



## Private Mergers and Acquisitions Due Diligence Checklist

This Checklist covers the typical areas of legal due diligence conducted by a corporate client. It does not cover business due diligence or specialty areas (such as employee benefits or tax). This Checklist is not an exhaustive list. It is a guide that will help the client focus on important issues common to all transactions.

### Preliminary Questions and Organization

Consider the following preliminary questions to help guide the due diligence investigation and organization strategy.

#### Preliminary Information

##### Gather Information About the Deal

- What is the structure of the deal? Is this a stock acquisition, asset acquisition, or merger?

##### Gather Information About the Target Company

- Is the target a private company or a public company?
- What type of entity is the target?
- Is there any publicly available information on the target?
- In what type of industry does the target operate? What kind of business is it? Does the target have global operations?

##### Gather Information About the Due Diligence Investigation

- What is the scope of the due diligence investigation? Are there any time or budgeting restrictions?
- What areas of the due diligence is legal counsel responsible for? Does the buyer only want the diligence to focus on particular areas? Are specialists or third parties reviewing certain areas?
- When does the due diligence review need to be completed?
- Have any third-party consultants been engaged? If so, what is their contact information?
- How is the due diligence being made available? If it is on an electronic data site, how is it accessed and are there any restrictions on printing or copying the materials?
- Are there any particular issues the buyer wants the legal diligence to focus on? Is there any threshold information the buyer wants to know before moving ahead with the deal?
- Is there any background material available (such as a management presentation or confidential information memorandum)?

##### Identify Communication Contacts and Buyer Expectations

- Does the buyer want formal updates during the process?
- What is the end product? Does the buyer want an oral or written report? If written, what style of written report? For example, if the buyer wants a detailed written report the corporate associate should keep detailed

summaries of each document. If the buyer wants a high-level issues list, detailed summaries are not necessary.

- Does legal counsel have access to the seller? Can legal counsel communicate with the seller directly or does it need to go through an investment bank or legal advisor? Does legal counsel have all required contact information?

## **Steps to Get Organized**

### **Establish Systems for Document Review and Distribution**

- Identify the contact person at the buyer for due diligence.
- Identify someone that can help create an electronic share site in a document management and sharing system that is accessible to all due diligence reviewers and project team members. Often a paralegal is assigned to help with this process. The share site should include:
  - electronic folders of all of the documents;
  - a checklist, usually in a spreadsheet, to keep track of which documents have been reviewed and by whom;and
  - the document review forms where each reviewer can log key issues
- Establish who is responsible for each group of materials in the data room.
- If permitted, print an index from the virtual data site.
- Ensure that all reviewers and project team members have the access information to the share point site.
- Obtain and distribute any publicly available information to the members of the legal due diligence team.
- Check with a senior member of the legal team to confirm the law firm's record retention policy, including any digitally prepared materials.

### **Identify Local Counsel and Legal and Outside Specialists**

- Assemble all of the necessary internal legal specialists in areas such as:
  - real property;
  - employee benefits;
  - tax;
  - intellectual property;
  - antitrust; and
  - environmental.
- Some deals may not need certain specialists (for example, a real estate specialist is unnecessary if there is no owned or leased property).
- Brief any specialists on the due diligence process, if needed.
- Check if local counsel will be required. For example, local counsel is often engaged if the target or any of its significant subsidiaries are located in a foreign jurisdiction.
- Coordinate work with any outside specialists (for example, accountants) so that efforts are not duplicated.

## **Examine Big Picture Considerations to Identify Important Facts and Issues**

There are certain big picture considerations that apply to every type of due diligence review (whether examining organizational documents or operating contracts).

- **Impediments to the transaction.** Find out if there is anything that could delay or stop the transaction. For example:
  - Is there a **change of control clause** provision that is triggered by this transaction?
  - Are any consents or notices required in connection with the transaction?
  - Are there any restrictions on the target that will affect the proposed financing of the transaction?
  - Are there any payments or other benefits due to a third party in connection with the transaction (for example, special bonuses paid to management)?
- **Liabilities.** Look for any previously unknown liabilities (including any contingent liabilities) and find out more about known liabilities.
- **Impediments to operation of business.** Identify any issues that will restrict the target from operating its business in the ordinary course (for example, geographical restrictions on where the target can operate).
- **Buyer's business plans for target.** Look for anything that will get in the way of the buyer's business plans for the target. For example, if the buyer wants to shut down a manufacturing plant, look for any provisions that would impede the shutdown of operations.
- **Termination of benefits or loss of assets.** Determine if any of the target's assets are going to go away, whether through disposition or a terminated contract. The buyer expects to get certain benefits from a transaction (for example, use of a manufacturing facility or access to a customer base).

