

Second Offer Supplemental Questionnaire

THE FACT FINDER FOR YOUR PERSONALIZED OPTIONALITY REPORT

Turn a promising possibility into a decision you can use.

This questionnaire tests what the business may safely finance, what the successor may need to bring, and how timing, tax planning, real estate, protection and owner security may change the answer.

BUSINESS AND OWNER INFORMATION

BUSINESS NAME

CASE / REPORT DATE

PRIMARY OWNER

PHONE

WEBSITE

EMAIL

CITY AND STATE

Before you begin

Use the best information reasonably available. Estimates and "unknown" answers are useful when labeled. Check one answer in each group unless the question says to select all that apply. This form supplements your free Feasibility Questionnaire; do not repeat an answer unless it changed or needs clarification.

☐

I understand this is a planning questionnaire—not a valuation, loan approval, tax opinion, legal opinion or binding transaction recommendation.

SECTION 01

Confirm What We Already Know

BEGIN WITH CHANGES, NOT REPETITION

Review the free Feasibility Questionnaire and Snapshot. Identify only what changed, what was estimated, or what deserves correction before deeper modeling begins.

PRIOR-STAGE REVIEW

- ☐ Business and owner information remains accurate.
- ☐ The owner priorities remain accurate.
- ☐ The financial estimates remain directionally reasonable.
- ☐ The likely successor and timing remain accurate.
- ☐ The feasibility verdict remains a fair starting point.

WHAT CHANGED OR NEEDS CORRECTION?**WHICH PRIOR ANSWERS WERE ESTIMATES OR UNKNOWN?**

Do not delay completion because a number is unavailable. Label it “unknown,” identify who can verify it, and continue. The Optionality Report is designed to separate facts, estimates and professional confirmations.

SECTION 02

Define the Owner Outcome

OWNER FINANCIAL SECURITY IS THE BOUNDARY

Cash at closing is one adjustable preference—not an automatic pass/fail test. The real test is whether the combined transition can support the owner's life, risk limits and legacy.

PREFERRED CLOSING LIQUIDITY

Preference, not hard minimum

- | | |
|--|--|
| ☐ No fixed preference | ☐ Under \$250,000 |
| ☐ \$250,000-\$499,999 | ☐ \$500,000-\$999,999 |
| ☐ \$1.0M-\$1.49M | ☐ \$1.5M-\$2.49M |
| ☐ \$2.5M+ | ☐ Unknown |

HOW IMPORTANT IS CASH AT CLOSING?

- | | |
|------------------------------------|---|
| ☐ Essential | ☐ Very important |
| ☐ Important | ☐ Flexible if total outcome improves |
| ☐ Unsure | |

COMFORT WITH VALUE RECEIVED OVER TIME

- | | |
|---|---|
| ☐ Comfortable if protected | ☐ Open to modeling |
| ☐ Only a small amount | ☐ Not comfortable |
| ☐ Unknown | |

WHAT MUST BE TRUE FOR THIS TRANSITION TO FEEL SUCCESSFUL?**OPTIONAL EXACT AMOUNT****DESIRED TIMING TO REDUCE INVOLVEMENT**

- | | |
|---------------------------------------|------------------------------------|
| ☐ Under 1 year | ☐ 1-3 years |
| ☐ 3-5 years | ☐ 5+ years |
| ☐ Flexible | ☐ Unknown |

DESIRED POST-TRANSITION ROLE

- | | |
|---|--|
| ☐ None | ☐ Advisory only |
| ☐ Part-time operating role | ☐ Board / governance role |
| ☐ Flexible | ☐ Unknown |

WHAT OUTCOME OR RISK WOULD MAKE YOU WALK AWAY?**WHO BESIDES THE OWNER MUST THIS PLAN PROTECT?**

SECTION 03

Measure the Owner Financial-Security Test

SOLVE FOR THE LIFE AFTER THE BUSINESS

The report compares expected spending and reliable income with investable assets, retirement accounts, Social Security, pensions, real-estate income and transition proceeds. The uncovered difference is the Value Gap.

ANNUAL RETIREMENT CASH FLOW

DESIRED ANNUAL HOUSEHOLD SPENDING AFTER TAX

EXPECTED ANNUAL SOCIAL SECURITY - OWNER

ANNUAL PENSION / ANNUITY INCOME

OTHER DEPENDABLE ANNUAL INCOME

ESSENTIAL ANNUAL SPENDING AFTER TAX

EXPECTED ANNUAL SOCIAL SECURITY - SPOUSE / PARTNER

ANNUAL REAL-ESTATE / RENTAL INCOME

ARE THESE AMOUNTS BEFORE OR AFTER TAX?

