



EXIT PLANNING & TRANSACTION ADVISORY SERVICES

One day you will sell your business. Are you ready?

After dedicating yourself to building your business, you want to make sure all the hard work pays off when it's time to sell, transfer or pursue whichever exit strategy suits you. That's why you need to be proactive and start preparing for your exit today.

VSP offers you the knowledge and expertise to ensure your exit plan is comprehensive and tailored to your specific goals. We will advise you on the 6 critical steps for developing your Exit Plan and follow a formalized process for divesting of your business interest. What's more, we have access to a team of experts to provide tax planning and accounting expertise to help you maximize your sale price, in the most tax efficient way.

Many Baby Boomer business owners are quickly approaching retirement age, driving the largest transfer of private wealth in history. This growing number of businesses for sale will put downward pressure on sale prices, translating into lower returns and more stress. Unless you prepare!

By investing the time and effort to prepare, you will ultimately sell for a significant premium over companies that come to market unprepared. Having a proper Exit Plan will give you the advantage you need to realize the dream of having enough from the proceeds of the sale of your company to fund your 'Life After Business.' Start thinking about your exit options now.

Call a VSP professional to discuss the following exit options and help uncover which will help you meet your goals:

INTERNAL SALE

- Existing Shareholders: Buy-Sell Agreement
- Family: Intergenerational Transfer
- Management: Management Buy-Out
- Employees: Employee Share Ownership Plans

EXTERNAL SALE

- Third Party Sale
- Merger
- Public Offering
- Refinance or Recapitalize
- Liquidate

When you need valuation support VSP delivers measurable results.

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VALUE ENHANCEMENT

Do you want to increase the value of your business?

Increasing the value of your business will allow you to maximize the price you receive in the eventual sale of your business.

The largest transfer of private wealth in history will occur as business owners approach retirement age in the coming years. The growing number of businesses for sale will put downward pressure on sale prices. Buyers will only pay top dollar for the most attractive businesses and preparing a business for sale takes time.

That's where VSP comes in. With VSP, you will work directly with experienced professionals to help establish a plan to systematically increase the value of your business. This should begin at least three to five years prior to a sale.

Let a qualified VSP professional work with you to identify your company's key value drivers and help you:

- (a) Identify ways to enhance the quality and quantity of your cash flows; and
- (b) Minimize your company's risk profile in the eyes of a potential purchaser.

We have developed a formalized process for assessing the key value drivers for your business and will provide you with a solution on how to leverage those drivers to enhance the value of your business. Ongoing support is provided to ensure action items are being carried out, progress is made and milestones are reached.

Here are a few of the many value drivers for a business. Check those most vital to your business (long-term):

- | | | | |
|---------------------|--------------------------|---|--------------------------|
| Customer base | <input type="checkbox"/> | Formalized business plan | <input type="checkbox"/> |
| Management team | <input type="checkbox"/> | Strategic advantages / alliances | <input type="checkbox"/> |
| Growth | <input type="checkbox"/> | Financial leverage and financing strategies | <input type="checkbox"/> |
| Workforce | <input type="checkbox"/> | Condition of capital assets | <input type="checkbox"/> |
| Market position | <input type="checkbox"/> | Information systems | <input type="checkbox"/> |
| Product development | <input type="checkbox"/> | Cash flow generation | <input type="checkbox"/> |
| Referral network | <input type="checkbox"/> | Marketing ability and sales team | <input type="checkbox"/> |

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LITIGATION SUPPORT

Do you need independent expert valuation support?

Many legal disputes will require valuation support to facilitate a resolution. When business valuation or damage quantification support is required, ensure you retain the services of a fair, objective and non-partisan expert at the outset of the litigation. The Ontario Rules of Civil Procedure are very clear in this regard with respect to the role of experts.

VSP provides independent, credible and experienced expert business valuation and damage quantification services to support you and your clients in litigation. Our expert assistance may help facilitate a settlement or culminate in the provision of expert testimony in court, mediation or arbitration.