## Review Organizational Documents of the Target and Its Subsidiaries

### Collect Organizational Documents

- Ensure the target's governing documents have been collected and reviewed. Depending on the structure of the target and any of its subsidiaries, these may include:
  - a certificate of incorporation;
  - by-laws;
  - a limited liability company agreement;
  - a partnership agreement; and
  - any stockholders agreements.

### Review Information Regarding Equity and Equity Holders

- Who owns the equity in the target business?
- Is there an equity holder or group of equity holders that has control of the target business?
- If the entity is a corporation, how much equity is outstanding? How much is authorized? Is there room for further issuances?
- Where are original stock (or its equivalent) certificates and notes located?
- Are there any restrictions on the transfer of equity?
- Do equity holders have pre-emptive rights in future issuances?
- Is there a dividend or distribution policy? If so, what is it and can the board of directors (or other equivalent governing body) change this policy without a vote?
- Do any equity holders have special rights to elect or remove directors?

- Do any equity holders have observer rights?

## **Identify Consent Requirements for Corporate Action**

- Are any votes or consents required in connection with the transaction?
- What actions require consent of equity holders or the board of directors (or other equivalent governing body)?
- Who can sign documents on behalf of the target?

## **Identify Any Restrictions on Financial Matters**

- Are there any restrictions on the ability of the target to borrow money?
- Are there any restrictions on the ability of any subsidiaries of the target to guaranty its debt?
- Are there any restrictions on the ability of the target to pledge or grant a security interest in its assets (including its equity)?

## **Identify Any Other Matters That Could Affect the Transaction**

- Are there any subsidiaries? Are they wholly owned?
- Are there any anti-takeover defenses? For example, is there a **poison pill** or **staggered board of directors** (or other equivalent governing body)?
- Are there any other provisions that could impact the transaction or future operation of the target business.

## **Review Any Joint Venture or Investor Arrangements by Target**

- Review any contractual relationships the target has with third parties that govern ownership of the target's assets (including its equity) or operations.

## **Identify the Parties to the Contract**

- Who are the parties?
- What is the nature of the other party's relationship to the target?

## **Identify the Assets Subject to the Contract**

- What asset or operation is the subject of the joint venture (such as a subsidiary, intellectual property, or a line of business)?
- Does the agreement give the other party any ownership rights in any of the target's assets?
- Does the agreement give the other party any control or consent rights over the target?
- Can the target pledge the assets governed by the agreement?

## **Identify Termination and Change of Control Provisions**

- How can the agreement be terminated?

- What is the consequence if the buyer wants to break the agreement?
- Is there a change of control provision in the agreement? If so, does this transaction constitute a change of control?

## Review the Target's Commercial Contracts

- Determine the scope of the review of the target's commercial contracts. Sometimes the review is limited to material contracts (for example, contracts that contain obligations or benefits over a certain dollar threshold).
- Identify the types of contracts subject to review which depends on the industry and business of the target (for example, customer and supply contracts, franchise agreements, advertising agreements, and equipment leases).

## Identify the Parties to the Contract

- Who are the parties to the contract?

## Identify Renewal, Change of Control, and Termination Provisions

- Is there an automatic renewal provision?
- Is there a change of control provision? If so, does this transaction constitute a change of control?
- Is the contract assignable? How is assignment defined?
- When does the contract terminate or expire?
- Can either party terminate without consent? If so, what notice is required?

## Review the Economics of the Contract

- What are the basic economics of the contract?
- Are the economics of the contract fixed or do they fluctuate?
- How is the pricing determined?

## Identify Any Restrictions on the Target Under the Contract

- Is there a **non-compete provision** or other restriction on the target business?
- Is there a **most favored nations provision** or other provision that provides special benefits to the other party?

## Identify the Current Status of the Contract

- Are any material contracts currently in breach?
- Has the target received or delivered any notices that a material contract will not be renewed?