- ☐ Before tax
☐ After tax
☐ Mixed
☐ Unknown

SOURCE OF THIS NUMBER

☐ Owner estimate☐ Record based☐ Professionally verified☐ Unknown

EXPECTED MAJOR ONE-TIME NEEDS (AMOUNT AND TIMING)

WHAT SHOULD REMAIN FOR HEIRS, CHARITY OR LEGACY?

Plain English: if reliable income and assets cannot support the owner's required lifestyle with an acceptable cushion, the structure must change—even if the transaction itself appears financeable.

CLARITY. CONFIDENCE. COORDINATED EXECUTION.

SECTION 04

Map Ownership, Entity and Governance

STRUCTURE CHANGES ECONOMICS AND CONTROL

Entity type, ownership, tax basis, elections and governing agreements may change taxes, financing, control and what can legally be transferred.

ENTITY TYPE

- | | |
|---|---|
| ☐ S corporation | ☐ C corporation |
| ☐ LLC taxed as S corporation | ☐ LLC taxed as partnership |
| ☐ Partnership | ☐ Sole proprietorship |
| ☐ Multiple entities | ☐ Unknown |

LIKELY TRANSACTION FORM

- | | |
|--------------------------------------|---|
| ☐ Asset sale | ☐ Equity / stock / membership sale |
| ☐ Redemption | ☐ Combination |
| ☐ Not decided | ☐ Unknown |

LEGAL ENTITY NAME(S) AND EIN(S)

OWNER / ENTITY	OWNERSHIP %	VOTING %	ROLE

CURRENT GOVERNING AGREEMENTS

- | | |
|---|--|
| ☐ Current and signed | ☐ Exist but may be outdated |
| ☐ Incomplete | ☐ None located |
| ☐ Unknown | |

OWNERSHIP DISPUTES OR RESTRICTIONS

- | |
|---|
| ☐ None known |
| ☐ Possible issue |
| ☐ Known issue |
| ☐ Unknown |

DESCRIBE TRANSFER RESTRICTIONS, OPTIONS, RIGHTS OF FIRST REFUSAL OR UNRESOLVED OWNERSHIP ISSUES**CPA / TAX PREPARER AND ATTORNEY CURRENTLY SERVING THE COMPANY**

SECTION 05

Capture the Three-Year Financial Picture

USE RECORDS WHERE POSSIBLE

Enter the last three completed fiscal years plus the current trailing twelve months when available. These figures establish the business's financing engine.

MEASURE	YEAR 1	YEAR 2	YEAR 3	TTM
Revenue				
Gross profit				
Operating income				
Owner compensation				
Owner distributions				
Interest expense				
Depreciation / amortization				
Income taxes paid by business				

SOURCE OF THIS NUMBER ☐ Owner estimate ☐ Record based ☐ Professionally verified ☐ Unknown

FINANCIAL STATEMENTS AVAILABLE

- ☐ CPA audited
☐ CPA compiled
☐ Internal statements only
☐ Unknown
- ☐ CPA reviewed
☐ Tax returns and internal statements
☐ Incomplete

BOOKS CLOSED THROUGH

- ☐ Current month
☐ Prior year end
☐ Unknown
- ☐ Prior quarter
☐ More than one year behind

NOTES / WHAT NEEDS TO BE VERIFIED

CLARITY. CONFIDENCE. COORDINATED EXECUTION.

SECTION 06

Normalize What the Business Actually Produces

SEPARATE RECURRING CASH FLOW FROM OWNER-SPECIFIC ITEMS

Add-backs are not wishes. Each should be recurring, documented and defensible. Replacement management, maintenance spending and fixed obligations must also remain funded.

POTENTIAL ADJUSTMENT	ANNUAL AMOUNT	RECURRING?	EVIDENCE / EXPLANATION

MARKET COMPENSATION NEEDED TO REPLACE OWNER DUTIES

ANNUAL MAINTENANCE CAPEX REQUIRED

OTHER ANNUAL FIXED OBLIGATIONS AFTER CLOSING

ESTIMATED ANNUAL CASH TAXES AFTER CLOSING

SOURCE OF THIS NUMBER

☐

Owner estimate

☐

Record based

☐

Professionally verified

☐

Unknown

SEASONALITY, UNUSUAL YEARS OR EXPECTED CHANGES THAT SHOULD BE MODELED

Available transition cash flow begins only after normal operations, fair replacement management, maintenance reinvestment, taxes, existing obligations and working-capital needs are respected.

