

Sample Due Diligence Request List

Below I have included an example of a due diligence request list. While every company uses its own format, this should give you a good idea of the type of information the company will want to see during this phase.

It is a matter of good housekeeping to make sure that your company documentation is already stored and ordered (this is especially true of the signature pages for contracts). This will significantly reduce the effort associated with providing the information when requested.

| Section A - Company Information. | |
|---|---|
| A-01 | The Company's Articles of Incorporation (and any amendments). |
| A-02 | The company's organization chart (including subsidiaries if applicable). |
| A-03 | The company's bylaws (and all amendments). |
| A-04 | A list of company's shareholders, option holders and associated vesting schedules. |
| A-05 | Copies of all share and options agreements. |
| A-06 | A cap-table showing a detailed breakdown of the company's capitalization. |
| A-07 | All board packages from the last year. |
| A-08 | A Certificate of Good Standing from the Secretary of State of the state. |
| A-09 | A list of all of the company's assumed names and associated copies of registration. |
| A-10 | Complete copy of the company's stock books. |

| Section B - Product Information. | |
|---|--|
| B-01 | A list of all existing products or services (including those currently under development). |
| B-01 | A list of all technologies used to develop the products. |
| B-03 | A description of the current product roadmap in as much detail as possible. |
| B-04 | A description of the product and platform architecture. |
| B-05 | A description of any important technical know-how. |
| B-06 | Copies of any correspondence relating to regulatory approvals or disapprovals. |
| B-07 | A summary of all customer complaints or warranty claims. |

| Section C - Customer Information. | |
|--|--|
| C-01 | A list of all of the company's customers |
| C-02 | Details of all agreements that customers have entered into |
| C-03 | Details of product pricing and associated revenue over time. |
| C-04 | Details of customer monthly active usage. |
| C-05 | Details of monthly renewal and churn rates for past three years. |
| C-06 | Details of any supply or service agreements. |

| | |
|------|--|
| C-07 | A description or copy of the company's purchasing policies. |
| C-08 | A description or copy of the company's credit policy. |
| C-09 | A list and explanation for any major customers lost over the last two years. |

| | |
|--|--|
| Section D - Market Information. | |
| D-01 | The company's view of the market, plus any supporting research. |
| D-02 | Details of the company's current marketing plans and budgets. |
| D-03 | Description of Company go-to-market strategy. |
| D-04 | Description of the customer pipeline in as much details as possible. |
| D-05 | List of competitors and any available competitive analysis. |
| D-06 | Complete list of indirect sales partnerships and reseller/referral agreements. |
| D-07 | Copies of all articles and press releases relating to the company. |

| | |
|---|--|
| Section E - Support Information. | |
| E-01 | Description of how customer support is managed plus details of the tools used. |
| E-02 | List of recent critical support issues. |
| E-03 | All available operating metrics for the support organizations. |
| E-04 | Details of any customer satisfaction studies for past two years. |

| | |
|---|--|
| Section F - Financial Information. | |
| F-01 | Audited financial statements for the last three years (including auditor's reports). |
| F-02 | If not available, then unaudited financial statements for last 3 years |
| F-03 | Any projections, capital budgets and strategic plans. |
| F-04 | Monthly P&L's and balance sheets for past three years. |
| F-05 | Details of revenue and gross profit in as much detail as is available. |
| F-06 | Details of all expenses broken down by category. |
| F-07 | Details of headcount and total compensation broken down by functional area. |
| F-08 | Details of all indebtedness and future or contingent liabilities/obligations. |
| F-09 | Details of all accounts receivable. |
| F-10 | Details of all of accounts payable. |
| F-11 | Details of all bad debts. |
| F-12 | Details of all deferred revenue. |
| F-13 | The company's general ledger. |
| F-14 | A description of depreciation and amortization methods. |
| F-15 | A description of the company's internal control procedures. |

