



Mergers and Acquisition Due Diligence Checklist

PRELIMINARY OVERVIEW



Table of Contents

	Page
I. M&A Explanatory Overview (Sample)	1
II. M&A Preliminary Due Diligence Checklist	
A. Business Descriptions/Marketing	2
B. Corporate and Organizational	2
C. Securities	2
D. Financial Statements	3
E. Financing Options	4
F. Contracts and Arrangements	4
G. Tax Matters	5
H. Management Structure, Labor Relations and Employment	6
I. Properties, Leases, and Insurance	7
J. Intellectual Property (Patents, Trademarks, Copyrights, Trade Secrets)	7
K. Technical/Software Matters	9
L. Litigation	10
M. Environmental and Related Matters	11
N. Acquisition Documents and Sales of Securities	12
O. Information Protection Matters	12
P. Filings and Reports; Licenses and Consents	13
Q. Product Liability/Product Safety	14
III. Contact Information	15

PRELIMINARY DUE DILIGENCE CHECKLIST

[Option I. Long version with “explanatory notes” submitted to the Target]

Explanatory Notes

In connection with the proposed acquisition or strategic alliance between the Target (as defined below) and the Company, the Target is requested to please provide to the Company the following information for the past three (3) years, or if a lesser period, from the date of the Target's organization, unless otherwise indicated. Please provide a response for each item or indicate if any item is inapplicable. For your convenience, we have included boxes to check indicating if the information was previously provided, provided with your response, to be provided or inapplicable (NA).

To the extent any request calls for the production of any written document(s) but the applicable agreement or arrangement is not in written form, please provide a summary of any oral understanding.

Please read these requests broadly to include any material information which relates to the proposed transaction even if it is not specifically requested by the relevant question. Based upon the responses to this preliminary checklist, the Company may request additional information from the Target.

For purposes hereof, unless the context otherwise requires, the following terms have the following meanings:

"Business" means the business of the Target (and any of its subsidiaries, divisions or affiliates) and all other present or planned businesses expected to generate material revenues or require the commitment of material resources in the next 12 months.

"Target" refers to _____, a _____ corporation. **"Target"** refers to *all* legal entities, including the Target and any subsidiaries, divisions and affiliates of the foregoing involved in the “business” as defined above.

"Material" means an agreement, event or condition which would contribute to (or have an impact upon) [3%] or more of the revenues of the business or would represent (or have an impact upon) [3%] or more of the assets or liabilities of the business.

Date Submitted to Target _____

PRELIMINARY DUE DILIGENCE CHECKLIST

Option II. Short version simplified text sample: The Due Diligence Checklist relates to a contemplated transaction between XYZ LLC (“Company”) and Target LLC (“Target”) and requires the Target to deliver the requested documentation as it becomes available during the period of due diligence.

A. Business Descriptions/Marketing	Previously Provided	Provided Herewith	To Be Provided	NA
1. Copies of any market studies, feasibility studies, analyses, and similar reports.				
2. Copies of any marketing and other descriptive brochures relating to the business of the Target (“Business”).				
3. Copies of all press releases and press clippings (to the extent available).				
4. Copies of any recent analysis of the Target prepared by investment bankers, engineers, management consultants, accountants, or other professionals.				
5. Studies relating to the market, including growth opportunities, geographic limitations of the Business, type of consumer base.				
B. Corporate and Organizational	Previously Provided	Provided Herewith	To Be Provided	NA
1. List of subsidiaries or affiliates of the Target and identity of any individual or entity holding an equity interest in the Target.				
2. Copies of current certificate or articles of incorporation, amendments, bylaws of the Target.				
3. Copies of all minutes and actions taken by the board, executive committee and/or shareholders				
4. Provide a list of jurisdictions in which the Target conducts business or owns property. For each jurisdiction indicate whether tax returns have been filed on a local, state or federal level relating to the Business.				
5. List all names and d/b/as under which the Target has operated.				
C. Securities	Previously Provided	Provided Herewith	To Be Provided	NA
1. Statement of outstanding and/or treasury shares of common stock, preferred stock and any other securities of the Target (including a complete description of the rights attaching to such securities).				
2. To the extent not wholly-owned, provide the name and address of each stockholder of each of the Target, the type of security held, the date of issue (the consideration received therefor), and the number of shares of such security owned by each stockholder and whether there are any voting trust arrangements or similar.				