CLARITY. CONFIDENCE. COORDINATED EXECUTION.

SECTION 07

Protect Working Capital and Existing Obligations

THE COMPANY MUST STAY HEALTHY AFTER CLOSING

A structure is not responsible if it drains the cash, inventory, receivables, equipment or borrowing capacity needed to operate.

OBLIGATION / LENDER	BALANCE	ANNUAL PAYMENT	RATE / MATURITY	COLLATERAL

NORMAL CASH REQUIRED IN THE BUSINESS

NORMAL INVENTORY REQUIRED

NORMAL A/R LESS A/P INVESTMENT

AVAILABLE LINE OF CREDIT / UNUSED AMOUNT

WORKING-CAPITAL RECORDS

- ☐ Monthly detail available ☐ Quarterly detail available
☐ Year-end only ☐ Needs cleanup
☐ Unknown

KNOWN GUARANTEES / LIENS / CONTINGENCIES

- ☐ None known
☐ Possible
☐ Yes
☐ Unknown

DESCRIBE GUARANTEES, LIENS, LAWSUITS, TAX OBLIGATIONS OR COMMITMENTS

SOURCE OF THIS NUMBER

- ☐ Owner estimate ☐ Record based ☐ Professionally verified ☐ Unknown

SECTION 08

Establish Independent Value and Deal Perimeter

PRICE SHOULD NOT BE A HIDDEN ASSUMPTION

An independent valuation provides a supportable reference for owner expectations, tax and legal planning, insurance funding, lender review and comparison of competing paths.

INDEPENDENT VALUATION COMPLETED?

- ☐ Yes - current within 12 months ☐ Yes - older than 12 months
☐ Informal estimate only ☐ No
☐ Unknown

INDICATED OPERATING-BUSINESS VALUE**OWNER'S CURRENT VALUE EXPECTATION****VALUATION DATE / PROVIDER****INDICATED REAL-ESTATE VALUE****VALUATION PURPOSE / STANDARD**

- ☐ Transaction planning ☐ Buy-sell / insurance
☐ Estate / gift ☐ Financing
☐ Other ☐ Unknown

SOURCE OF THIS NUMBER

- ☐ Owner estimate ☐ Record based ☐ Professionally verified ☐ Unknown

WHAT IS INCLUDED IN THE TRANSACTION?

- | | |
|---|---|
| ☐ Operating assets | ☐ Cash |
| ☐ Accounts receivable | ☐ Inventory |
| ☐ Vehicles / equipment | ☐ Intellectual property |
| ☐ Business real estate | ☐ Excess assets |
| ☐ Personal goodwill | ☐ Other entity interests |

EXCLUDED ASSETS, RETAINED LIABILITIES OR SPECIAL ASSUMPTIONS

SECTION 09

Evaluate Business Real Estate Separately

REAL ESTATE CAN BE A DIFFERENT DIAL

Keeping, leasing, refinancing, gifting or selling real estate may change closing cash, retirement income, business coverage, taxes and the successor's financing need.

PROPERTY / OWNER	ESTIMATED VALUE	DEBT	MARKET RENT	CURRENT USE

REAL ESTATE CURRENTLY INSIDE OPERATING ENTITY?

- ☐ Yes
☐ No
☐ Mixed / multiple properties
☐ Unknown

OWNER PREFERENCE

- ☐ Keep and lease
☐ Sell separately
☐ Compare all options
☐ Sell with business
☐ Transfer to family / trust
☐ Unknown

ANNUAL EXPENSES, RESERVES AND OWNER CASH FLOW FROM PROPERTY

--

LEASE TERMS OR RELATED-PARTY ARRANGEMENTS CURRENTLY IN PLACE

--

SOURCE OF THIS NUMBER

- ☐ Owner estimate ☐ Record based ☐ Professionally verified ☐ Unknown

CPA / tax counsel should test entity structure and tax consequences; an independent real-estate valuation and attorney-drafted lease may be needed. The report should show both operating-company and property economics.

SECTION 10

Profile the Inside Successor

CAPABILITY AND CAPITAL ARE DIFFERENT QUESTIONS

A strong employee or family successor may have little cash. That does not automatically disqualify the person. First test leadership and continuity; then determine the smallest responsible capital requirement.

