

Overview

Today's private equity and lending institutions need ready access to independent experts and experienced resources to support and/or evaluate their platform companies and investments. Chess Consulting ("Chess") has decades of experience working with these firms and providing technical accounting, financial reporting and operational finance, business process and risk management, and forensic accounting and investigations. Our vast industry experience, including our deep expertise working with companies that sell to the U.S. Government, allows Chess to provide the insight and understanding of issues that are often missed or misunderstood. The life cycle of an investment and the related services that we are positioned to provide are broken out into the following three areas:

1) Initial Investment Transaction Support

Our clients have engaged us to:

- Perform buy-side due diligence;
- Assess purchase agreement and valuation support to record initial purchase accounting;
- Develop working capital adjustments and support;
- Assess other agreements, including earn out agreements, compensation programs, and equity plans to establish proper accounting and reporting;
- Develop financial and management reporting processes and structures;
- Establish cash forecasts and budgets;
- Assess current business processes and systems relative to strategic needs; and
- Provide interim CFO and accounting staff.

2) Investment Holding Period

Our services include:

- Implementing business process and system improvements;
- Performing finance function benchmark assessments;
- Integrating acquired companies;
- Providing external audit readiness support;
- Providing complex accounting analysis and "white paper" documentation;

- Financial planning and analysis;
- Preparing monthly, quarterly, and annual financial statements and disclosures;
- Conducting forensic accounting and special investigations;
- Assisting with the implementation of accounting controls and development of process documentation; and
- Developing boards of directors and executive reporting processes.

3) Investment Exit Strategy

Our services include:

- Performing sell-side due diligence;
- Accounting for the carve-out of business units or segments;
- Preparing financial reports and schedules for offering documents; and
- Providing expert testimony and litigation support in purchase price disputes.

The Chess Consulting Advantage

Our highly experienced team of accounting, business, and regulatory compliance experts have worked with private equity and lending institutions in conjunction with their platform companies and investments on a multitude of accounting and financial reporting matters. The platform companies and investments on which our private equity and banking clients have engaged us span a wide variety of industries including, but not limited to: aerospace and defense, healthcare, manufacturing, distribution, and technical services. Notable experience includes:

- *A global private equity firm and an information technology government contractor.* A global private equity firm took a majority position in a large multi-billion dollar information technology company. Chess was engaged to support the initial transaction, including the carve-out of the government business segment and completion of the initial purchase accounting. We also provided assistance with external audit support, including financial statements and disclosure. Chess continued to support the platform company with

refinancing analysis, business process improvements, and initial public offering readiness services.

- *A large national bank lender and a manufacturer/distributor.* Subsequent to a bank field examination, Chess was engaged to perform a forensic accounting investigation into suspicious activity related to unusual financial results, questionable turnover of management, and other high risk indicators. We identified multiple accounting and control issues related to improper financial reporting utilized to mislead and cover up financial difficulties.

Chess Consulting Differentiators

Deep industry knowledge and technical expertise which helps each client deal effectively with the complexities of the processes and issues facing its business.

Profitability focus concentrating on actions and solutions that create a competitive business advantage while fully complying with regulatory requirements.

Practical and creative solutions that effectively address difficult compliance and business issues.

Supportable positions that have been proven to withstand scrutiny from regulatory agencies such as the SEC, DCAA, DOJ, and GAO.