3. Provide list of holders of any options, warrants or rights to purchase or sell any securities of the Target (including put and call rights) and a list of holders of securities convertible into equity securities, giving name, number of options etc. held, option prices, date(s) of grant, conversion ratios, expiration dates, position in the Target and number of shares owned (excluding those subject to option). Also provide written copies of any agreements relating to the foregoing.				
4. Indicate whether there are any stockholders or stock certificates whose whereabouts are unknown, or any stockholders from whom it will be difficult to obtain approval of the transaction or stock certificates.				
5. A description of all contractual restrictions on transfers of the capital stock or assets of any Target.				
6. Copies of all stockholder agreements and all other agreements with respect to securities of the Companies.				
7. Copies of registration rights or preemptive rights agreements regarding the Companies.				
8. Document compliance with Sarbanes-Oxley Act of 2002 (Governance – Public Companies only).				
D. Financial Statements	Previously Provided	Provided Herewith	To Be Provided	NA
1. Copies of all audited and unaudited interim year-end financial statements, both consolidated and consolidating, for each of the Companies for the past three fiscal years.				
2. Description of contingent liabilities.				
3. Name of accountants for the Target and length of relationship with accountants, indicate whether the accountants own any interest in or hold any position with any of the Companies.				
4. Brief description of any change in accountants, accounting policies or procedures.				
5. Copies of any management financial reports to the directors, or any committee thereof.				
6. Copy of any sales projections including a discussion of any assumptions used in the preparation thereof.				
7. Identify and provide any other reports prepared (e.g., operating and capital budgets, shipping reports, sales reports, variance analysis) for management.				
8. Copies of correspondence with accountants (prepared or received) including all management letters from accountants.				
9. Brief description of outstanding commitments for capital expenditures in excess of \$50,000.				



10. Copies of any documents relating to material write-downs or write-offs of notes, accounts receivable, or other assets.				
11. List of customers (at least the 10 largest for the current and past fiscal year) showing percentage of sales to each customer accounting for more than five percent of sale of any product line or service within the past fiscal year.				
12. List all significant suppliers of the Business representing in excess of 5% of annual purchases in the current and past fiscal year (showing sole-source suppliers) with an indication of the amount paid to each supplier during the most recent fiscal year and the estimated number of alternative suppliers.				
13. List revenues by quarter by class of product and by regions showing gross margin and associated profit and loss.				
E. Financing Options	Previously Provided	Provided Herewith	To Be Provided	NA
1. List all loan agreements, security agreements (including mortgages, liens, pledges, security interests, charges or other encumbrances to which any real or personal property of the Business is subject), indentures (including industrial revenue bond indentures), short-term or long-term debt instruments (including capitalized leases, guarantees, indemnities and other debt obligations) and any other financing instruments relating to any assets used in the Business. Provide copies of all such documents and all related documentation.				
2. Copies of all correspondence with lenders and other debt security holders (including all consents, notices, or waivers of default from lenders with respect to borrowings) in connection with financing documents identified in E.1.				
3. Copies of any presentations given to creditors in connection with obtaining credit or prepared for potential lenders in connection with any proposed financings.				
4. List of banks or other lenders whom the Companies have had, currently have, or expect to have a relationship (briefly describe the nature of the relationship – lines of credit, cash management, etc.).				
F. Contracts and Arrangements	Previously Provided	Provided Herewith	To Be Provided	NA
1. List and description of all material contracts (oral or written) to which any of the Companies is a party or bound, or to which any material assets are subject.				
2. All currently effective guarantees given by the Target concerning the payment or performance of obligations of third parties.				
3. Copies of all agreements to which the Target is a party.				