SUCCESSOR NAME(S) AND CURRENT TITLE(S)**YEARS WITH COMPANY / INDUSTRY****CURRENT OWNERSHIP PERCENTAGE****OWNERSHIP DISCUSSED OPENLY?**

- | | |
|---|---|
| ☐ Yes - serious discussion | ☐ Informally |
| ☐ Not yet | ☐ Successor declined |
| ☐ Unknown | |

SUCCESSOR INTEREST

- | | |
|--|--|
| ☐ Committed | ☐ Interested |
| ☐ Possibly interested | ☐ Not confirmed |
| ☐ Unknown | |

CURRENT READINESS

Lead employees	☐ Yes ☐ No	☐ Mostly ☐ Unknown	☐ Partly
Retain key customers	☐ Yes ☐ No	☐ Mostly ☐ Unknown	☐ Partly
Win new business	☐ Yes ☐ No	☐ Mostly ☐ Unknown	☐ Partly
Run daily operations	☐ Yes ☐ No	☐ Mostly ☐ Unknown	☐ Partly
Read financial statements	☐ Yes ☐ No	☐ Mostly ☐ Unknown	☐ Partly
Make pricing decisions	☐ Yes ☐ No	☐ Mostly ☐ Unknown	☐ Partly
Manage cash and debt	☐ Yes ☐ No	☐ Mostly ☐ Unknown	☐ Partly
Work with professional advisors	☐ Yes ☐ No	☐ Mostly ☐ Unknown	☐ Partly

LARGEST READINESS GAP AND DEVELOPMENT PLAN

SECTION 11

Estimate the Successor Capital Range

FIND THE MINIMUM RESPONSIBLE AMOUNT—NOT A DEFAULT PERCENTAGE

The report should test whether successor cash could be very low, potentially even \$0, only after transaction category, business coverage, liquidity, working capital, ownership rules and lender acceptance align.

SUCCESSOR CASH BELIEVED AVAILABLE**SUCCESSOR OUTSIDE NET WORTH****SUCCESSOR ANNUAL HOUSEHOLD INCOME****PERSONAL CREDIT PROFILE**

- | | |
|---|---|
| ☐ Strong | ☐ Generally good |
| ☐ Known concerns | ☐ Not reviewed |
| ☐ Unknown | |

OUTSIDE COLLATERAL POTENTIALLY AVAILABLE?

- ☐ Yes
☐ Possibly
☐ No
☐ Unknown

AMOUNT SUCCESSOR IS COMFORTABLE INVESTING**SUCCESSOR LIQUID ASSETS****SUCCESSOR ANNUAL PERSONAL DEBT PAYMENTS****WILLING TO PERSONALLY GUARANTEE?**

- | | |
|----------------------------------|--|
| ☐ Yes | ☐ Possibly |
| ☐ No | ☐ Not discussed |
| ☐ Unknown | |

SPOUSE / PARTNER SUPPORT

- | | |
|---|---|
| ☐ Supportive | ☐ Needs discussion |
| ☐ Not supportive | ☐ Not applicable |
| ☐ Unknown | |

SOURCE OF THIS NUMBER

- | | | | |
|---|---------------------------------------|--|----------------------------------|
| ☐ Owner estimate | ☐ Record based | ☐ Professionally verified | ☐ Unknown |
|---|---------------------------------------|--|----------------------------------|

KNOWN UNDERWRITING CONCERNS OR SPECIAL CIRCUMSTANCES

SECTION 12

Apply the October 2026 Financing Screen

BUSINESS FINANCING FIRST; SUCCESSOR CAPITAL SECOND

Use the governing SOP in effect at application and confirm the result with a specialized SBA acquisition lender. These answers determine whether a reduced successor-capital range may be tested—not promised.

1 Correct ownership-change category identified☐ Confirmed ☐ Likely
☐ Needs lender review ☐ Unknown**2** Prior fiscal-year business net worth is nonnegative☐ Yes ☐ No
☐ Needs calculation ☐ Unknown**3** Adequate post-closing liquidity remains☐ Yes ☐ No
☐ Needs modeling ☐ Unknown**4** Permanent working capital and uses are properly funded☐ Yes ☐ No
☐ Needs modeling ☐ Unknown**5** Existing ownership and loan-history timing qualify☐ Yes ☐ No
☐ Needs lender review ☐ Unknown**6** Business supports proposed debt with responsible cushion☐ Yes ☐ No
☐ Needs modeling ☐ Unknown**7** Specialized lender accepts structure and successor☐ Yes ☐ No
☐ Pending ☐ Not reviewed**LENDER / CONTACT AND DATE REVIEWED****WHAT MUST BE CONFIRMED BEFORE SHOWING A LOW-CAPITAL RANGE?**

Plain English: limited successor cash does not automatically eliminate the path. A low or \$0 illustration is appropriate only when every required condition and the lender's current interpretation align.

