



# BizWorth's Vendor Packet

for Lenders

June 1, 2026

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# Business Valuation and Appraisal Services for Lenders

**Dear Lender,**

Thank you for considering BizWorth as a valuation resource for your institution.

BizWorth is an independent business valuation and appraisal firm that provides lenders with timely, well-supported analyses of privately held businesses and related assets. Our reports are designed to assist financial institutions in evaluating collateral, ownership interests, transaction support, and other lending-related matters.

We understand the importance of reliable valuation services within the credit approval process. Whether supporting SBA-backed loans, conventional financing, partner buyouts, succession planning, or other business transactions, our team is committed to delivering objective analyses that help lenders make informed decisions.

## **About BizWorth**

BizWorth specializes in business valuations, machinery and equipment appraisals, inventory appraisals, and related advisory services. Our team includes certified valuation professionals, appraisers, and financial analysts with experience serving lenders, attorneys, CPAs, business owners, and financial institutions nationwide.

We are committed to providing clear communication, responsive service, and defensible valuation conclusions supported by recognized professional standards and methodologies.

## **How We Support Financial Institutions**

Business valuation is often a critical component of the lending process. BizWorth works with banks, credit unions, SBA lenders, and other financial institutions by providing independent valuation services that support underwriting, risk assessment, and transaction analysis.

Our services include:

- Business valuations for lending and transaction purposes
- Valuations of ownership interests and partner buyouts
- Machinery and equipment appraisals• Inventory appraisals
- Specialized valuation support for unique situations

Our goal is to deliver credible, well-documented reports that help lenders evaluate opportunities efficiently and confidently.

We welcome the opportunity to discuss your institution's valuation needs and how our team can serve as a reliable extension of your lending process.

Warm regards,

**Shelia A. Darby**  
MBA, CVA, MAFF, ECA  
Founder, Managing Director  
shelia@bizworth.com

# 1 Company Profile

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# Company Profile

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## Company Information

- Legal Name: BizWorth LLC
- DBA Name: n/a
- Federal Tax ID Number: 85-3957230
- W-9 Form: Attached
- Address: 1900 St. James Pl. Ste 100, Houston, TX 77056
- Phone: (877) 733-8123
- Fax: n/a
- Email: [officeadmin@bizworth.com](mailto:officeadmin@bizworth.com)
- Authorized Email for Purchase Orders: [accounting@bizworth.com](mailto:accounting@bizworth.com)
- Website: [www.bizworth.com](http://www.bizworth.com)

## Business Details

- Founded: 2014
- Headquarters: Houston, Texas
- State of Incorporation: Texas
- ACH Payments: Yes
- Purchase Orders: Yes
- Credit Cards: Yes
- Organization Type: LLC
- Not-for-profit: No
- Foreign-Owned: No

## Managing Director

- Name: Shelia Darby, MBA, CVA, MAFF, ECA
- Title: Managing Director
- Phone: 1-877-733-8123
- Email: [shelia@bizworth.com](mailto:shelia@bizworth.com)

## Independence and Compliance

- BizWorth provides independent valuation and appraisal services in accordance with recognized professional standards and methodologies.
- BizWorth has no ownership interest in, or affiliation with, any financial institution that would impair its independence.
- BizWorth is committed to maintaining the confidentiality of client information and utilizes secure portals and document management systems for the transmission and storage of confidential information.

## Professional Credentials

- NACVA Certified Valuation Analyst (CVA) credential held by firm leadership and appraisers
- Accredited Machinery & Equipment Appraisal resources
- Professional valuation services provided nationwide
- Compliance with recognized professional valuation standards, including USPAP and NACVA standards where applicable

## Insurance Coverage

- Professional Liability (Errors & Omissions): \$1,000,000 per claim / \$1,000,000 aggregate
- Commercial General Liability: \$1,000,000 per occurrence / \$2,000,000 aggregate
- Automobile Liability: \$1,000,000 combined single limit
- Certificates of insurance included in this package

# Core Service Offerings

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## **Business Valuation**

Independent business valuations for lending, partner buyouts, ownership transfers, estate planning, and other business transactions. Reports are prepared using recognized valuation methodologies and professional standards.