4. List of all contracts and commitments under which a default has occurred or is claimed to have occurred, setting forth the following: nature of default; names of party in default; monetary amount of claims; and current status of contract of claim.				
5. List of all contracts that are currently being negotiated or renegotiated.				
6. Advise if there are any facts or circumstances that may give rise to the cancellation or termination of, or claim for damages or loss under, any of the agreements, arrangements, or understandings referred to herein.				
G. Tax Matters	Previously Provided	Provided Herewith	To Be Provided	NA
1. Copies of all sources of income and franchise tax returns filed by the Target.				
2. All correspondence with applicable tax authorities concerning adjustments or questioning compliance.				
3. List of returns and the years thereof that have been audited by applicable tax authorities, and copies of determination letters related thereto.				
4. List of taxes to which any of the Companies is subject, showing assessment date, date return is to be file, and date tax due.				
5. Describe and provide copies of all agreements, consents, elections, and waivers filed or made with applicable tax authorities.				
6. List and describe all pending or threatened disputes with regard to tax matters.				
7. Copies of any tax indemnification, tax sharing, or tax allocation agreements involving any of the Companies and other members of an affiliated group, including any joint venture agreements that have the effect of tax allocation agreements, and a statement setting forth how such agreement was carried out for the past five years.				
8. Copies of all legal or accounting tax opinions received by the Companies relating to tax reporting.				
9. Describe and provide copies of any agreement method, plan or arrangement that would constitute a "nonqualified deferred compensation plan" for purposes of Section 409A of the Internal Revenue Code ("the Code").				
10. Describe and provide copies of any option plans or agreements for the Target.				
11. Describe and provide copies of any rabbi trusts or other investment or financing arrangement related to a deferred compensation plan or agreement where the assets are located outside of the United States.				
12. Describe and provide copies of any severance or deferred compensation agreements.				



H. Management Structure, Labor Relations and Employment	Previously Provided	Provided Herewith	To Be Provided	NA
1. Name of each director and officer of the Target (and, if applicable, principal occupation), and aggregate compensation at present and for the previous fiscal year.				
2. All liability insurance policies for directors and officers of the Target.				
3. Copies of any labor union contracts, collective bargaining arrangements or agreements with unions to which the Target is a party, and any consents, waivers or amendments thereto. Determine the number employees covered by each such agreement, and the anticipated expiration dates thereof.				
4. Copies of all performance bonus plans adopted by the board of directors of each of the Companies during the past three years.				
5. Brief description of any pending or threatened labor issues.				
6. For each pension, profit-sharing plan or other welfare benefits plan, including multiemployer plans, if any, furnish copies of plan documents, including amendments (and a description of any changes in these plans proposed, agreed upon, or under consideration); actuarial reports, if applicable; trust instruments and trust balance sheets, if any; summary plan descriptions; the latest application for determination to the IRS; any IRS determination letter.				
7. Details on any terminated pension plans and unfunded pension liabilities.				
8. Describe all written or oral employment, management or consulting agreements (other than as otherwise described pursuant hereto) to which the Target is a party or bound and, if any of the same are in writing, furnish copies thereof.				
9. Description of all deferred compensation programs affecting officers, directors, or employees of the Companies. State the amount accrued and/or paid during the most recent fiscal year under such programs, and amounts of accruals thereunder through a recent date.				
10. List and statement of amounts and other essential terms of any indebtedness or other obligations of or to the Companies to or from any officers, directors, stockholders or employees.				
11. List of all material transactions between the Target and any entity and any of its officers, directors, stockholders or employees.				
12. List all U.S. visas issued to officers, directors, employees or independent contractors of any of the Companies.				



I. Properties, Leases, and Insurance	Previously Provided	Provided Herewith	To Be Provided	NA
1. List of real estate owned or leased by the Target				
2. List and brief description of all liens, security interests or mortgages on the real or personal property of the Target.				
3. List of fixed assets, machinery, and equipment (whether owned, leased or used by the Target).				
4. Brief description of portfolio investments of the Target, including cost basis and current value.				
5. All professional appraisals of any material property of the Companies.				
6. List of all insurance policies relating to the business, assets or properties of the Target (including directors' and officers' liability insurance), giving insurance company, policy number, term of coverage, property or risk covered, appraisal value of covered property (where appropriate), extent of coverage, annual premium, and amount premiums that are prepaid or are unpaid from prior years. Furnish copies of all such policies.				
7. Schedule of loss experience for the Target per insurance year and a description of all insurance claims (over \$20,000 in amount) currently pending.				
8. Copies of any agreements, arrangements or commitments by the Target under which the Target has indemnified any other person or is required to carry insurance for the benefit of any other person.				
J. Intellectual Property (Patents, Trademarks, Copyrights, Trade Secrets)	Previously Provided	Provided Herewith	To Be Provided	NA
1. Schedule of patents (US and foreign) that pertain to the Business (including registrations and applications, and provisional, divisions, restrictions, continuations and continuations in part) identifying each patent by title, registration (application) number, date of registration (application), date of expiration, and country.				
2. For each patent listed in item 1, state whether all applicable maintenance fees and annuities have been paid and the date of payment of the most recent maintenance fees and annuities for each patent.				
3. Schedule of trademarks, service mark, trade dress and domain names used, in whole or in part (US and foreign), in the Business (registrations and applications) identifying each mark and including date of registration (application), registration (application) number, status (that is, registered, renewed, abandoned, affidavits of continued use, submitted, etc.), and country or state where registered. In those instances where registration has not been sought, identify the mark, trade dress or trade name, and its date and location of first use.				