SECTION 13

Dial 1 — Senior Capital

WHAT OUTSIDE FINANCING CAN THE BUSINESS SAFELY REPAY?

Senior Capital is tested from sustainable business cash flow—not merely the largest loan a lender might approve. The business must retain operating cushion and reinvestment capacity.

ADJUSTED ANNUAL CASH FLOW BEFORE NEW DEBT**ILLUSTRATIVE LOAN AMOUNT****ILLUSTRATIVE ANNUAL DEBT SERVICE****SOURCE OF THIS NUMBER**☐

Owner estimate

☐

Record based

☐

Professionally verified

☐

Unknown

DESIRED CUSHION AFTER DEBT SERVICE**ILLUSTRATIVE RATE / TERM****PRELIMINARY COVERAGE RATIO****WHAT CAN CHANGE THIS DIAL?**

- | | |
|---|---|
| ☐ Higher verified transferable cash flow | ☐ Lower maintenance CapEx or fixed obligations |
| ☐ Longer responsible amortization | ☐ Different purchase price / uses |
| ☐ Working-capital requirement | ☐ Existing debt payoff |
| ☐ Interest rate and fees | ☐ Lender eligibility / collateral |

CURRENT DIAL DIRECTION

- | | |
|--|---|
| ☐ Possible as modeled | ☐ Possible with parameters |
| ☐ Needs strengthening first | ☐ Not supported now |
| ☐ Unknown | |

NOTES / WHAT NEEDS TO BE VERIFIED**PROFESSIONAL CONFIRMATION**

- | | |
|--|---|
| ☐ Specialized lender assigned | ☐ Needs lender |
| ☐ Accountant also needed | ☐ Records incomplete |
| ☐ Other | |

SECTION 14

Dial 2 — Seller Capital

TRADE TIMING FOR ECONOMICS ONLY WHEN THE RISK IS UNDERSTOOD

Seller Capital can reduce successor cash and increase lifetime receipts, but it creates duration and default exposure. Terms, collateral, subordination, guarantees and retirement compatibility must be visible.

WILLING TO CONSIDER A SELLER NOTE?

- | | |
|--|---|
| ☐ Yes | ☐ Maybe after modeling |
| ☐ Small amount only | ☐ No |
| ☐ Unknown | |

PREFERRED TERM / RATE

RELIANCE ON NOTE PAYMENTS FOR RETIREMENT

- | | |
|--|--|
| ☐ Not needed | ☐ Helpful but not essential |
| ☐ Materially needed | ☐ Essential |
| ☐ Unknown | |

PROTECTIONS TO TEST

- | |
|--|
| ☐ Personal guaranty |
| ☐ Life insurance |
| ☐ Financial reporting covenants |
| ☐ Restrictions on distributions |

MAXIMUM COMFORTABLE PRINCIPAL EXPOSURE

PAYMENT START FLEXIBILITY

- | | |
|--|--|
| ☐ Immediate | ☐ Short deferral acceptable |
| ☐ Standby may be considered | ☐ No preference |
| ☐ Unknown | |

COMFORT WITH SUBORDINATION

- | | |
|---|---|
| ☐ Yes if protected | ☐ Possibly |
| ☐ No | ☐ Not understood |
| ☐ Unknown | |

- | |
|--|
| ☐ Business collateral |
| ☐ Disability insurance |
| ☐ Payment reserve |
| ☐ Default / cure provisions |

WHAT WOULD MAKE SELLER EXPOSURE ACCEPTABLE OR UNACCEPTABLE?

CURRENT DIAL DIRECTION

- | | |
|------------------------------------|---|
| ☐ Available | ☐ Available with protections |
| ☐ Limited | ☐ Not available |
| ☐ Unknown | |

ATTORNEY REVIEW STATUS

- | | |
|---|---|
| ☐ Assigned | ☐ Existing documents |
| ☐ Needs attorney | ☐ Not started |
| ☐ Unknown | |

SECTION 15

Dial 3 — Time Capital and Qualified Plans

PLANNING RUNWAY CAN CREATE PRE-TAX VALUE BEFORE THE EXIT

Time can improve management depth, cash flow, transferability and lender readiness. A TPA or actuary can also test whether deductible plan contributions move owner value into protected retirement assets before the transition.