## **Machinery & Equipment Appraisals**

Certified machinery and equipment appraisals for collateral support, lending decisions, acquisitions, and financial reporting purposes. Both desktop and onsite appraisal services are available.

## **Inventory Appraisals**

Independent inventory appraisals to support lending, collateral evaluation, acquisitions, and financial reporting requirements.

## **Due Diligence**

Financial analyses designed to assist lenders in evaluating transaction risk and business performance. Services may include quality of earnings analyses, inventory examinations, and related financial reviews.

## **Litigation Support**

Valuation and financial consulting services related to shareholder disputes, divorce matters, economic damages, and other litigation-related matters.

## **Common Lending Engagements**

- SBA lending support
- Commercial loan underwriting
- Collateral valuation
- Ownership transfers and buyouts
- Acquisition financing
- Succession planning transactions

# Professional Standards & Quality Assurance

## Professional Credentials

- Certified Valuation Analyst (CVA) credentials held by firm leadership
- Accredited Machinery & Equipment Appraisal resources
- Ongoing continuing education and professional development

## Independence & Objectivity

BizWorth provides independent valuation and appraisal services and maintains objectivity throughout every engagement. Potential conflicts are identified and disclosed in accordance with applicable professional standards.

## Professional Standards

BizWorth follows recognized professional standards and methodologies, including NACVA standards and USPAP where applicable. Engagements are performed using established valuation procedures designed to support credible and well-documented conclusions.

## Quality Control

All reports undergo internal review procedures designed to promote consistency, accuracy, and compliance with applicable professional standards.

## Documentation and Reporting

Valuation reports include supporting analyses, financial information, methodologies employed, and key assumptions used in arriving at valuation conclusions.

## Information Security & Confidentiality

BizWorth maintains secure systems and procedures for the transmission, storage, and protection of confidential client information.

## Firm Highlights

- Founded in 2014
- Nationwide Service Coverage
- 25+ Years of Leadership Experience



# 2 Key Personnel

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# Key Personnel

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## **Shelia Darby, MBA, CVA, MAFF, ECA**

*Managing Director*

Shelia Darby is the Managing Director of BizWorth, where she leads the valuation department and specializes in business valuation and litigation support. With a career spanning over 25 years, she has deep expertise in valuation engagements, including complex litigation cases. She holds a BBA in Finance from Baylor University and an MBA from Rice University's Jones Graduate School of Business. Shelia is a member of NACVA and the Institute of Equipment Valuation and previously served on NACVA's Ethics Oversight Board.



## **Dan Darby, MSc**

*Managing Director*

Dan is a Managing Director at BizWorth, focusing on technology and partnership development to grow the company's reach and advisor network. He holds a BBA from Baylor University and a Master of Science in Leadership and Organizational Change from Northwestern University. Dan brings a strong background in strategic marketing, technology adoption and business development.



## **Joseph Wilson, CVA, ECA**

*Business Valuation Manager*

Joseph is a Business Valuation Manager at BizWorth, where he leads the firm's SBA Valuation Team and oversees engagements across a broad range of industries. He holds a B.B.A. in Energy Management (2017) and an M.S. in Finance (2021) from the University of Oklahoma. Joseph serves as Treasurer of the TABB Houston Chapter and holds certifications as a Certified Valuation Analyst (CVA) and Equipment Certified Appraiser (ECA).

# Key Personnel

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**Victoria Duron, CPA, CVA**

*Business Valuation Manager*

Victoria is a Business Valuation Manager at BizWorth, focusing on valuation production and compliance support. She has experience working with a Big 4 public accounting firm in Forensic & Integrity Services, where she performed forensic accounting analyses, supported expert witness engagements, and managed compliance across federal grant programs. Victoria holds a Master in Professional Accounting and a BBA from The University of Texas at Austin. She is a CPA, NACVA Certified Valuation Analyst, member of the AICPA and the Texas Society of CPAs, Houston Chapter.



