<i>GE Capital</i>	<i>Navigato & Battin</i>
<i>LBC Credit Partners</i>	<i>Ogletree Deakins</i>
<i>Opus Bank</i>	<i>Robert Adel (Fortis LLP)</i>
<i>Pacific Mercantile Bank</i>	<i>Smiley Wang-Ekwall</i>
<i>PNC Bank</i>	<i>South Bay Law Firm</i>
<i>Wells Fargo Bank</i>	<i>Steckbauer Weinhardt</i>
<i>Wells Fargo Capital Finance</i>	<i>Venable LLP</i>

Additional Core Capabilities

Our clients turn to us to solve business challenges during times of transition and to uncover hidden value that yields opportunities. By blending financial and operational experience with interdisciplinary expertise, we broaden the lens and identify openings for greater value creation.

Beyond forensic, fraud, investigative, and dispute resolution services, Avant Advisory Group provides exceptional expertise in:

- » Mergers, acquisitions & capital transactions
- » CFO services & interim C – Suite management
- » Performance Improvement
- » Operational turnarounds & financial restructuring

We support preeminent private equity firms, family offices, lenders, and companies in a variety of industries, including:

- » Industrial manufacturing & assembly
- » Consumer products & services
- » Technology, media & telecommunications
- » Food processing/packaging/restaurants/retail
- » Real estate, construction, & infrastructure
- » Professional & business services
- » Transportation & Logistics
- » Healthcare services, products, & medical devices

RECENT ENGAGEMENTS

Avant Advisory Group expresses our appreciation to the following clients whom we are proud to have recently served in various engagements across multiple industries.

Private Equity

- » *Altos Energy Partners*
- » *Balmoral Funds*
- » *Chris Britt of Marwit*
- » *Falcon Investment Advisors*
- » *Five Crowns Capital*
- » *Industrial Growth Partners*
- » *Jupiter Holdings*
- » *Levine Leichtman Capital*
- » *Marwit Capital*
- » *Meridian General*
- » *Ramex Private Equity*
- » *Spanos Barber Jesse & Co*
- » *StoneCreek Capital*
- » *Vopne*
- » *Validity Holdings*

Law Firms

- » *Akerman*
- » *Bryan Cave*
- » *Cahill Gordon & Reindel*
- » *Foley & Lardner*
- » *Greenberg Glusker*
- » *Friedman Stroffe Gerard*
- » *Hueston Hennigan*
- » *Ogletree Deakins*
- » *Robert Adel (Fortis LLP)*
- » *South Bay Law Firm*

Banks

- » *Comerica Bank*
- » *East West Bank*
- » *LBC Credit Partners*
- » *Opus Bank*
- » *Pacific Mercantile Bank*

Public, International & Domestic Corporations

- » *Acker Merall & Condit*
- » *Bobcat North America*
- » *China Ocean Shipping Company (COSCO)*
- » *International Logistics Company (Confidential)*
- » *EuroChem Group*
- » *Elite Automotive*
- » *HCI Inc*
- » *Integrity Directional Services*
- » *Premier Food Safety*
- » *Río Ranch Market*
- » *The Marcus Corporation*
- » *Universal Display & Fixtures*
- » *Verrex LLC*
- » *Vesta Modular*

Industries

- » Aerospace & Defense
- » Agriculture
- » Automotive
- » Broker Dealers
- » Chemicals & Industrials
- » Construction & Contracting
- » Consumer Products & Services
- » Customized Manufacturing
- » Display Parts Manufacturer
- » Engineering Services
- » Entertainment
- » Event Logistics
- » Franchising
- » Generic Pharmaceutical
- » Grocery Retail
- » Healthcare
- » Hotels
- » Industrial Manufacturing
- » Leisure
- » Mining & Extracting
- » Minerals & Fertilizers
- » Modular Buildings & Housing
- » Motorcycle Parts Manufacturer
- » Non-Profit & International Charity
- » Plastics Manufacturing
- » Professional Services
- » Resorts & Hospitality
- » Restaurants
- » Route-Based Businesses
- » Telecom, Media & Technology
- » Theaters
- » Transportation & Logistics
- » Waste Management
- » Wine Retailing & Distribution

Merger & Acquisition Services

- » Quality of Earnings, Operations, Tax & IT Diligence
- » Working Capital Arbitration
- » Post-Acquisition Dispute Resolution
- » Post-Transaction Integration
- » Transition Interim CFO & CTO support
- » Transition Services Planning & Structuring
- » Sell-Side Diligence

Forensic Accounting, Fraud & Corporate Investigations

- » Aerospace & Defense
- » Agri-Chemical
- » Commodities Broker
- » Debtor Financial Forensics & Fraudulent Reporting
- » Event Ticket Reseller
- » IT Forensics & Fraud Investigation
- » International Unsecured Creditor (confidential)
- » Waste Management

CFO, CRO Services & Interim Management

- » Audio Visual, Media & Technology
- » Grocery Retail
- » International Logistics (Confidential)
- » Manufacturing
- » Telecom/Construction
- » Dispute Resolution & Expert Witness Services
- » Breach of Fiduciary Responsibility
- » Corporate Governance
- » Financial Statement Fraud Analysis
- » Forensic Accounting / Fraud Investigation
- » Insolvency/Distressed/ Prepackaged Bankruptcy
- » Mergers & Acquisitions
- » Post-Acquisition Litigation Support
- » Viability & Management Capability Analysis
- » Working Capital Arbitration