PLANNING RUNWAY AVAILABLE

- | | |
|---------------------------------------|------------------------------------|
| ☐ Under 1 year | ☐ 1-2 years |
| ☐ 3-5 years | ☐ 5+ years |
| ☐ Flexible | ☐ Unknown |

ANNUAL CASH POTENTIALLY REDIRECTABLE TO PLANNING

CURRENT RETIREMENT PLAN

- | | |
|---|--|
| ☐ None | ☐ SEP / SIMPLE |
| ☐ 401(k) | ☐ 401(k) + profit sharing |
| ☐ Cash balance / defined benefit | ☐ Multiple / other |
| ☐ Unknown | |

CURRENT ANNUAL OWNER CONTRIBUTION

OWNER AGE / COMPENSATION

ELIGIBLE EMPLOYEE COUNT / PAYROLL

CURRENT TPA / LAST PLAN REVIEW DATE

MODEL ENHANCED QUALIFIED-PLAN DESIGN?

- | | |
|--|--------------------------------|
| ☐ Yes | ☐ Maybe |
| ☐ Already optimized | ☐ No |
| ☐ Unknown | |

EMPLOYEE CENSUS AVAILABLE?

- | |
|--|
| ☐ Yes - current |
| ☐ Needs update |
| ☐ No |
| ☐ Unknown |

EMPLOYER CONTRIBUTION LIMITS, FAIRNESS CONCERNS OR PLAN CONSTRAINTS

Why this matters: a qualified-plan contribution may move value to the owner on a pre-tax or tax-deferred basis while benefiting eligible employees. Waiting until retirement and relying only on after-tax seller-note payments may forfeit years of planning runway. A TPA must model actual limits and required employee costs.

CLARITY. CONFIDENCE. COORDINATED EXECUTION.

SECTION 16

Dial 4 — Inventory Every Owner Asset

THE BUSINESS IS ONLY ONE PART OF THE OWNER BALANCE SHEET

List all investable and retirement assets so the report can model liquidity, taxes, income, risk and the true Value Gap without treating the business as the only resource.

ASSET / INSTITUTION	OWNER	CURRENT VALUE	TAX TYPE / BASIS	INCOME / LIQUIDITY

INCLUDE

Checking and savings • CDs and money markets • Brokerage accounts • IRAs • Roth IRAs • 401(k), 403(b), 457 and pension balances • annuities • trusts • investment real estate • notes receivable • other business interests

SOURCE OF THIS NUMBER

☐ Owner estimate
 ☐ Record based
 ☐ Professionally verified
 ☐ Unknown

CONCENTRATED POSITIONS, RESTRICTIONS, UNREALIZED GAINS OR LIQUIDITY CONCERNS

ASSETS INTENTIONALLY EXCLUDED FROM RETIREMENT SPENDING

SECTION 17

Dial 4 — Estate, Beneficiary and Distribution Plan

OWNERSHIP TRANSFER AND WEALTH TRANSFER MUST AGREE

Estate documents, beneficiary designations and account ownership can override good intentions. Distribution planning should consider taxes, RMDs, Medicare / IRMAA, investment risk and legacy goals.

DOCUMENT AND BENEFICIARY AUDIT

Will	☐ Current and coordinated ☐ Missing	☐ Exists - needs review ☐ Unknown
Revocable / other trusts	☐ Current and coordinated ☐ Missing	☐ Exists - needs review ☐ Unknown
Durable financial power of attorney	☐ Current and coordinated ☐ Missing	☐ Exists - needs review ☐ Unknown
Health-care documents	☐ Current and coordinated ☐ Missing	☐ Exists - needs review ☐ Unknown
Beneficiaries on retirement accounts	☐ Current and coordinated ☐ Missing	☐ Exists - needs review ☐ Unknown
Beneficiaries on insurance / annuities	☐ Current and coordinated ☐ Missing	☐ Exists - needs review ☐ Unknown
Business succession directions	☐ Current and coordinated ☐ Missing	☐ Exists - needs review ☐ Unknown

DISTRIBUTION AND INVESTMENT PLANNING

- | | |
|---|---|
| ☐ Annual tax-managed withdrawal plan | ☐ RMD timing and beneficiary impact |
| ☐ Roth conversion analysis | ☐ Capital-gain and basis review |
| ☐ Social Security claiming strategy | ☐ Medicare and IRMAA modeling |
| ☐ Tax-managed investment allocation | ☐ Liquidity reserve / sequence risk plan |

ESTATE ATTORNEY / COMPREHENSIVE FINANCIAL ADVISOR AND LAST REVIEW DATE**FAMILY, CHARITABLE OR SPECIAL-NEEDS CONSIDERATIONS**

CLARITY. CONFIDENCE. COORDINATED EXECUTION.