**Sydney Gray, CVA**

*Senior Valuation Analyst*

Sydney Gray is a Financial Analyst at BizWorth, contributing to the valuation production team. She holds a Bachelor of Science in Business Administration from Liberty University and is pursuing a Master of Business Administration with a concentration in Finance. Sydney is currently pursuing the Certified Valuation Analyst (CVA) designation.



**Kip Holderness, Ph.D., CPA, CMA, CFE, CVA**

*Valuation Expert; Litigation Support*

Dr. Kip Holderness is a Valuation Expert with BizWorth, contributing to certified valuations and litigation support. He is a Professor of Accounting at West Virginia University and Program Coordinator for the Master of Forensic and Fraud Examination program. Kip holds a Ph.D. in Accountancy from Bentley University and is a CPA, CMA, CFE, and CVA. He also serves as Director of Research for the Association of Certified Fraud Examiners Research Institute and has been qualified as an expert witness in litigation matters.

# Key Personnel

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## **Madeleine Fontein, PMP**

*Business Operations Manager*

Madeleine Fontein is the Business Operations Manager at BizWorth, where she supports production management and streamlines business operations to ensure efficiency across teams. She holds a Bachelor of Commerce from Dalhousie University and is a Certified Project Management Professional (PMP). With a strong foundation in operational strategy and process improvement, Madeleine plays a key role in delivering high-quality valuation services.



## **Weston Tschirhart, ECA**

*Certified Machinery & Equipment Appraiser*

Mr. Tschirhart is a certified machinery and equipment appraiser at BizWorth. Specializing in over 10 years of agricultural, industrial and restaurant machinery and equipment, Mr. Tschirhart's expertise ensures accurate and reliable assessments for clients across various industries and locations throughout the country. A proud graduate of the University of Texas at San Antonio, Weston's analytical prowess and commitment to excellence make him a valuable asset in providing comprehensive and accurate machinery and equipment appraisals.



## **Mitch Clayton**

*Business Appraiser*

James "Mitch" Clayton is a Financial Analyst at BizWorth, contributing to the firm's valuation production team through financial analysis, research, and valuation support. He holds a Bachelor of Business Administration in Accounting from Sam Houston State University and has earned recognition for academic excellence and accounting achievement, including being named the 2023 Texas FBLA Accounting Champion. He is currently pursuing his certification in business appraisal through National Association of Certified Valuators and Analysts.

# Key Personnel

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## **Christina Pedersen**

*Customer Success Manager*

Christina Pedersen is the Customer Success Manager at BizWorth, overseeing client intake, valuation coordination, and ongoing client communications to help ensure a seamless experience throughout the valuation process. She holds dual Bachelor of Business Administration degrees in Management Information Systems and Marketing from University of Houston, graduating Summa Cum Laude. Christina combines strengths in project coordination, analytics, and customer communication to support efficient operations and deliver a high level of service to business owners, advisors, and valuation clients nationwide.



