

655 W. Fulton Street  
Suite #9  
Sanford, FL 32771

## STONEGATE COMMERCIAL GROUP, LLC

A Corporate Investment International, Inc. Affiliate



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### OUTSOURCED ACQUISITION CANDIDATE SEARCH PROGRAM OUTLINE

Stonegate Commercial Group, LLC / Corporate Investment International, Inc. conduct proactive searches for acquisition candidates based on the criteria provided by an acquiring Client. These projects typically work best for Acquirers that are focused with respect to target business type, size and geographic location. The **advantages of outsourcing an acquisition search** are;

- 1) *allows a buying company or individual to use cost effective contract resources for a search that requires intermittent and specialized skills,*
- 2) *captures the entire universe of candidates meeting an Acquirers needs, not just those companies currently being offered for sale,*
- 3) *increases the likelihood of agreement to meet since intermediary (brokerage) fees are typically paid by the Acquirer,*
- 4) *employs proven and professional techniques for reaching qualified candidates,*
- 5) *uses extensive data base resources of SCG / CII for screening and contacting candidates,*
- 6) *permits anonymity of the Buyer until a candidate has agreed to exploratory talks, and*
- 7) *accelerates the process of finding suitable acquisition candidates.*

SCG / CII acts as a 'finder' in the project with the goal of initiating and scheduling an exploratory conference call or meeting between the prospective Buyer and Seller. SCG / CII is engaged by the buying company under a Fee Agreement and Engagement Letter and provides each prospective Seller with a Confidentiality Agreement executed by the Buyer. Sellers are asked to provide high-level financial and operating information prior to the meeting or call.

There are **two options** for engaging SCG / CII for a search project:

#### OPTION A – Full Scope Search

- a) *SCG / CII determines the size of the universe of potentially qualifying companies, based on demographic criteria provided by the Client,*
- b) *The Client decides how many contacts it would like SCG / CII to make,*
- c) *The Client provides SCG / CII with an overview of themselves, and approves what information can be discussed with or provided to the candidates during the initial phase of the search,*
- d) *The Client approves all written material (letters, etc.) that will be used in the search,*
- e) *SCG / CII provides the Client with an initial Contact List for the Client to review and edit,*
- f) *SCG / CII sends out a first Letter of Inquiry to each candidate, followed up a few days later by an email to the senior executive or owner ( if an email address can be obtained),*
- g) *If no response is received in 10 business days, a second letter is sent, this time followed up by a voice message left for the senior executive or owner.*

FEES The Fee Schedule payable by the Client to SCG / CII under Option A has two components; 1) an Administrative and Marketing (A&M) Fee payable at engagement and, 2) a contingent Success (Transaction) Fee is payable at the successful closing of an acquisition **calculated as a pre-determined percentage of the transaction value** (total consideration exchanged; purchase price).

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**OPTION B – Limited Scope Search**

-- The process is the same as the Full Scope Search however; a second letter and voicemail are not used.

FEES The Fee Schedule payable by the Client to SCG / CII under Option B have the same two components (A&M Fee plus Success Fee); however, the amounts are lesser.

**[ Please call for specific quotes on your unique search project needs. ]**

Simultaneously with the both Option A and B searches, SCG / CII monitors multiple high-volume data bases, websites and other professional intermediary firms for new offerings that meet the target criteria of the Client. If a suitable candidate comes on the market, any fees received by SCG / CII from the offering firm (if they are ‘cooperating’ brokers) at closing are used to offset up to 100% of the Transaction Fees due from the Client.

All voice communications with prospective Sellers are confidentially handled by experienced intermediaries. SCG / CII will facilitate and participate in the initial contact(s) and do what is deemed necessary by the parties to ‘jump start’ the negotiation process. SCG / CII is also available for full intermediary services (offer / counter suggestions and review, valuation analysis and structure opinions, financing, due diligence, document review, pre-close coordination, professional (CPA, CFP, Attorney’s, etc.) referrals, and closing activities) under a separate fee arrangement.

A typical search project will require 2 weeks to finalize the contact list, followed by 4 weeks of contact implementation and follow-up.

If you have any questions regarding the Acquisition Search process, or would like an estimate of the number of companies meeting your criteria, please call or email at the numbers and addresses above. We would enjoy the opportunity to work with you on a proactive search for acquisition candidates.

Sincerely,

A handwritten signature in blue ink that reads "Scott W. Vierima". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

**Scott W. Vierima** MBA, CBI, BSEE, SBA, MEA  
Managing Member and Corporate Finance Intermediary. SCG / CII

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