SECTION 18

Dial 5 — Build the Optionality Safety Net

PROTECT THE PLAN FROM PREDICTABLE DISRUPTIONS

Insurance and legal protections do not create value by themselves. They keep death, disability, long-term care, key-person loss or a partner dispute from destroying an otherwise responsible transition.

COVERAGE / INSURED	OWNER / BENEFICIARY	BENEFIT	TERM / PREMIUM	STATUS / PURPOSE

INCLUDE Personal life • buy-sell funding • key-person life • disability / overhead • long-term care / linked-benefit coverage • other guarantees or reserve arrangements

BUY-SELL AGREEMENT FUNDED TO CURRENT VALUE?

- ☐ Yes ☐ Partly
☐ No ☐ No agreement
☐ Unknown

LONG-TERM CARE EXPOSURE MODELED?

- ☐ Yes
☐ Coverage exists - needs review
☐ No
☐ Unknown

KEY-PERSON RISK ADDRESSED?

- ☐ Yes ☐ Partly
☐ No ☐ Not applicable
☐ Unknown

CONTINGENCY SUCCESSOR IDENTIFIED?

- ☐ Yes
☐ Possible
☐ No
☐ Unknown

INSURANCE AGENT OR COMPREHENSIVE FINANCIAL ADVISOR / LAST REVIEW**PROTECTION GAPS OR CONDITIONS THAT COULD DERAIL THE TRANSITION**

SECTION 19

Operational Assessment — The Four Capitals

TRANSFERABILITY IS MORE THAN FINANCIAL STATEMENTS

A CEPA should test the Four Capitals—the 4 Cs—to identify operational strengths and dependencies that affect value, financeability and successor readiness.

Human Capital

Leadership depth, employee retention, knowledge transfer and owner dependence

☐ Strong ☐ Mostly strong ☐ Mixed
☐ Weak ☐ Unknown

KEY EVIDENCE OR CONCERN**Customer Capital**

Customer concentration, recurring revenue, retention and sales pipeline

☐ Strong ☐ Mostly strong ☐ Mixed
☐ Weak ☐ Unknown

KEY EVIDENCE OR CONCERN**Structural Capital**

Processes, systems, data, contracts, controls and intellectual property

☐ Strong ☐ Mostly strong ☐ Mixed
☐ Weak ☐ Unknown

KEY EVIDENCE OR CONCERN**Social Capital**

Culture, trust, reputation, relationships and the company's way of working

☐ Strong ☐ Mostly strong ☐ Mixed
☐ Weak ☐ Unknown

KEY EVIDENCE OR CONCERN**LARGEST OPERATIONAL DEPENDENCY THAT SHOULD BE FIXED FIRST**

SECTION 20

Finder, Binder, Grinder, Minder Assessment

AUDIT THE COMPANY'S CONVEYOR BELT

Finder and Binder are most important before “yes”: finding the right opportunities and converting them into committed business. Grinder and Minder protect delivery, margin, retention and continuity after “yes.”

Finder

How prospects are identified, reached and qualified

☐
☐

OWNER DEPENDENCE / KEY KPI / GAP

Binder

How opportunities become signed, profitable commitments

☐ Strong ☐ Mostly strong ☐ Mixed
☐ Weak ☐ Unknown

OWNER DEPENDENCE / KEY KPI / GAP

Grinder

How work is delivered consistently, efficiently and profitably

☐ Strong ☐ Mostly strong ☐ Mixed
☐ Weak ☐ Unknown

OWNER DEPENDENCE / KEY KPI / GAP

Minder

How customers, employees, cash flow and risk are retained and monitored

☐ Strong ☐ Mostly strong ☐ Mixed
☐ Weak ☐ Unknown

OWNER DEPENDENCE / KEY KPI / GAP

The Optionality Report identifies directional issues. The deeper Finder / Binder / Grinder / Minder assessment belongs in coordinated implementation or a standalone operational engagement.

SECTION 21

Assign the Professional Validation Roadmap

UNKNOWNNS NEED OWNERS—NOT PARALYSIS

War Room keeps the process moving while the right professionals confirm the assumptions that can change value, taxes, financeability, protection and owner security.