4. Schedule of copyrightable works of authorship (e.g., computer programs, key documentation, advertising materials) used, in whole or in part, in the Business (registrations and applications, if applicable) identifying each work by title, and copyright registration (application) number and date of registration (application).				
5. Schedule of technology, or associated products pertaining to the Business.				
6. Schedule of inventions (whether patentable or not), invention disclosures, trade secret information (as "trade secret" is defined in the Uniform Trade Secrets Act), industrial designs, and other intellectual property that pertains to the Business.				
7. Schedule of software used in the Target that was authored by persons who were not employees of the Target and copies of assignments or licenses of intellectual property rights in such software to the Target.				
8. Copy of manual or other written document(s) detailing the Target's procedures for maintaining the secrecy of trade secrets and forms of confidentiality agreement used to implement such procedures.				
9. Copy of contracts, licenses or other agreements evidencing the use of government funding or university or college facilities to develop software, technology or intellectual property rights pertaining to the Business.				
10. List and describe all instances relating to any conflicts, interferences, third party suits, patent oppositions, internal memos and external reports/opinions on possible infringement: (a) by the Target of third party intellectual property rights; and (b) by a third party of the Target's intellectual property rights, and provide copies of all communications to or from third parties relating to the validity or infringement of any patents, technology, trade secrets, trademarks (service marks), trade dress, copyrights and other intellectual property rights.				
11. Copies of studies or reports relating to the validity of value of the Target's patents, technology, trade secrets, trademarks (service marks), trade dress and copyrights used, in whole or in part, in the Business, and the licensing or merchandising thereof.				
12. Copy of agreements pursuant to which any patent, trademark, service mark, or trade name or copyright used, in whole or in part, in the Business has been sold or transferred by or to the Target and evidence of recording thereof.				
13. Description of any proprietary processes used, in whole or in part, by the Companies in the operation of the Business (indicating whether such processes are owned by the Target or licensed from third parties).				
14. Copy of (i) policies requiring employees, contractors, and other person who assist in the development of intellectual property rights used in the Business to assign such intellectual property rights to the Target; (ii) form of agreement(s) used to implement such policy; and (iii) agreements with employees, contractors and other persons who have executed such agreement(s) and the time and manner by which these agreements are executed.				



15. Description of the importance of existing patents or patent applications owned or controlled by the Target as related to the Business, whether additional patent protection is necessary, whether patent protection has been or is being sought for next generation technologies, and whether the Target has reason to believe that the past or ongoing activities of the Business infringe any intellectual property rights of any third parties.				
16. List and describe the parties and subject matter of any confidentiality agreements or secrecy agreements that pertain to the Business.				
17. List and describe the parties and subject matter of any covenants not to compete or exclusivity agreements that pertain to the Business.				
18. List and describe the parties and subject matter that pertain to the Business with respect to the following: (a) agreements to assign patents, patent applications, inventions, discoveries, trademarks, copyrights or any other intellectual property right; (b) research and development agreements; (c) licenses of any intellectual property right of the Business and (d) licenses of any intellectual property of third parties to the Business.				
19. List and provide copies of all agreements, options, security agreements or other commitments giving anyone any rights to acquire any right, title or interest in the Target's intellectual property.				
20. List the names of, and provide <u>copies of</u> employee agreements with, all bona fide employees of the Target who contributed in any way to the creation or conception of any idea, invention, patent, patent application, or trademark for the Target.				
21. Identify all personnel who have left the Target within the past two years who contributed in any way to the creation or conception of any idea, invention, patent, patent application for the Target and describe their respective contribution with respect to development of key technology pertaining to the Business.				
22. List any intellectual property (including software source code) that is maintained in escrow and under what circumstances.				
K. Technical/Software Matters	Previously Provided	Provided Herewith	To Be Provided	NA
1. List and provide copies of technology roadmaps, and product and feature roadmaps.				
2. Describe the application architecture for each software product, including all coding languages and related third party products and list technical dependencies on product development. Provide current as well as planned architecture information for each fielded system.				
3. List current technical items, if any, which are current barriers in development.				