Our comprehensive litigation support services include:

- Review and critique of opposing expert reports
- Assisting with examinations for discovery
- Document management and production
- Interviewing key witnesses on financial matters
- Conducting research, due diligence and forensic investigations
- Preliminary assessments of business value or economic damages
- Independent expert reports based on credible assumptions and sound financial analyses
- Settlement, mediation, arbitration or court
- Provision of expert testimony

Call a VSP professional when you need business valuation or damage quantification assistance with the following:

Commercial litigation	<input type="checkbox"/>	Breach of contract / tender claims	<input type="checkbox"/>
Shareholder / partner disputes	<input type="checkbox"/>	Product liability claims	<input type="checkbox"/>
Tax and estate disputes	<input type="checkbox"/>	Breach of fiduciary duty and oppression claims	<input type="checkbox"/>
Patent infringement and other IP disputes	<input type="checkbox"/>	Professional negligence claims	<input type="checkbox"/>
Construction related disputes	<input type="checkbox"/>	Investment losses (mismanaged client funds)	<input type="checkbox"/>
Matrimonial disputes	<input type="checkbox"/>	Breach of non-compete agreements	<input type="checkbox"/>
Tort disputes and insurance claims	<input type="checkbox"/>	Expropriation and business interruption claims	<input type="checkbox"/>

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WHAT MAKES US DIFFERENT

With VSP, you're not working with just any business valuation firm - you're working with experts that are interested in your unique situation. We are 100% committed to providing a fair and reasonable valuation and ensuring you maximize the benefits from our valuation support.

Everything we do is anchored in the relationship we build with you, which is based on support, confidence and credibility. Below are details on what makes us distinct and the right firm for you.

Personalized Service - As a boutique firm specializing in business valuation support, VSP offers personalized, customized and high quality service tailored to meet the specific objectives of each individual client. We do not 'hand off' our files to junior, inexperienced professionals. Senior professionals are involved from beginning to end to ensure that you receive the benefits of their knowledge and experience.

Ongoing Support - Our services go beyond the delivery of our valuation report. We provide valuation support from beginning to end, and beyond. This includes value enhancement recommendations, pre-sale planning initiatives, exit planning and annual valuation updates. The legal community relies on us for ongoing litigation support, from the inception of a dispute through to its resolution.

Proven Processes - We believe the best way to meet and exceed your needs is by having a proven and efficient process in place for all our services. We openly communicate the process at the outset so that you understand what is involved and what to expect at every stage of the engagement.

Experienced Professionals - Our partners and principals have over 100 years of combined experience providing clients with valuation, litigation support, exit planning, transaction advisory, accounting, tax and other consulting services.

High Quality Product - At the end of the day, you require a credible and supportable value assessment. Our approach combines a 'big picture' perspective with the 'attention to detail' required to provide independent, credible and supportable conclusions. This allows us to analyze complex financial matters and communicate them in a concise, effective and simplified way.

Master Resources - VSP has a unique resource network. We are supported directly by a multi-service firm with significant expertise in business management, tax, accounting and related consulting matters and access to 7 partners/principals and over 15 professional and support staff.

Reliable, Unbiased and Independent - Where required, we operate independently, without business relationships or interests that could bias decisions, ensuring you receive an objective assessment of value or damages.

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BUSINESS AND INTANGIBLE ASSET VALUATIONS

Do you know how much your business is worth?

A business generally does not need a valuation every year. However, many businesses will require an independent valuation at some point in time. When that time comes you will want the support of a valuation expert.

That's where VSP comes in. With VSP, you will work directly with experienced professionals with the expertise and credentials to provide you with a report containing an independent fair market value assessment or to advise you verbally on a reasonable and supportable valuation of your business.

Whether it's for insurance coverage, tax planning, dispute resolution or increasing business value, an independent expert business valuation will benefit you in many ways. Business valuations also play an integral role in corporate decision making related to sales, acquisitions, financing, financial reporting, reorganizations, wealth management, estate planning and succession planning.

VSP also provides ongoing valuation support beyond the initial report to help enhance and maximize the value and salability of your business.

There are many benefits to obtaining an independent business valuation. Consider which of the following benefits apply to you:

- | | | | |
|---------------------------------------|--------------------------|-----------------------------------|--------------------------|
| Purchase of a business | <input type="checkbox"/> | Exit planning purposes | <input type="checkbox"/> |
| Sale of a business | <input type="checkbox"/> | Value enhancement benchmark | <input type="checkbox"/> |
| Shareholder agreements | <input type="checkbox"/> | Shareholder disputes / litigation | <input type="checkbox"/> |
| Shareholder buy-out / buy-in | <input type="checkbox"/> | Commercial disputes / litigation | <input type="checkbox"/> |
| Incorporation of business | <input type="checkbox"/> | Matrimonial disputes / litigation | <input type="checkbox"/> |
| Tax planning - share reorganizations | <input type="checkbox"/> | Financial reporting purposes | <input type="checkbox"/> |
| Tax planning - estate freezes | <input type="checkbox"/> | Purchase price allocations | <input type="checkbox"/> |
| Terminal tax returns | <input type="checkbox"/> | Goodwill impairment testing | <input type="checkbox"/> |
| Insurance coverage (buy-sell/key man) | <input type="checkbox"/> | Expropriations | <input type="checkbox"/> |
| Insolvency claims | <input type="checkbox"/> | Related party transactions | <input type="checkbox"/> |

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BUSINESS PLANS

Do you have clarity in where your business is heading?