PROFESSIONAL / PURPOSE	CURRENT PROVIDER	RECORDS READY?	STATUS
Independent valuation professional — supportable business and real-estate value		☐ Yes ☐ Partly ☐ No ☐ Unknown	☐ Done ☐ Assigned ☐ Needed ☐ N/A
CEPA — Four Capitals / 4 Cs, FBGM and transition design		☐ Yes ☐ Partly ☐ No ☐ Unknown	☐ Done ☐ Assigned ☐ Needed ☐ N/A
Specialized SBA acquisition lender — current SOP and financing capacity		☐ Yes ☐ Partly ☐ No ☐ Unknown	☐ Done ☐ Assigned ☐ Needed ☐ N/A
Transaction / business attorney — agreements, protection and documents		☐ Yes ☐ Partly ☐ No ☐ Unknown	☐ Done ☐ Assigned ☐ Needed ☐ N/A
Comprehensive financial advisor — cash flow, investments, insurance, estate and legacy		☐ Yes ☐ Partly ☐ No ☐ Unknown	☐ Done ☐ Assigned ☐ Needed ☐ N/A
TPA / actuary — deductible qualified-plan feasibility and employee cost		☐ Yes ☐ Partly ☐ No ☐ Unknown	☐ Done ☐ Assigned ☐ Needed ☐ N/A
CPA / tax advisor — entity, real estate, normalized cash flow, incentives and earn-outs		☐ Yes ☐ Partly ☐ No ☐ Unknown	☐ Done ☐ Assigned ☐ Needed ☐ N/A

WHO SHOULD COORDINATE THE WORKSTREAMS AND KEEP ASSUMPTIONS ALIGNED?**IMMEDIATE PROFESSIONAL QUESTIONS THAT COULD CHANGE THE ANSWER**

SECTION 22

Evidence and Document Checklist

PROVIDE WHAT EXISTS; DO NOT MANUFACTURE PERFECTION

Documents let the report replace assumptions with evidence. Missing items become assigned verification tasks and do not automatically stop the process.

FINANCIAL

- | | |
|---|---|
| ☐ Three years business tax returns | ☐ Three years P&L and balance sheets |
| ☐ Current YTD / trailing-twelve-month statements | ☐ Debt schedule and loan documents |
| ☐ A/R, A/P, inventory and working-capital detail | ☐ Owner add-back support |

LEGAL AND OWNERSHIP

- | | |
|---|---|
| ☐ Formation documents and elections | ☐ Operating / shareholder / partnership agreements |
| ☐ Buy-sell and prior transition agreements | ☐ Material contracts, leases and licenses |
| ☐ Litigation, liens and contingent obligations | |

OWNER AND SUCCESSOR

- | | |
|---|--|
| ☐ Successor resume / role / compensation | ☐ Successor personal financial statement if available |
| ☐ Owner investment and retirement statements | ☐ Social Security estimates and pension details |
| ☐ Estate documents and beneficiary summaries | ☐ Insurance in-force ledgers / policy pages |

PLANNING AND OPERATIONS

- | | |
|---|--|
| ☐ Independent valuation or appraisal | ☐ Employee census and retirement-plan documents |
| ☐ Real-estate appraisal, debt and lease | ☐ Organization chart and key-person roles |
| ☐ Customer concentration and recurring-revenue reports | ☐ Operating KPIs and process documentation |

DOCUMENTS UNAVAILABLE AND PERSON RESPONSIBLE FOR OBTAINING THEM

Never send Social Security numbers, full bank account numbers or passwords through an unsecured channel. Use the secure upload process provided by War Room.

SECTION 23

Final Review and Authorization

YOUR REPORT WILL SEPARATE FACTS, ESTIMATES AND CONDITIONS

The full Optionality Report should show what is possible, what is not currently possible, why, what each dial means, the range of modeled outcomes, and the few next actions that can change the answer.

FINAL ACKNOWLEDGMENTS

- ☐ I answered using the best information reasonably available and labeled estimates or unknowns.
- ☐ I understand War Room may contact me to clarify answers and coordinate the report process.
- ☐ I understand illustrations are planning estimates—not guarantees, valuations, loan approvals, legal advice, tax advice or investment recommendations.
- ☐ I understand independent professionals may need to confirm value, taxes, legal terms, financing, insurance and qualified-plan design.
- ☐ I authorize War Room to use the information provided to prepare and discuss my personalized Second Offer Optionality Report.

FINAL QUESTIONS, PRIORITIES OR FACTS NOT CAPTURED ELSEWHERE**PREPARED BY****OWNER / AUTHORIZED REPRESENTATIVE****TITLE****TYPED SIGNATURE****DATE**

Next: Build the Personalized Optionality Report

War Room will model the five dials, five paths, owner financial-security test, successor capital range, priorities and professional confirmations.