4. Provide complete bug list and enhancement list for each customer and describe how the listed enhancements relate to the current release plan and what is the Level of Effort (LOE) for each enhancement.				
5. Describe whether any of the Target’s proprietary source code has been provided at any customer sites and what rights have been granted to the customer with respect to such source code.				
6. Describe current programming standards.				
7. Provide copies of configuration management procedures for products and documents. Describe procedures for (i) maintaining software source code under configuration control and identify all items of software source code under configuration control and any items not under configuration control; (ii) maintaining stable configurations for all software delivered to customers and what controls are used to establish baselines for software delivered to customers.				
8. For any products that have more than one version, identify what version is deployed at each customer site and how such information is maintained.				
9. Provide copies of documented and baselined requirements for software packages developed or under development.				
10. For each customer, identify whether it has either the source code and can build information to regenerate the software system or a method or regenerating the software from other sources.				
11. List any “as is” software and describe for such software whether design documentation exists and is it of a quality that can be used by a software engineer to understand and modify the code for such software.				
12. Describe existing regression suites for product maintenance and test plans and test procedures for products.				
L. Litigation	Previously Provided	Provided Herewith	To Be Provided	NA
1. List and brief description of each threatened or pending claim, lawsuit, arbitration, or investigation involving a claim for relief of \$25,000 or more against any of the Companies, or any of their respective officers or directors and any such action seeking that the Target cease and desist their engagement in the Business.				
2. List and brief description of any pending or threatened (a) claim or litigation involving alleged violation of laws or regulations for the health or safety of employees or others, (b) governmental or administrative proceeding, (c) labor law violation included equal employment opportunity claim or litigation, (d) antitrust claim or litigation, (e) claim or litigation to which, in either case, any of the Companies is a party.				
3. List and brief description of all outstanding judgments, decrees, or orders.				
4. Copy of most recent response to auditors’ request for information about litigation and/or contingent liabilities of the Companies (including correspondence from counsel).				



5. Copies of any litigation involving an officer or director of the Companies concerning bankruptcy, crimes, securities law, or business practice.				
6. Description of any investigations of the Target, pending or threatened, by any federal, state, local, or foreign authorities.				
7. Copies of all correspondence with, reports of or to, filings with, or other material information about any other regulatory bodies that regulate the Business.				
8. Copies of any correspondence, memoranda or notes concerning any dispute with suppliers, competitors, or customers regarding any claim for an amount in excess of \$25,000.				
9. Copies of any correspondence, memoranda or notes concerning warranty claims.				
M. Environmental and Related Matters	Previously Provided	Provided Herewith	To Be Provided	NA
1. Copies of all internal reports concerning environmental matters relating to current or former properties of the Target.				
2. Copies of any applications, statements, or reports filed or given by the Companies with or to any government or quasi-governmental agency in connection with environmental or health and safety regulations.				
3. Copies of all notices, complaints, suits, or similar documents sent to, received by, or served upon the Target by any government or quasi-governmental agency in connection with environmental or health and safety regulations.				
4. Copies of all internal or external reports concerning compliance with waste disposal regulations (hazardous or otherwise).				
5. Description of any processes of facilities currently or previously operated by the Companies (or by others on property currently owned by the Companies) that generate or are suspected of generating any toxic or other hazardous material.				
6. Copies of all pollution control capital expenditure reports (including budget requests).				
7. Copies of all annual reports, manifests, or other documents relating to hazardous waste or pesticide management over the past five years.				
8. Copies of all documents relating to equipment using PCBs, spills of PCBs, or work exposure to PCB, and all documents relating to the existence or removal of asbestos.				
9. Copies of any public records reflecting existing or recent (last five years) environmental problems.				



