



SCHNEIDER DOWNS

Big Thinking. Personal Focus.

SERVICES FOR PRIVATE EQUITY FIRMS





PRIVATE EQUITY FIRMS

PRIVATE EQUITY FIRMS face a number of issues from increased regulations and oversight to an ever-changing market with limited investment opportunities. With increasing pressures to show returns, you should consider engaging our experienced business advisors to work with you throughout the lifecycle of your fund and portfolio investments.

Creation of the actual fund, including structure, is just the beginning. Schneider Downs can assist with appropriate entity structure, tax advice and private equity fund audits. Other services we provide on an ongoing basis include due diligence, tax planning, investment valuation and operational efficiency.

SERVICES FOR PRIVATE EQUITY FIRMS

- Investment identification and valuation
- Financial due diligence
- Quality of earnings analysis
- Tax due diligence
- IT diligence and consulting
- Deal structure consulting
- Fraud risk assessments
- Internal audit studies
- State and local tax exposure evaluation
- Financing alternatives
- Executive compensation
- Benefit plan evaluation
- Financial modeling
- Valuation services
- Financial statement audits of funds and portfolio companies
- Tax compliance

Once you have identified a target, our dedicated due diligence team can provide you valuable insight by identifying value drivers, providing quality of earnings and working capital analysis, as well as uncovering potential liabilities and potential future earnings. Following a portfolio acquisition, our professionals can assist to ensure that any adjustments subject to your purchase agreement are documented and presented in a meaningful way. We also recognize that setting up the opening balance sheet can be complicated, and our team frequently provides assistance with accounting and valuation issues to ensure a smooth transition.

Our Audit and Assurance team – led by highly experienced shareholders at each step – can provide portfolio company audits. As issues are identified, we not only will communicate them to you, but also provide a comprehensive list of suggestions to improve the profitability of your investment. Similarly, we can assist in implementing any finding from our diligence, again with an eye toward enhancing profitability.

Building value in your investment during the holding period involves a team effort between ownership, management and your advisors. To that end, Schneider Downs delivers a wealth of thought leadership across the board, with services including tax, IT, process improvement and benefit planning. A more detailed menu of our services is included within this document.

Exiting from a portfolio company is where the rubber meets the road for a private equity firm. Our investment banking professionals at Schneider Downs Corporate Finance will identify buyers and markets for the investment. Other services include tax structuring and sell-side due diligence.

SERVICE CAPABILITIES

FINANCIAL DUE DILIGENCE SERVICES

Schneider Downs has a dedicated team of professionals to help minimize surprises and maximize transaction value. Services include:

- Quality of earnings analysis
- Working capital evaluation
- Balance sheet investigation
- Customer trends
- Unrecorded liability identification
- Payroll and benefits analysis
- Evaluation of accounting systems, controls and procedures
- Fraud risk assessments

AUDIT SERVICES

Portfolio companies encounter a myriad of audit considerations and accounting challenges unique to their structure. Schneider Downs audit professionals assist firms in managing issues immediately following a transaction and throughout the portfolio's company's lifecycle, including:

- Accounting for complex equity structures
- Assistance with developing and adhering to revenue recognition policies in compliance with US GAAP
- Accounting for business combinations, including accounting related to opening balance sheets
- Accounting for share-based compensation arrangements
- Evaluation of impairment of intangible assets
- Accounting for complex debt arrangements, including convertible debt issuances and debt issued with warrants
- Identification of internal control issues, and discerning and applying industry best practice



TAX SERVICES

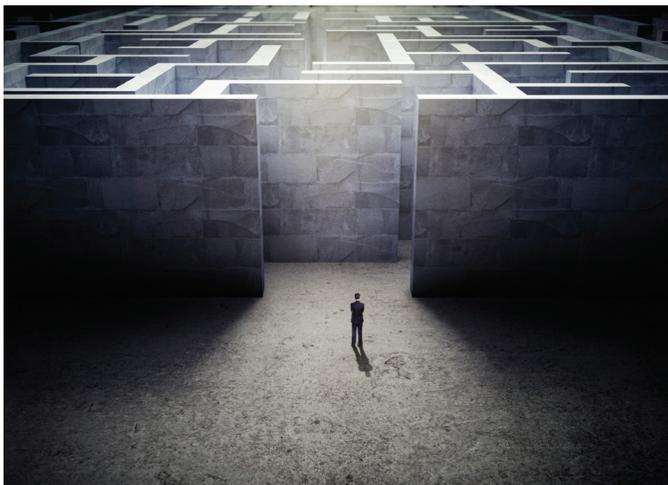
Tax planning and structuring is essential for private equity firms, and Schneider Downs has the experience and in-depth knowledge to assist private equity firms with their tax issues. Our tax service offerings include:

TAX DUE DILIGENCE

- Confirmation of tax elections-Methods
- Confirmation of tax entity-Elections
- Evaluation of tax attributes NOLs, § 382, limitations, tax credits
- FIN 48 Assessments
- Assessment of intangibles and amortization
- Assessment of representations, warranties, indemnifications
- Evaluate exposures including apportionments, state and local tax compliance
- Confirmation of tax positions

TAX STRUCTURING

- Indemnification of tax advantages
- State and local economic development
- Entity planning
- Stock and asset purchases
- Asset purchases
- ESOPS



TAX PLANNING

- Tax accounting methods and elections
- Mergers, acquisitions, reorganizations
- Analyze transaction costs
- Cost Segregation studies
- § 179 studies
- Tax compliance

TECHNOLOGY SERVICES

Schneider Downs Technology Advisors is committed to providing value-added technology services and solutions to private equity firms. To address the diverse needs of firms and portfolio companies, we offer services in the following areas:

- IT Due Diligence
- Post-merger integration services
- IT Controls review
- Technology Assessment
- Software contract review
- Compliance Assessment (PCI, HIPAA, Software Licensing, etc.)

SCHNEIDER DOWNS CORPORATE FINANCE, LP

Schneider Downs Corporate Finance, LP (SDCF) is a full-service investment banking, corporate finance and strategic advisory firm with more than 100 years of financial transaction experience. SDCF brings a powerful combination of deal

experience, creativity and tenacity to every engagement, taking a customized approach to each transaction.

SDCF's services for private equity firms include:

Sell-side Advisory

- Sales of portfolio companies
- Divestitures of business units
- Management buyouts

Buy-side Advisory

- Targeted industry searches
- Acquisition execution

Strategic Advisory

- Valuation
- Strategic Alternatives Analysis

Schneider Downs Corporate Finance, LP is a registered broker/dealer. Member FINRA/SIPC.

To gauge whether your firm can benefit from Schneider Downs' in-depth knowledge of private equity and our commitment to building value, contact Joel Rosenthal, jrosenthal@schneiderdowns.com or (412) 697-5387. We look forward to answering your questions and getting to know your goals.

About Schneider Downs

Our Focus is You

As one of the 60-largest accounting and business advisory firms in the U.S., Schneider Downs can meet all your global needs with an integrated service team of specialists. We are committed to delivering innovative business solutions that result in breakthrough ideas, providing responsive service that is proactive and timely and adds value to your business and building a business partnership that is based on trust and personal relationships.

Schneider Downs' global delivery service model incorporates the PrimeGlobal association of over 350 highly successful independent public accounting firms with a combined annual revenue of more than US\$2.0 billion. PrimeGlobal's independent member firms house a combined total of 2,200 partners, 17,000 employees, and 800 offices in 90 countries around the globe.