## Review All Merger and Acquisition Agreements

- Review all agreements relating to acquisitions and dispositions in the recent past (often five years) to determine if there are any ongoing obligations.

## Identify the Parties to the Agreement

- Who are the parties to the agreement?

## Identify Any Escrows Related to the Agreement

- Are there any funds in **escrow**?
- What are the escrowed funds designated for?
- What are the conditions of release of the escrow?

## Identify the Current Status of the Agreement

- Has the survival period of the **representations and warranties** run out?
- Have any **indemnification** claims been made?
- Does the target business anticipate future indemnification claims?
- Are there any ongoing obligations under the agreement?
- Are there any outstanding **purchase price adjustments** or **earn-outs**?
- Are there any provisions that could impact the transaction or future operation of the target business. For example, is there a non-compete obligation currently in effect or is the target business responsible for any ongoing liabilities of the other party.

## Review All Outstanding Financing Arrangements

- Review all outstanding financing arrangements (for example, loan agreements, hedging agreements, guarantees, and promissory notes).

## Identify the Parties to the Agreement

- Who are the parties to the agreement?

## Identify the Terms and Status of the Agreement

- What debt is outstanding?
- What are the interest rates?
- When do the loans or notes mature?
- Does the target have any **contingent obligations** (such as guarantees)?
- Is any debt guaranteed by third parties (for example, a parent company guaranty)? How can the target terminate any guarantees? Is the loan or note secured?
- Are there any liens on the target business or its assets? If so, how can these liens be released?
- Have any equity or notes of the target company been pledged?

## Identify Any Restrictions on the Target

- Are there any **restrictive covenants** impacting the transaction (or future operation of the target business)?
- Is there a change of control provision? If so, does this transaction constitute a change of control?
- Can the financing arrangement remain in place? If so, can additional money be borrowed? Is additional or new collateral required?
- What are the mechanics and timing for prepayment of the loans?
- Can the loan be prepaid without penalty? If not, how is the penalty calculated? What parties would be paid off?

## Litigation

- Schedule a conference call with the target's management for a comprehensive review as it is often difficult to get a full picture of the target's litigation from the documents alone.

## Identify Pending Claims

- How many claims are currently pending?
- Is there sufficient information on all pending claims?
- Does a litigator need to review any of the materials?
- Are the pending claims covered by insurance? If so, what is the deductible?
- What is the estimate of damages?
- What is the current status of each claim?
- What is the likelihood of success on the merits?
- Are any of the pending claims class actions?

## Review Past Claims

- Were there any large claims paid out in the past?
- Has the target been involved in any class actions in the past?
- What kinds of claims or litigation is the target business typically a party to?
- What is the average amount of damages?
- Are most claims settled or litigated? What is the typical size of a settlement?
- Are there any settlement agreements or court decrees with ongoing obligations? If so, what are they and when do they terminate?

## Permits and Other Regulatory Licenses and Consents

- Are any permits required to operate the target? Does the target currently have these permits?
- What permits does the target currently hold?
- What agencies are the permits with?

- When do the permits expire? How are they renewed?
- What regulations govern the permits? If the target is in a highly regulated industry, the buyer may engage a third-party consultant to review any permits from an operational perspective.
- Are there any change of control provisions in the permits or in the applicable regulations? If so, does this transaction constitute a change of control?
- Are any consents required in connection with the transaction?

## Unfamiliar Documents

If faced with unfamiliar materials or documents, take the following steps to help guide the review:

- Remember the big picture concerns. These apply to all types of materials.
- Talk to a senior member of the legal team and other lawyers at the law firm. It is likely that someone will have reviewed these kinds of documents before and can provide guidance.
- Make sure the buyer understands the review is limited to legal issues and the materials are outside the scope of the review. The buyer can then determine whether to engage a third party consultant.
- When in doubt, over report. A senior member of the legal team should be able to help scale back the report, but it is better to report too much information than to miss an issue. If reviewing operational or business materials, the buyer can help determine if an issue is significant.

## Coordinate Internal Specialist Review

- Be aware of all due diligence issues and know what types of materials are in the data room, including specialist documents, such as real property or employee benefits materials. Even though specialist documents are reviewed by other lawyers, the corporate associate is often the main point of contact for the buyer.
- Coordinate with relevant specialists and facilitate the review of specialist documents.

