

Katmai Finance Associates was founded in 2000 by Ray Tedesco as a alternative for financial representation and financial project work. The mission of Katmai is to provide small to medium sized businesses access to experienced financial representation in a cost efficient manner. Engaging the appropriate professionals - financial, tax and legal - in a coordinated fashion, is the first step in a successful transaction. Katmai Finance can either work as the coordinating agent for a transaction or it can be contracted to compliment your existing team. After jointly determining the appropriate scope of services required, we employ a game plan that utilizes existing employees, if appropriate, and then engages outside professionals. Katmai coordinates the use of outside professionals to ensure that the client neither overpays for a given level of work nor find themselves under gunned in the more sophisticated aspects of a transaction.



Financial transactions such as the sale of your business, acquiring a competitor or securing a significant amount of debt financing is not "in the ordinary course of business" and likely involves considerations, planning and strategies that we have experience with.

At Katmai Finance our perspectives regarding financial transactions are based upon financial and economic fundamentals, along with the practical experienced realized from dozens of transactions. Katmai starts every project with the expectation that financial transaction structures are likely to change as discussions progress and key financial elements are established. Creating alternatives and detailing their relative risks and attractions are key financial decision support services that we provide.

**KATMAI FINANCE
ASSOCIATES**
412-344-4401

KATMAI FINANCE ASSOCIATES

Financial Counsel and Representation

Financial Transactions

Seller Assistance

Lender Presentation Packages

Investor Due Diligence

Corporate Financial Management



Raymond D. Tedesco
Principal

3757 Library Road, Suite 250
Pittsburgh, PA 15234
Phone 412-344-4401 • Fax 412-344-7800
e-mail rdt@arnonidev.com

Financial Transactions

Seller Assistance and Financial Representation

For the majority of business owners the decision to sell a business is not only financial but emotional as well. Family business issues can further complicate an already difficult decision. Katmai Finance Associates specializes in those instances requiring sound business advice based upon the current financial situation of your business, the economic outlook for your industry, the company's competitive position along with your personal, not necessarily financial considerations. Our standard seller assistance service is to act as a "quarterback" in executing a mutually devised game plan. Katmai works with your tax and legal counsel or, at your request, can secure qualified professionals to compliment the team. You, as the business owner, decide the level of services to be provided and whether or not you desire assistance in negotiations. Furthermore, Katmai can be contracted on a limited basis in regards to the sale of a business.

Seller Assistance - Scope of Services

- Prepare Investment Package for prospective buyers and/or investment bankers.
- Assist in preparing business owners for the sale process - the types of questions to expect, the likely concerns, valuation ranges and timing expectations.
- Help target strategic buyers.
- Financial structuring in coordination with tax counsel.
- Economic analysis of financial offers received including risk identification and rating.
- Coordination of liquidations following asset sales.



Debt Financing and Placement

Katmai Finance has extensive experience in securing appropriate credit facilities for small to medium size businesses. Our service begins with an analysis of your balance sheet; its

relative risk profile and cost of capital. If engaged to proceed, we will work with you to develop a Lender Presentation Package. In keeping with our mission of providing custom financial services, we will either work with your existing lenders or shop the credit facility to a variety of banks and lending institutions. Our service is completed with a review, analysis and explanation of the proposed loan documentation along with negotiation of loan covenants, if necessary.

What you can expect from Katmai is straight forward insight and feedback on such things as collateral, working capital requirements, loan covenants, personal guarantees, debt to equity ratios and costs of capital. At Katmai our background and experience includes letter of credit, lines of credit, permanent working capital, equipment financing, customer financing, supplier finance, real estate finance and project finance.

An important step that is a prerequisite to finalizing a Lender Presentation Package is a review and discussion of your company's total capitalization, adequacy of equity capital and implications of the use of increased leverage. If we believe that your company's capital requirements are best met through additional equity or a combination of debt and equity you can expect frank and honest counsel along with a variety of financial structuring options.

Investor Due Diligence

While all financial decisions involve a degree of uncertainty, the performance of proper due diligence assists in identifying the general economics of a transaction and the key assumptions or requirements for success. Due diligence should also focus on identifying the specific risks associated with a transaction whether it be management, market conditions, sales plan execution, financing, etc. Our objective, relative to investor due diligence, is to create a tool for your financial decision making by creating a framework. Very often, a potentially good deal is not structured properly, and simply needs a change in the structure to protect your interests. On the other hand, there are certainly many investment opportunities that are neatly packaged yet have weak underlying

economics or risks not commensurate with the potential reward. Recommending changes to any investment structure, to reduce your risk level, is a by-product of our service.

If you are considering investing in an existing company, a start-up venture, a joint venture or a real estate transaction and are looking for a financial or economic review, we may be able to add value either as a member of your financial/legal team or by offering independent counsel.

Financial Management

Certain small to medium sized businesses have successfully grown without the efforts of a chief financial officer. In fact, many organizations neither have a full time need nor can they cost justify a chief financial officer. When the owner, CEO or operations managers have financial backgrounds and the accounting department produces accurate, timely financial statements there is very often only an intermittent need for additional financial counsel. Katmai can provide monthly or quarterly financial reviews and analysis as well as financial decision making support as needed. To be clear, this service does not involve financial accounting as we are not in the accounting business. Corporate financial management services include:

- Pricing policy review and formalization
- Compensation planning
- Credit policy review and formalization
- Business expansion planning
- Assessing a business risk profile (insurance review, internal controls, customer/supply concentration, economic risk, interest rate risk, etc.)
- Assistance in development of an integrated business plan
- Balance sheet planning