N. Acquisition Documents and Sales of Securities	Previously Provided	Provided Herewith	To Be Provided	NA
1. Copies of all brokers or finders agreements, including any in connection with this transaction.				
2. Copies of all agreements and other documentation concerning any sale of material assets (including any agreements in principle) to which any of the Target is a party.				
3. Copies of joint venture or partnership agreements to which any of the Target is a party.				
4. Copies of agreements granting to the Target a right of first refusal to acquire any securities, business or assets, or pursuant to which the Companies have granted any such rights.				
5. Copies of all agreements and plans entered into by any of the Target relating to the acquisition of, or merger with, a business or any interest in any business, whether by acquisition of shares, acquisition of assets or otherwise.				
6. Copies of all private placement memoranda, prospectuses, or other documentation relating to the offering or acquisition by the Companies of securities and reports to, documents filed with, and correspondence with the securities regulators.				
7. Copies of all other agreements pursuant to which the Target has acquired securities or have issued (or may be obligated to issue) securities.				
O. Information Protection Matters	Previously Provided	Provided Herewith	To Be Provided	NA
1. Copies of any information protection and security policies, standards and guidelines that detail the requirements and best practices for maintaining the integrity, availability and confidentiality of information systems and networks. Include responsibilities, procedures and security controls (e.g. protection from malicious software, data backup, segregation of duties) for the management and operation of all computers and networks.				
2. Describe the information protection/information security infrastructure, including the staffing and reporting relationships, the roles and responsibilities within the organization, the job descriptions, and the individual and system owner responsibilities.				
3. Copies of the inventory of information system assets (including information assets, key applications, software, hardware and services) and the information security classification guidelines.				
4. Copies of all documents related to system access control policies and procedures for business information including user access management and responsibilities, network access control and authentication procedures (e.g. remote access), computer access controls, and application access restrictions and authorization processes.				



5. Describe and provide copies of all internal and external reports relating to EDP/network audits, security reviews and security monitoring conducted in the Business concerning compliance to legal and information protection/security requirements for the prior two years. Identify any security assessment/monitoring tools used for networks and systems.				
6. Copies of the network topology identifying all external connections to the Internet/joint ventures/customers/suppliers. Provide details of all firewalls in place for each external connection. Also provide written copies of any documented incidents of unauthorized intrusion/security breaches, including estimated financial impact.				
7. Copies of processes/policies to provide physical and operational security including access controls, alarms, and protective guard force. Also list and describe procedures for personnel security including pre-employment screening, confidentiality agreements and user training.				
8. Briefly describe and provide copies of the processes to ensure security requirements are included in the systems development for all IT systems, including in the analysis and specifications, the controls in applications systems (validation, encryption, authentication), and the support environments.				
9. Copies of disaster recovery plans for all identified business critical computing environments detailing the test schedules for plans and the results of each scheduled test for the prior two years.				
P. Filings and Reports; Licenses and Consents	Previously Provided	Provided Herewith	To Be Provided	NA
1. List and brief description of any of the Target’s contracts, leases, security agreements, licenses, authorizations, etc., that may require the consent of any third party (including any governmental agency or instrumentality) to the proposed transactions.				
2. Indicate any other notification required to be given to or consents required from any third party (including any governmental agency or instrumentality) in connection with the proposed transactions.				
3. List of all governmental permits, licenses, and approvals (excluding those listed elsewhere herein) whether held or required to be held by the Target for the conduct of the Business.				
4. Copies of all correspondence, reports, notices and other material information relating to laws and regulations administered by any governmental agency or any other regulatory bodies that regulate the Business.				
5. List of all requirements and obligations imposed on the Companies with respect to the Business by any proposed or effective rules and regulations of any governmental agency not otherwise disclosed pursuant hereto.				