## Identify and Assemble the Right Specialists

- Assemble the right specialists.
- Gather enough information about the target business to know what specialist areas should be focused on, including at a minimum whether:
  - the target owns or leases its properties, and whether its properties are important in the operation of its business;
  - the target owns or uses significant intellectual property, and if so, what kind of intellectual property it owns (patents, trademarks, or copyrights);
  - environmental issues are common in the target's industry (for example, are hazardous materials used); and
  - the target has employees, and if so, whether there are unions or defined benefit plans.
- Identify what type and amount of specialist materials have been provided. For example, are there a lot of real property leases or intellectual property licenses?

## Manage Communications with the Specialists



- Provide the specialists with all relevant background information about the target and the transaction.
- Communicate the scope of the due diligence review (including any budget or timing considerations).
- Inform each specialist what type of due diligence report the buyer is expecting.
- Periodically check in with the specialists to see if there are any issues that should be reported to the buyer.
- Periodically check in with the specialists to see if they are on schedule to meet the due diligence review deadline.

### **Coordinate Reports from Each Specialist**

- Coordinate any reports and summaries into one clear report for the buyer. If the buyer wants one written due diligence memorandum, it is often the corporate associate's job to compile the various materials.

### **Coordinate with Third Party Consultants**

- Determine whether the buyer will engage third party consultants to review a portion of the due diligence materials. For example, accountants typically review tax materials.
- Obtain the contact information of any third party consultants that the buyer engages.
- Identify the areas of review that the consultants are responsible for. Determine if the buyer wants the legal team to review these materials as well.
- Communicate and coordinate with any consultants so that work is not duplicated and important materials are not missed.
- Clarify if the buyer expects the legal team to distribute materials to the consultants. If so, have all relevant materials been provided to the consultants.
- Clarify if the consultants will communicate directly with the buyer. If not, ensure that the buyer is informed of any issues raised by the consultants.
- If the consultants are communicating directly with the buyer, determine if the legal team is permitted to review any reports drafted by the consultants and, if so, review them. Issues raised by the consultants may impact other areas of the due diligence review or the negotiation of the purchase agreement.
- If there is no consultant report available, determine how the legal team can learn of any issues raised by the third-party consultants.
- If there are any due diligence meetings or conference calls (whether internal or with the seller), invite the relevant consultants.

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## LEGAL DUE DILIGENCE CHECKLIST

**XYZ, INC.**

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Please provide the following documents and information for XYZ, Inc. (together with any subsidiaries, the "Company").

### OUTLINE OF CHECKLIST

Dated:

- A. BASIC INFORMATION AND BACKGROUND**
- B. FINANCIAL INFORMATION**
- C. ASSETS**
- D. MATERIAL CONTRACTS**
- E. MATERIAL LITIGATION**
- F. EMPLOYEE MATTERS**
- G. REGULATORY MATTERS, GOVERNMENT APPROVALS AND PERMITS**
- H. ENVIRONMENTAL MATTERS**
- I. TAX MATTERS**
- J. INSURANCE**
- K. ADVERTISING AND MARKETING**
- L. MANAGEMENT INFORMATION SYSTEMS**

NO.	ITEM DESCRIPTION	PREVIOUSLY PROVIDED	PROVIDED HEREWITH	TO BE PROVIDED	N/A	Comments
<b>A.</b>	<b>BASIC INFORMATION AND BACKGROUND</b>					
A1	Articles of Incorporation and bylaws of the Company and all amendments thereto.					
A2	Minutes of all meetings of the board of directors (including all committees) and the shareholders of the Company and copies of all written consents, for the last 3 years.					
A3	History of business activities of the Company, including acquisitions, restructurings, reorganizations, dispositions, repurchases or any other significant transactions undertaken within the last 3 years.					
A4	Jurisdictions in which the Company is qualified to do business or is otherwise doing business.					