## **Michael Johnson**

*Marketing Manager*

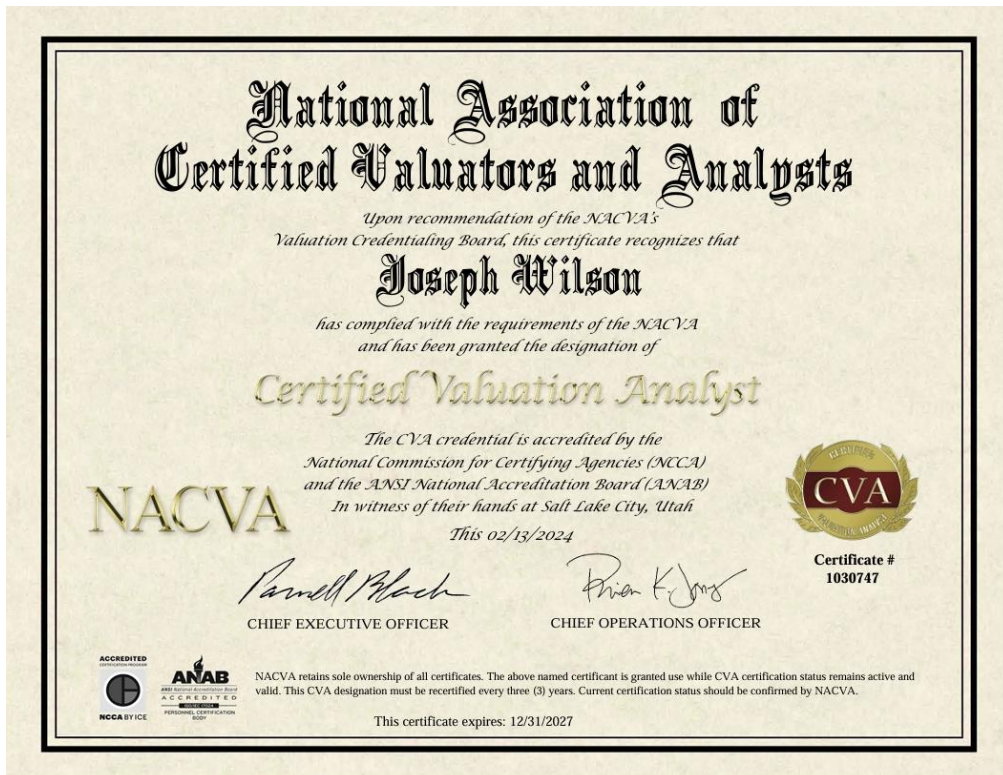
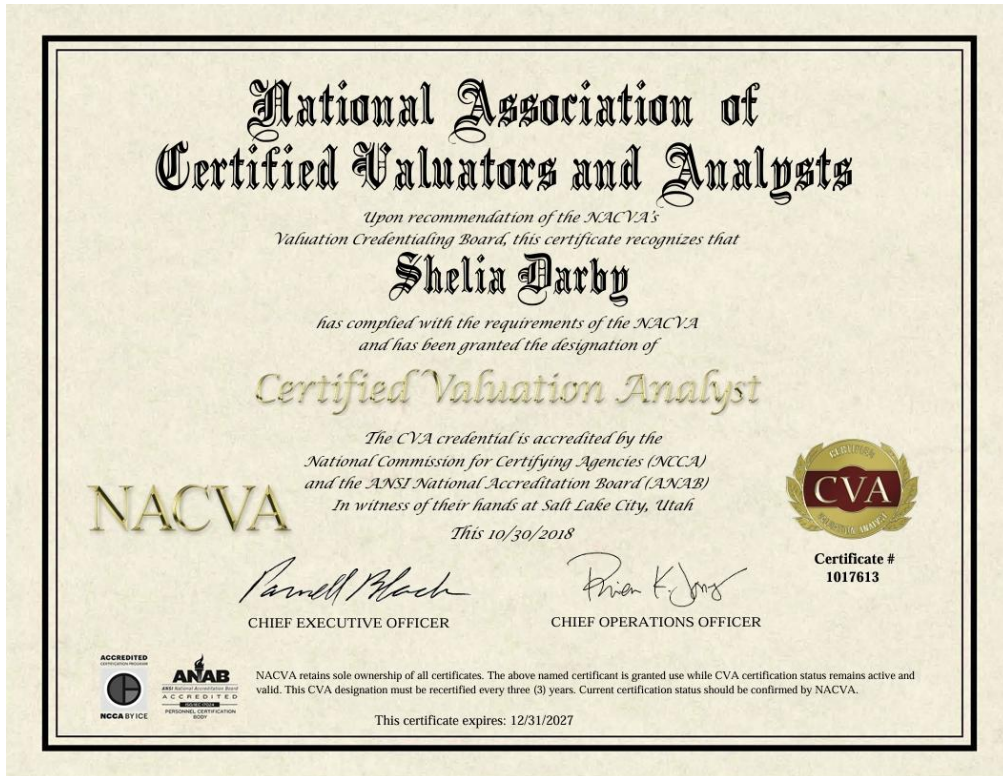
Michael Johnson is a digital marketing professional with a Bachelor's degree in Strategic Communications from University of Colorado Boulder, specializing in SEO, analytics, revenue operations, and revenue-focused brand strategy. He combines expertise in HubSpot, Google Analytics, and content marketing to help businesses strengthen their online presence and drive measurable growth. Michael also brings hands-on experience managing multi-platform digital campaigns, social media growth strategies, and brand engagement initiatives across a variety of industries.

