

CHES

CONSULTING LLC

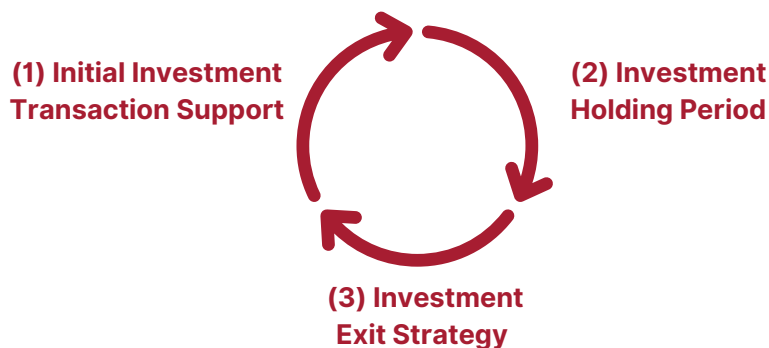
Because the right move matters



Private Equity and Lender Services

Transactions and Risk Management

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 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 support. 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 overlooked 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 engage us to:

- Perform buy-side due diligence and Quality of Earning reports;
- Assess government contract regulatory risks and opportunities such as CAS, FAR, CMMC, and contract claims/REAs;
- 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; and
- Provide interim CFO and accounting staff.

(2) Investment Holding Period

Our services include:

- Implementing/integrating business process and system improvements (we are Deltek and Unanet business system partners);
- Integrating acquired companies;
- Developing external restructuring proposals;
- Establishing strategic cost accounting strategies;
- Providing external audit readiness support;
- Providing complex accounting analysis and “white paper” documentation;
- Providing outsourced government contract compliance;
- Financial planning and analysis;
- Preparing monthly, quarterly, and annual financial statements and disclosures;
- Assisting with the implementation of accounting controls and development of process documentation; and
- Developing boards of directors and executive reporting processes.
- Conducting forensic accounting and special investigations.

(3) Investment Exit Strategy

Our services include:

- Audit/sell-side accounting and reporting readiness;
- Accounting for the carve-out of business units or segments;
- Assessing and quantifying potential government contract regulatory issues and opportunities;
- IPO readiness; and
- Providing expert testimony and litigation support in purchase price disputes.



Our highly experienced team of accounting, business, and government contracting 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, 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 and cash flow 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.

THE CHESS CONSULTING ADVANTAGE

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.

Team Leaders

David Hess, *Managing Director, Private Equity/M&A Leader*

Mike Tomaselli, *Director, Private Equity/M&A Due Diligence*

David Dishmon, *Managing Director, Government Contracts Cost Accounting, Pricing and Regulatory Compliance*

Ed Tharp, *Director, Transaction Integration, Carve Out Accounting and IPOs*

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