NO.	ITEM DESCRIPTION	PREVIOUSLY PROVIDED	PROVIDED HEREWITH	TO BE PROVIDED	N/A	Comments
A5	List of authorized capital stock of the Company and amounts outstanding and treasury (by class and series), together with: (i) a summary of the terms of each outstanding class or series; (ii) stock certificates and a description and copies of relevant agreements and restrictions, if any, relating to outstanding equity securities of the Company and rights to acquire equity securities of the Company; and (iii) stockholders' agreements, if any, and information with respect to dividends paid by the Company in the past 3 years.					
A6	Schedules/ledgers of issuances or grants of stock options by the Company.					
A7	Stockholders agreements, if any.					
A8	Stock purchase agreements that have been used for sales of common stock and any other agreements relating to sales or securities by the Company.					
A9	Information with respect to dividends paid by the Company in the past three years.					
A10	List of current officers and directors of the Company.					
A11	Significant articles, research and press reports covering the Company for the last 2 years.					
A12	Copies of all SEC filings for the last 2 years.					
<b>B.</b>	<b>FINANCIAL INFORMATION</b>					
B1	Audited annual financial statements of the Company for last 5 years, annual budgets and comparisons to actual for last 3 years.					
B2	Accountants' management letters and management responses for the past 5 years.					
B3	Effect of any recently issued or proposed standards of regulations of FASB, IRS or other regulatory bodies that could have a material effect on the financial position of the Company or the results of operations					

NO.	ITEM DESCRIPTION	PREVIOUSLY PROVIDED	PROVIDED HEREWITH	TO BE PROVIDED	N/A	Comments
B4	Nature/amount of all contingent liabilities and schedule of off balance sheet commitments.					
B5	All agreements currently in effect relating to advisers retained, fees payable to them and claims for payment.					
B6	Schedule of all debt agreements and documents and/or agreements granting any lien or encumbrance on the Company's assets.					
B7	New product development information – status report and funding plans					
<b>C.</b>	<b>ASSETS</b>					
C1	List of real property owned by the Company, together with (a) location and brief description, (b) deeds or other evidences of title; (c) description of all encumbrances (including easements, liens, restrictions, violations, covenants and agreements), (d) appraisal reports, if any, (e) copies of all title reports and policies relating thereto and all underlying documents, and surveys if available, (f) copies of all leases and amendments thereto, (g) copies of all permits and certificates of occupancy.					
C2	List of real property leased by the Company, together with (a) location and brief description, (b) lease agreements and all amendments thereto (and proposed modifications), (c) description of all encumbrances (including easements, liens, restrictions, violations, covenants and agreements), (d) subordination agreements and estoppel certificates, (e) copies of all permits and certificates of occupancy, (f) any available title information, and surveys if available, and (g) if available, a summary of date, term and termination rights, renewal rights and rent.					
C3	List of material personal property leased by the Company, together with (a) lease agreements and (b) if available, a summary of date, term and termination rights, renewal rights and rent.					
C4	List all patents, trademarks, copyrights or other proprietary information owned, licensed to or otherwise used by the Company and all contracts and documentation relating thereto.					
C5	Indicate the accounting methods used to depreciate or amortize intangible asses.					

NO.	ITEM DESCRIPTION	PREVIOUSLY PROVIDED	PROVIDED HEREWITH	TO BE PROVIDED	N/A	Comments
C6	Description of any material, non-patented proprietary information of the Company.					
C7	List any material liens or other encumbrances on real or personal property of the Company.					
C8	Schedule of material non-operating assets					
C9	Schedule and description of all MIS systems (hardware and software) used by the Company					
C10	Provide details of other current assets of the Company, including prepaid expenses, deferred taxes, etc.					
<b>D.</b>	<b>MATERIAL CONTRACTS</b>					
D1	Cost sharing (e.g., "common cost") agreements among the Company and any affiliates.					
D2	Capital leases, contracts for the deferred purchase price of property and sale-leaseback arrangements.					
D3	Supply agreements with major customers and suppliers.					
D4	All contracts (and drafts of contracts under consideration) and other arrangements with officers, employees, shareholders, debtholders, members of their families or entities in which any of the foregoing have an interest.					
D5	To the extent not provided pursuant to the above requests, all agreements, commitments and arrangements with related parties (e.g. entities controlled by the Company's shareholders and debt holders).					
D6	Any partnership, joint venture, marketing or other similar contracts or arrangements entered into by the Company, and any amendments thereto, and description of any party's failure to comply its obligations thereunder.					
D7	All agreements, including indemnity agreements, related to acquisitions, restructurings, reorganizations and dispositions of businesses and material assets.					