**3**

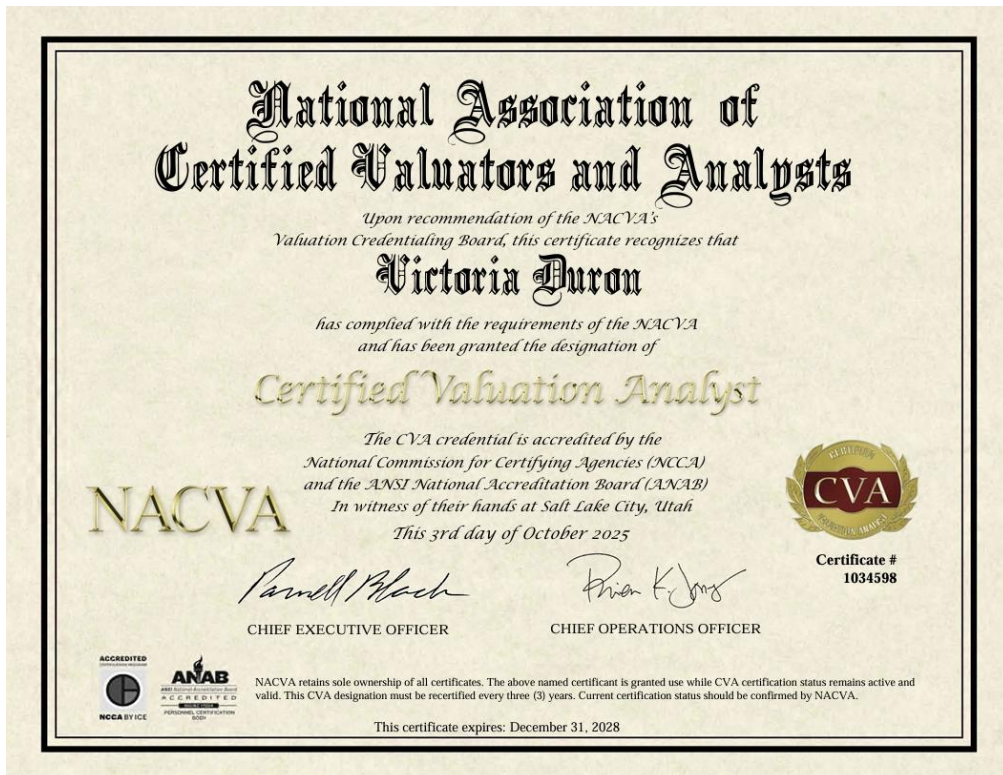
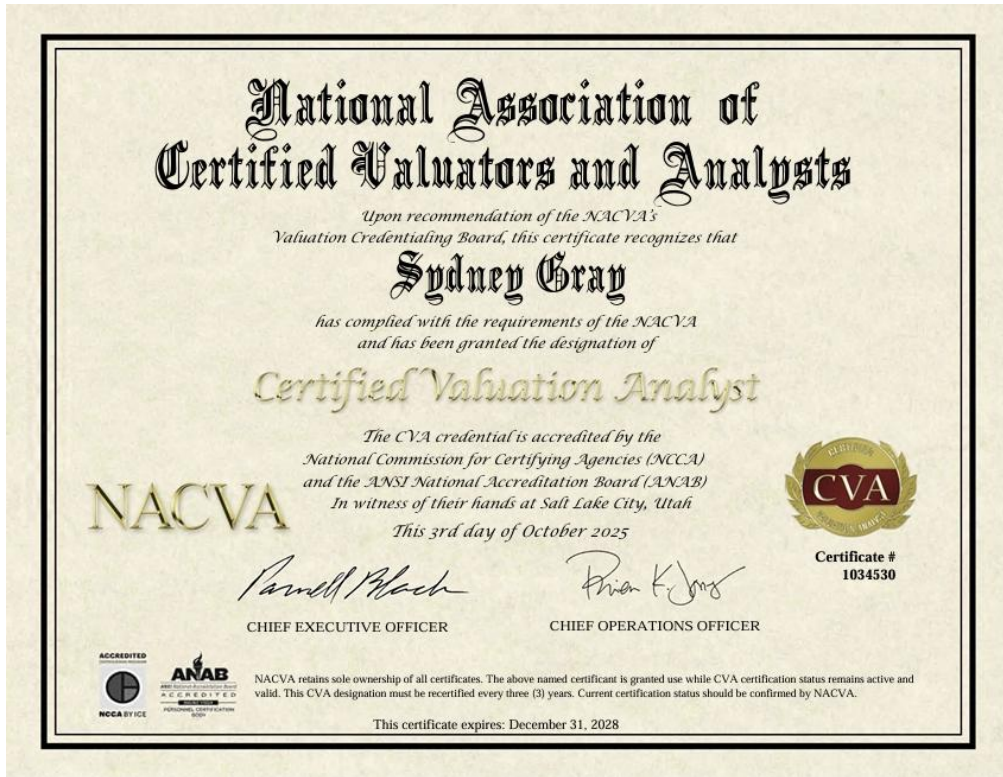
# **NACVA Certificates**