Distressed & Performance Improvement

- » Aerospace and Defense
- » Agriculture
- » Business & Professional Services
- » Entertainment
- » Grocery
- » Healthcare
- » Logistics
- » International
- » Manufacturing
- » Non-Profit/Charity
- » Plastics
- » Retail
- » Route-Based Service Business
- » Waste Management
- » Wholesale Distribution

Avant Advisory Group

Avant Advisory Group is an operationally focused financial advisory and management consulting firm that assists middle-market companies. Avant focuses on mergers & acquisitions, including financial & operational diligence; performance improvement, financial restructuring & operational turnarounds in distressed & special situations; CFO services & interim C-suite management; financial forensics & fraud examinations. We are client-focused and committed to providing the highest quality solutions to preserve and create value. *(Galatians 6:10)*

Our Team of Specialists

James F. Davidson, CM&AA, CPA, CFF, CFE, CGMA, CIRA, CTP

Patricia R. Aubort, CPA, CVA, CFE

Robert E. Bates, CPA, CFF, CFE

James A. Hughes, CPA, CFE

Terry S. Mercer

Keith Bjelajac, CPA

John M. Sboto, CPA, CFF, CFE

See the breadth and depth of the Avant Advisory Group team at our website: AvantAdvisory.com.

DILIGENCE CASE STUDY

Purchase Price Reduction Resulting from Avant Advisory Group Diligence Adjustments to EBITDA and Determination of Working Capital Shortfall

CLIENT	Private Equity Owned Strategic Acquirer
INDUSTRY	Construction & Demolition Disposal & Waste Hauler; Transportation
BUYER'S TRANSACTION OBJECTIVES	Synergistic add-on to platform company — EBITDA growth, multiplier increase, resulting higher valuation; geographic expansion, service line additions and revenue diversification, resulting in reduced operational risk.
SELLER'S TRANSACTION OBJECTIVES	Recapitalization; exit strategy.
TARGET	Family-owned; steady growth; highly profitable; represented by excessively aggressive, highly invested and unethical broker.
ASSIGNMENT	Financial due diligence/quality of earnings assessment; calculation of working capital target, identification of debt-like items and determination of capital expenditure requirements; preparation of pro forma projections.
TRANSACTION PRICING	Based on EBITDA multiple.

Avant Findings

- » Aggressive, highly invested broker nearly jeopardized the deal by, among other things, overly “managing” the diligence process.
- » Avant reviewed and assessed over 50 management EBITDA adjustments and related issues that included:
 - Large swings in workers’ compensation insurance adjustments.
 - Unrecorded cash revenues received directly by owners.
 - Commingled owner and business expenses.
 - Inadequate or non-existent supporting documentation.
- » Avant’s analysis of related party rents determined the inclusion of property taxes and insurance.
 - However, the seller’s broker attempted to mislead by intentionally excluding those expenses from EBITDA.
 - Avant’s finding and related adjustment saved the buyer an estimated \$350K for this item alone.
- » Avant identified \$600K of adjustments to management’s adjusted EBITDA that resulted in an approximate \$3.5M purchase price reduction.
- » Avant’s analysis of working capital and the related calculation highlighted management’s overstatement which resulted in additional price adjustments. Avant assessed the target as having a low quality of earnings. However, based on Avant’s findings, our client realized purchase price savings resulting from EBITDA and working capital adjustments exceeding \$4M.



SECURING VALUE

Mergers & Acquisitions

CFO Services & Interim Management

Forensic, Fraud & Corporate Investigations

Performance Improvement

Turnarounds and Restructuring



Team Leader Bio

James F. Davidson, CM&AA, CM&AP, CPA, CFF, CFE, CGMA,
CIRA, CTP, CBA



Jim Davidson has more than 30 years of experience in M&A transactions, forensic accounting, fraud investigations, CFO & C-Suite services, financial restructuring and operational turnarounds. He has led hundreds of due diligence assignments assessing quality of earnings, carve-out reporting, and post-acquisition integration for both high growth and financially distressed companies, that include bankruptcy and Article 9 transactions.

Jim has served in executive positions at both public and private companies ranging to multibillion dollar firms. After 10 years with Big Four firm, PricewaterhouseCoopers, including in the Transaction Advisory Practice, Jim spent another 10 years on several boards of directors and in various financial and executive positions, including as president & CEO, CRO, COO, CFO, chief accounting officer & corporate controller.

The Avant team has diversified experience across many industries such as consumer products & services; restaurants; retail & wholesale distribution; food processing & packaging; telecom, media, & technology; engineering & construction; energy; aerospace & defense; transportation – trucking & logistics; industrial products & services; manufacturing; business & professional services; healthcare services, products & medical devices.

Avant subscribes to the core values defined by FCCI (www.fcci.org) and the Golden Rule. We serve God and our clients with the highest integrity and honor. © 2018

AVANT[®]
ADVISORY GROUP

SECURING VALUE

Avant Advisory Group Newport Beach Office

4000 MacArthur Blvd., Suite 600
Newport Beach, CA 92660
Phone: (949) 417-5708

Avant Advisory Group Los Angeles Office

355 S. Grand Ave., Suite 2450
Los Angeles, CA 90071
Phone: (213) 943-1336

AvantAdvisory.com