NO.	ITEM DESCRIPTION	PREVIOUSLY PROVIDED	PROVIDED HEREWITH	TO BE PROVIDED	N/A	Comments
D8	All indemnification and guaranty agreements of the Company.					
D9	Identify other material contracts, information or arrangements which, in your judgment, are significant with respect to the business of the Company or which should be considered and reviewed in making disclosures regarding the business and financial condition of the Company to prospective investors.					
D10	Identify each contract under which consents or approvals will be required in order to consummate the transaction or which will be subject to termination, modification or acceleration as a result of the transaction.					
D11	All material agreements with any government or government agency, other than ordinary course contracts and description of any party's failure to comply with its obligations thereunder.					
D12	All non-compete and confidentiality agreements of the Company.					
<b>E.</b>	<b>MATERIAL LITIGATION</b>					
E1	List of all material pending, threatened or potential litigation and administrative actions affecting the Company, identifying the parties to each such litigation, the nature of the claim, the amount at issue and a brief description of the merits of the case. Please provide a status report and copies of all material documentation relating thereto, if available, and indicate whether the Company has adequate insurance, indemnity or other protection therefor.					
E2	All audit response letters for the last 5 years from the Company's attorneys to the independent public accountants regarding litigation in which the Company is or may be involved.					
E3	Litigation liability claims history of the past 3 years, including claims directly against the Company and its involvement in claims against others and a list of all active cases.					
E4	Any consent decrees or settlement documents currently in effect.					
E5	Correspondence, memoranda or notes concerning any disputes with customers, contractors, suppliers, competitors or others regarding any claim for an amount in excess of \$xxxxxx or which may otherwise have a material impact on the Company.					

NO.	ITEM DESCRIPTION	PREVIOUSLY PROVIDED	PROVIDED HEREWITH	TO BE PROVIDED	N/A	Comments
<b>F.</b>	<b>EMPLOYEE MATTERS</b>					
F1	Organizational chart, by business areas indicating functions and reporting responsibilities for all management level positions and number of direct reports, together with a list of key employees showing name, age, starting date, responsibilities, compensation (including fringe benefits), prior service.					
F2	Employment, management and consulting contracts (and descriptions of any informal consulting arrangements); severance and change of control agreements; collective bargaining agreements, current union contracts and works council agreements.					
F3	List of labor disputes, grievances, arbitrations, unfair labor practices, litigation, EEOC actions, WARN and ADA disputes or claims within past 3 years and description of any union or collective bargaining efforts initiated with respect to employees of the Company.					
F4	Written personnel policies and manuals, benefit plans and arrangements, together with all applicable favorable IRS determination letters, trust agreements, amendments and written interpretations thereof, and related service or other agreements and copies or descriptions of any management incentive or bonus plans of the Company.					
F5.	Studies, analyses and reports regarding employee benefits, whether prepared by the Company or by its consultants.					
F6.	Three most recent annual reports for benefit plans (5500) for the Company.					
F7.	To the extent not provided above copies of all pension, profit shares, stock bonus, ESOP and other retirement plans, all health, life and disability insurance, flexible benefits and severance pay plans and any other welfare benefit plans.					
F8.	Stock ownership of all officers and directors.					

NO.	ITEM DESCRIPTION	PREVIOUSLY PROVIDED	PROVIDED HEREWITH	TO BE PROVIDED	N/A	Comments
<b>G.</b>	<b>REGULATORY MATTERS, GOVERNMENT APPROVALS AND PERMITS</b>					
G1	Any permits, licenses, authorizations or regulatory approvals (e.g., gaming licenses, permits or certificates of authority for insurance and utility businesses or other operating permits) held by the Company (or any of its affiliates) or required for its current or planned operations. Information relating to expiration, termination, compliance or renewal of such permits or authorizations. In particular, all authorizations by xxxxx,yyyyy and zzzzz gaming commissions related to the Company's operations.					
G2	Schedule of all investigations, fines and/or penalties imposed by any gaming regulatory commissions or agencies. Including, fines and/or penalties imposed by the xxxxx, yyyyy and zzzzz gaming commissions.					
G3	Material compliance reports filed and significant correspondence with any state and federal regulatory agencies (including gaming and environmental agencies) and any outstanding court or administrative orders or decrees or correspondence, memoranda or notes concerning inquiries from governmental agencies regarding potential violations of any other law, rule or regulation.					
G4	Filings with agencies (U.S. and foreign) having jurisdiction over the business operations of the Company.					
G5	Status of any proposed new gaming legislation in existing or future markets.					
<b>H.</b>	<b>ENVIRONMENTAL MATTERS</b>					
H1	List and description of environmental permits, authorizations and regulations.					
H2	List and description of past and current environmental investigations, proceedings, violations and lawsuits.					
H3	Conditions presenting compliance issues (e.g., storage, disposal or treatment issues; wetlands issues, issues regarding compliance with applicable permits, timetables or administrative requirements). Description of conditions or activities forming the basis for any current or potential claim or proceeding with respect to environmental matters, including any potential "clean-up" sites.					