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# NACVA Certifications



# NACVA Certifications



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# About the PreQual Process

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# PreQual Process™ Overview

**BizWorth's PreQual Process ensures a smooth journey from conditional approval to certified appraisal, enhancing efficiency and confidence in business transactions.**

## Introduction

Nearly 50% of transactions fail to close because it's difficult to align what sellers think their businesses are worth with what lenders are willing to finance. Lenders usually only finance a portion of a business's assessed value, and they often disagree with the broker's opinion of value. Plus, lenders are usually more conservative with adjustments, making it even harder to bridge the gap between your opinion of value and the lender's loan amount.

Enter BizWorth's PreQual Process – an innovative appraisal process that makes it easy to close more deals.

## Purpose

The purpose of BizWorth's PreQual Process™ is to improve the number of successful deal closures by providing valuations as well as facilitating conditional approvals from our network of participating lenders during the listing phase, coupled with a certified business appraisal required by underwriting and the SBA in the financing phase of a deal.

What sets our process apart is the seamless integration of a two-part valuation report, along with the exclusive access that participating lenders gain to BizWorth's extensive network of over 1,500 business brokers and M&A advisors nationwide.

## Two-Part Valuation Report

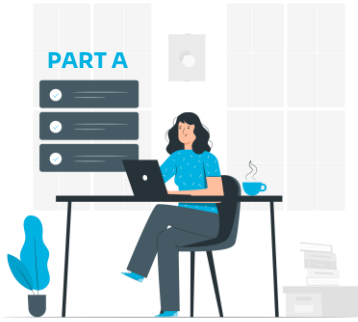
BizWorth's PreQual Process™ encompasses a two-part valuation process tailored to meet the requirements of owners, brokers, and lenders. Part A, the Pre-Qualified Valuation Report, is initiated by you as the broker and delivered early in the listing phase. This not only helps to establish an informed listing price but also secures a "conditionally approved" status from participating lenders, enhancing the business's credibility and attractiveness to potential buyers.

**“What sets our process apart is the exclusive access participating lenders gain to BizWorth's vast network of over 1,500 business brokers and M&A advisors.”**

As the deal progresses, Part B, the Certified Business Appraisal Report, is ordered by lenders and leverages the data collected in Part A. This report, with a quicker turnaround and lower cost, ensures a smoother journey to financing, progressing the deal from conditional approval to closing.