| Section G -Tax Information. | |
|------------------------------------|--|
| G-01 | All tax returns for the last three years. |
| G-02 | Any audit and revenue agency reports. |
| G-03 | Any tax settlement documents for the last three years. |
| G-04 | Employment tax filings for three years. |
| G-05 | Details of any tax liens. |
| G-06 | A schedule of all states where company does business. |
| G-07 | A schedule of all foreign jurisdictions in which company has employees or owns assets. |
| G-08 | A copy of any inter-company agreements. |

| Section H - Employee Information. | |
|--|---|
| H-01 | A comprehensive list of all employees (and contractors) with title and compensation. |
| H-02 | All employment, consulting, nondisclosure, non-solicitation or noncompetition agreements between the company and any of its current or former employees or consultants. |
| H-03 | A schedule of all employee benefits and policies. |
| H-04 | A description of all employee problems within the last three years. |
| H-05 | A description of worker's compensation claim history. |
| H-06 | A description of unemployment insurance claims history. |
| H-07 | Any severance or deferred compensation arrangements. |

| Section I - Material Contract Information. | |
|---|--|
| I-01 | Details of all subsidiary, partnership, or joint venture relationships agreements. |
| I-02 | All loan agreements, bank financing arrangements, line of credit, or promissory notes. |
| I-03 | Any distribution agreements, sales representative agreements, marketing agreements, and supply agreements. |
| I-04 | All indemnification, confidentiality, nondisclosure, consulting or noncompetition agreements to which the company is a party. |
| I-05 | Details of commission arrangements, contract terms and any other agreements between the company and its sales force and/or distributors. |
| I-06 | All royalty and licensing agreements to with the company is a party. |
| I-07 | Description of any material default of a term contained in a material contract. |
| I-08 | All agreements, which by their terms, will be affected by this proposed transaction. |
| I-09 | Agreements aimed at or including provisions on restricting competition. |

| Section J - Intellectual Property Information. | |
|---|--|
| J-01 | A List of every contributor to the Company's IP throughout Company history, whether the contributor is an employee, consultant or a third party. |
| J-02 | Details of domestic and foreign patents and patent applications. |
| J-03 | Details of trademark and trade names. |
| J-04 | Details of any copyrights. |
| J-05 | A description of the methods used to protect trade secrets and technical know-how. |
| J-06 | Copies of all agreements regarding licenses or assignments of intellectual property to or from the company. |
| J-07 | A summary of any claims (or threatened claims) by or against the company regarding intellectual property. |
| J-08 | A list of all 3rd party technologies included within the code, including all open source solutions and their respective licenses. |
| J-09 | All license agreements related to technology licensed by the company to third parties or from third parties to the company. |
| J-10 | List of current or former employees/consultants that have not entered into the company's standard non-disclosure and invention assignment agreement. |
| J-11 | List of licenses that are indispensable for the regular course of business of the company. |

| Section K - Real Estate Information. | |
|---|--|
| K-01 | A schedule of the company's business locations. |
| K-02 | A schedule of a real estate owned or leased by the company |

| Section L - Physical Asset Information. | |
|--|---|
| L-01 | A schedule of fixed assets and the locations thereof. |
| L-02 | All U.C.C. filings. |
| L-03 | All leases of equipment. |
| L-04 | A schedule of sales and purchases of major capital equipment during last three years. |

| Section M - Licenses and Permits Information. | |
|--|---|
| M-01 | Copies of any governmental licenses, permits or consents. |
| M-02 | Any correspondence or documents relating to any proceedings of any regulatory agency. |

| Section N - Insurance Information. | |
|---|--|
| N-01 | A schedule and copies of the company's insurance agreements. |
| N-02 | A schedule of the company's insurance claims history for past three years. |

| Section O - Litigation Information. | |
|--|---|
| O-01 | Details of all pending litigation and copies of key documents. |
| O-02 | A description of any threatened litigation. |
| O-03 | Documents relating to any injunctions, to which the company is a party. |