NO.	ITEM DESCRIPTION	PREVIOUSLY PROVIDED	PROVIDED HEREWITH	TO BE PROVIDED	N/A	Comments
H4	For each of the properties listed in Items C1 and C2, a description of any chemicals or other hazardous substances or waste used on, generated by or which are a byproduct of such activities and any policies pertaining to the transportation and disposal of wastes.					
H5	All environmental reports, audits, samplings, testings, analyses and investigations conducted.					
H6	A schedule of any other costs, losses or expenses that the Company expects to incur in connection with compliance with environmental laws and regulations for the remainder of the current fiscal year and for the next succeeding fiscal year and schedule of reserves recorded by the Company for loss contingencies in connection with remediation or other environmental matters.					
H7	A schedule of all notifications received from any federal, state or local governmental agency or any other person of the potential liability of the Company, parent or any affiliate for cleanup costs under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA" or "Superfund"), the Resource Conservation and Recovery Act ("RCRA") or any similar federal or state statute, or any other environmental remediation or compliance actions requested by any such agency.					
H8	A schedule of any other claims or proceedings against, or investigations of, the Company by any governmental agency or any other person relating to the release or discharge of any material into the environment or in connection with environmental protection.					
<b>I.</b>	<b>TAX MATTERS</b>					
I1	All federal, territorial, state and local tax returns (including all attachments, schedules, etc.) filed or relating to the last 3 years and all open years; list of all open years (at all governmental levels) and applicable waivers.					
I2	To the extent not provided pursuant to a request made above, documentation regarding any ownership interests, convertible debt or options held by the Company with respect to any other corporation.					

NO.	ITEM DESCRIPTION	PREVIOUSLY PROVIDED	PROVIDED HEREWITH	TO BE PROVIDED	N/A	Comments
I3	To the extent not provided pursuant to a request made above, all agreements (e.g., tax sharing agreements) with related parties (e.g., entities controlled by the shareholders of the Company) regarding taxes, if any; description of transactions between the Company, parent, any affiliate or employee and copies of documentation relating thereto.					
I4	Overview of the Company's tax position and policies.					
I5	Description of transactions giving rise to significant tax attributes (losses, credits, etc.) during any open year.					
<b>J.</b>	<b>INSURANCE</b>					
J1	Copies and descriptions of existing insurance policies and those in effect during the last 3 years (including property damage, third party liability and key employee), including liability retention limits, self-insurance and inter-group premium reimbursement policies.					
J2	Summary of claims experience for past three years under above policies.					
J3	Insurance analyses or reports prepared internally or by consultants.					
J4	Schedule of insurance costs and casualty losses over the last 3 years.					
<b>K.</b>	<b>ADVERTISING AND MARKETING</b>					
K1	Provide an overview of current and historical sales and marketing campaigns, as well as the Company's advertising and public relations strategy.					
K2	Samples of marketing and sales literature, including brochures and advertisements.					
K3	Indicate advertising mediums used, include ad budget by medium.					
K4	Recent analyses of the Company prepared by investment bankers, engineers, management consultants, accountants, rating agencies or others, including marketing studies, credit reports and other types of reports, financial or otherwise.					

NO.	ITEM DESCRIPTION	PREVIOUSLY PROVIDED	PROVIDED HEREWITH	TO BE PROVIDED	N/A	Comments
K5	Any other documents or information which, in your judgment, are significant with respect to the business of the Company, or which should be considered and reviewed in making disclosures regarding the business and financial condition of the Company to prospective investors.					
<b>L.</b>	<b>MANAGEMENT INFORMATION SYSTEMS</b>					
L1	Overview and functionality of MIS systems, including with respect to scalability, and recent or planned technology upgrades.					