Q. Product Liability/Product Safety	Previously Provided	Provided Herewith	To Be Provided	NA
1. Supply a list of all products or services offered for sale and a brief description of the intended use(s) and targeted market(s).				
2. Provide copies of all policies related to Product Safety as well as any processes and procedures addressing: <ul style="list-style-type: none"> • Safety Leadership Infrastructure • Requirements Definition • Engineering Development • Manufacturing Safety Critical Processes & Traceability • Third Party Sourcing Selection and Control • Customer Incident Reporting & Corrective Action • Customer Safety Communications & Information: Warnings & Instructions • Training: Target personnel and customers, as applicable • Safety Audit/Self-assessment Programs 				
3. Unless otherwise provided in section K: <u>Litigation</u> , list and provide a brief description of each threatened or pending claim, lawsuit, arbitration, or investigation involving any product and a claim for relief of \$25,000 or more against the Target, or any of their respective officers or directors.				
4. Unless otherwise provided in section K: <u>Litigation</u> , list and provide a brief description of all outstanding judgments, decrees, or orders involving any product.				
5. Provide copies of all product related incident reports that supposedly resulted in: <ul style="list-style-type: none"> • death • personal injury • property damage Include all correspondence, including those from Counsel, addressing the Target’s investigation efforts and resultant, or pending, corrective actions.				
6. Provide copies of all product related incident reports that supposedly resulted in: <ul style="list-style-type: none"> • electrical shock or arcing • smoke, fire/flames, sparking or scorch marks • melting, overheating • burning smell or fumes Include all correspondence, including those from Counsel, addressing the Target’s investigation efforts and resultant, or pending, corrective actions.				
7. Unless otherwise provided in section K: <u>Litigation</u> , supply a description of any investigations of any of the Target’s products, pending or threatened, by any federal, state, local, or foreign authorities.				
8. Provide copies of all correspondence with, reports of or to, filings with, or other material information about any other regulatory bodies that regulate any of the Target’s products.				



9. Unless otherwise provided in section K: <u>Litigation</u> , supply copies of all correspondence, memoranda or notes concerning any dispute involving any safety related aspect of any of the Target's product with suppliers, subcontractors, competitors, customers or by-standers.				
10. Provide copies of all correspondence, memoranda, engineering notebook entries or other notes, not otherwise made available, related to any product safety issue that resulted in: <ul style="list-style-type: none">• no redesign action being taken• redesign action being taken <u>with</u> or <u>without</u> a review of reasonable alternative designs.				
11. Provide copies of all correspondence related to product safety requirements flow-down to subcontractors and all agreements related to performing periodic audits of such subcontractors. Include any results of such audits addressing findings and follow up corrective action.				

Gary R. Pannone, Managing Principal

401-824-5100

gpannone@pldolaw.com

Gary R. Pannone is the Managing Principal of Pannone Lopes Devereaux & O'Gara LLC. He has been representing closely held business owners for over thirty-five years in the areas of business formations, corporate restructuring, mergers, acquisitions and corporate compliance. Attorney Pannone is a Fellow of the American Bar Foundation and has been recognized by his peers as the metropolitan/Providence 2017 and 2018 "Lawyer of the Year" by Best Lawyers® in his practice areas. He serves on several boards and governance committees for nonprofit organizations and leads the firm's business law and nonprofit organizations teams. He is also a frequent lecturer and author in the areas of business law, corporate compliance and board governance. He is a graduate of the University of Notre Dame in finance and accounting and received his J.D. from Suffolk Law School.

Pannone Lopes Devereaux & O'Gara LLC is a leading full service law firm that is committed to bringing entrepreneurial business principles to the practice of law with a team of talented attorneys having high level expertise in their practice areas. Innovation, collaboration and teamwork are at the core of the firm's strategy, which enables the attorneys to deliver large firm expertise in a most cost effective manner. The firm invests in cutting edge technology and trains its lawyers in multiple disciplines, which has been the driving force in the firm's success in representing individuals, corporations and nonprofit organizations. Founded in 2006, the firm insists that its lawyers are respectful, responsive and committed to excellence resulting in long-term client relationships and recognition by its peers and the legal profession as among the Best Law Firms in America®. The firm has offices in Rhode Island, Massachusetts and Florida. For more information, please visit www.pldolaw.com.

RHODE ISLAND

Northwoods Office Park
1301 Atwood Ave.
Suite 215 N
Johnston, RI 02919
Toll Free: 866-353-3310
Phone: 401-824-5100
Fax: 401-824-5123

FLORIDA

Wells Fargo Plaza
925 South Federal Highway
Suite 715
Boca Raton, FL 33432
Phone: 561-362-2030
Fax: 866-353-5020

777 South Flagler Drive
Suite 800 - West Tower
West Palm Beach, FL 33401
Phone: 561-362-2030
Fax: 866-353-5020

MASSACHUSETTS

One International Place
Suite 1400
Boston, MA 02110
Toll Free: 866-353-3310
Fax: 866-353-5020

901 Main Street
Suite O
Osterville, MA 02655
Phone: 508-420-7159
Fax: 508-420-7162