



A FASTER AND BETTER WAY FOR BUSINESS OWNERS TO CONNECT WITH BUYERS

**CONFIDENTIAL
VIA EMAIL**

Date

Mr. H. Smith
CEO
XYZ Widget Company
2121 Opportunity Drive
MAXI-AUCTION, IL 60015

Subject: Expression of Interest

Dear Mr. Smith:

As we discussed, the M&A MARKETPLACE by CHCSM is introducing the Maxi-AUCTIONSM process, as a new alternative for business owners looking to sell or recapitalize their business.

This limited auction process will give you access to proven, financial buyers in a controlled and confidential auction where the buyer pays all auction success fees. The pre-qualified buyers who will participate in your auction are all seeking serious sellers. Qualified buyers want to invest in or buy family owned businesses that have at least \$2 million in normalized EBITDA and the potential to grow.

The Maxi-AUCTIONSM is seller friendly. It allows you to put forth your “essential requirements” motivating you to close a transaction at the beginning of the process and will provide you with market validation within 30 days after we present your opportunity to the qualified financial buyers included in the Maxi-AUCTIONSM process.

The Maxi-AUCTIONSM is quick, (120 days from initial buyer contact to closing), confidential (usually less than five firms will review your information and all will be under a Non Disclosure Agreement) and competitive (five to ten financial investors/buyers will make up the buyer pool). There are four steps to the process:

1. SCREENING - by us to determine if you meet the minimum requirements for normalized EBITDA and potential to grow that our qualified buyers require.
2. ENGAGEMENT - execution of a straightforward participation agreement (“Participation Agreement”) which identifies your essential terms and provides for an exclusivity period from signing until end of Maxi-AUCTIONSM (maximum of 120 days from the date buyers are contacted if you execute an LOI, otherwise 30 days from initial buyer contact if you do not receive at least one qualifying offer).
3. Maxi-AUCTIONSM – a single bid limited auction where our qualified buyers are requested to submit Letters of Intent (“LOI”) that MUST meet or exceed the “essential requirements” set by you. Bids must be received within thirty days (30) of receiving the Teaser or you are released



from any further obligations. None of our qualified buyers will know the identity of other qualified buyers in the pool.

4. DILIGENCE and DOCUMENT CLOSING – within 90 days from signing of LOI. (unless issues beyond the control of the parties requires an extension or parties mutually agree to an extension)

We hope you will want to participate in the Maxi-AUCTIONSM process. If you do, please so indicate by signing in the space provided below. By your signature below, you agree to keep the disclosures we make to you during all four steps of the Maxi-AUCTIONSM process confidential and not to disclose them to any third party. We agree to keep all information you disclose to us about your company confidential and use that information solely for conducting the screening identified in paragraph 1 above. If you proceed to the engagement phase (paragraph 2), you will agree to permit limited disclosure of your company information to the qualified buyers participating in your Maxi-AUCTIONSM process under conditions of confidentiality. The confidential information protected will be protected for five years.

By signing below, you are not committing to submit your company for sale or investment under the Maxi-AUCTIONSM process. Only once you engage us in the manner described in Step 2 above, will we and you proceed to solicit offers to purchase under the Maxi-AUCTIONSM process.

Attached is a brief summary of our philosophy and the Maxi-AUCTIONSM process requirements for your review. If you are interested in beginning the screening process, please sign below.

Respectfully,

Huxley Nixon
President

ACCEPTED:

XYZ WIDGET COMANY
By: Mr. H. Smith, CEO

SIGNED _____

DATE _____