Studies show that business plans increase the odds of business growth and raising capital. They are imperative for start-up companies but also very important for businesses operating in high growth, mature or declining industries.

A business plan may be required for the following reasons:

- 1 Help secure financing from lenders and investors
- 2 Increase the chances of business success
- 3 Provide focus and direction for the team
- 4 Make better informed business decisions
- 5 Provide a basis for measuring success
- 6 Increases learning curve for new management/employees
- 7 Document the achievement of forecasts and projections
- 8 Clarify business objectives, risks and strategies

Without a business plan the chances of success are greatly diminished and the likelihood of a catastrophic failure is increased. That's where VSP comes in. With VSP, you will work directly with experienced professionals with the expertise and credentials required to help prepare or update your business plan.

Recognizing that the business plan is a dynamic document, VSP also provides ongoing support beyond the plan's initial preparation. VSP can help turn the business plan into an action plan and facilitate implementation. Periodic updates will be required due to changes in the company's direction, strategy or the market in which it operates.

VSP can also assist with managing the wealth associated with a private business, enhancing the value and saleability of the company and share valuations which may be required for many different reasons as the business evolves.

A business plan is a comprehensive and dynamic document and should include the following sections:

Executive summary	<input type="checkbox"/>	Economic review	<input type="checkbox"/>
Operational and action plan	<input type="checkbox"/>	Industry review and market research	<input type="checkbox"/>
Company background	<input type="checkbox"/>	Marketing strategy	<input type="checkbox"/>
SWOT analysis	<input type="checkbox"/>	Start-up costs	<input type="checkbox"/>
Products and services	<input type="checkbox"/>	Capital needs and financing	<input type="checkbox"/>
Management and organization	<input type="checkbox"/>	Financial projections	<input type="checkbox"/>
Proprietary technology	<input type="checkbox"/>	Exit Strategy	<input type="checkbox"/>

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Over 40 years of professional experience... condensed into one concise chapter

Valuation Support Partners Ltd. (“VSP”) co-founders, Jason Kwiatkowski and Jeff Ambrose, are contributing writers for *Advisors Seeking Knowledge, A Comprehensive Guide to Succession and Estate Planning*, authored by Peter J. Merrick.

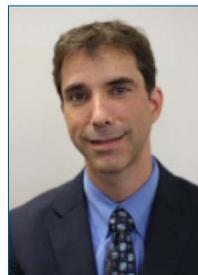
Published by LexisNexis on December 31, 2012, this book is the authoritative resource and reference for all succession and estate planning professionals.

Jason and Jeff’s contribution, Chapter 27, addresses the importance and role of business valuation, value enhancement and exit planning to the succession and estate planning process.

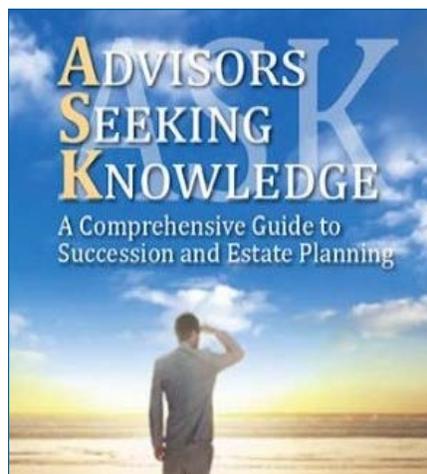
It is estimated that \$3.7 trillion in business assets are poised to change hands over the coming decade in Canada. Business owners require the collaboration of professional advisors in order to ensure that they are properly prepared for the threats associated with this major market trend.



Jason Kwiatkowski
E: jason@vspltd.ca
T: 905-305-8775 x 249



Jeff Ambrose
E: jeff@vspltd.ca
T: 905-305-8775 x 226



The Importance of Business Valuation
Without the assistance of a professional valuator, business owners tend to overestimate or underestimate the value of their business. Having an objective and credible business valuator on your succession planning team removes the guesswork from valuation and provides an independent purchaser perspective.

VSP enables its clients to understand the current value of their business and works with them to enhance that value prior to exit. They support the clients’ succession planning team to ensure a successful transition where goals are achieved. Their contribution to this book is another way they are sharing their knowledge to educate professional advisors and business owners on this topic.

Contact us at VSP for independent business valuation support.

Valuation Support Partners Ltd.

675 Cochrane Drive, West Tower, Suite 220, Markham, ON L3R 0B8 | www.vspltd.ca