By seamlessly integrating a two-part valuation report, our process helps you close up to 10x more deals by reducing unexpected financing issues with lenders.

# The PreQual Process™



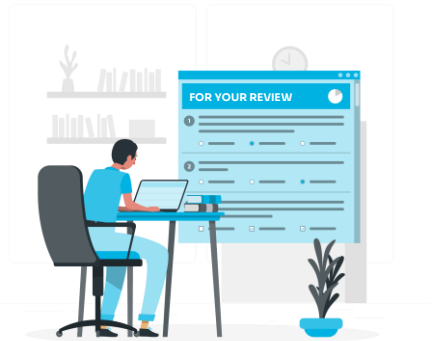
**1.** ----->

Broker / owner orders Part A from BizWorth; uploads business data and tax returns to BizWorth's Portal.



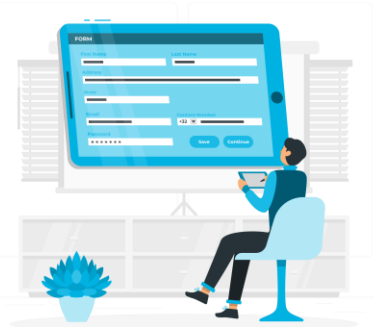
**2.** ----->

BizWorth's Certified Appraiser prepares Part A and uploads to BizWorth's Portal. Selected lenders invited to Portal.



**3.** ----->

Lender receives Part A, tax returns & financials, makes conditional approval decision in BizWorth's Portal.



**6.** <-----

Lender orders Part B from BizWorth using reference code from Part A.



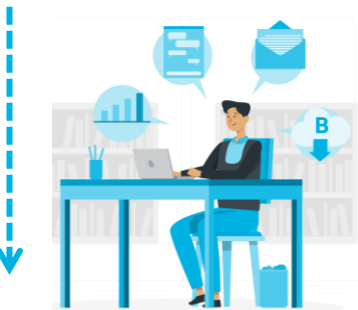
**5.** <-----

Broker negotiates deal with creditworthy buyer; requests loan approval from lender.



**4.** <-----

Broker unlocks "Lender Financing Available" badge to promote loan eligibility to potential buyers.



**7.** ----->

BizWorth's Certified Appraiser prepares Part B and uploads to BizWorth's Portal.



**8.** ----->

Lender downloads Part B from BizWorth's Portal and reviews loan request with lender's underwriting.



**9.** ----->

Congratulations on another deal closed! Lender pays commission to designated broker.

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# **About our PreQual Reports**

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# Part A & Part B

## Overview

BizWorth's PreQual Process consists of two parts, "Part A" and "Part B", designed for use throughout the entire sales process.

**Part A, the PreQualified Valuation Report**, includes a loan eligibility range used by lenders to conditionally approve a loan amount within the range for creditworthy buyers. The loan eligibility range is determined based on a lender's perspective of the company's EBITDA, incorporating more conservative adjustments compared to those used for determining list price.

This report informs buyers and advisors with valuation information, aiding them in setting an informed asking price, attracting more qualified buyers, and expediting negotiation and due diligence. The report, with a quick turnaround of 1-5 business days, is typically purchased by the broker or business owner.

**Part B, the Certified Business Appraisal Report**, facilitates buyers in securing qualified financing for business acquisitions. Accepted by a preferred network of participating lenders, it adheres to the Small Business Administration's loan requirements. Prepared by a NACVA Certified Appraiser, BizWorth's SBA Compliant Appraisal Report meets the rigorous standards outlined by USPAP and the SBA. Specifically tailored for scenarios where the financed amount (including various financing types) minus the appraised value of real estate and/or equipment exceeds \$250,000. The report is typically purchased by the lender and has a faster turnaround than the typical certified report due to leveraging data previously collected for Part A.

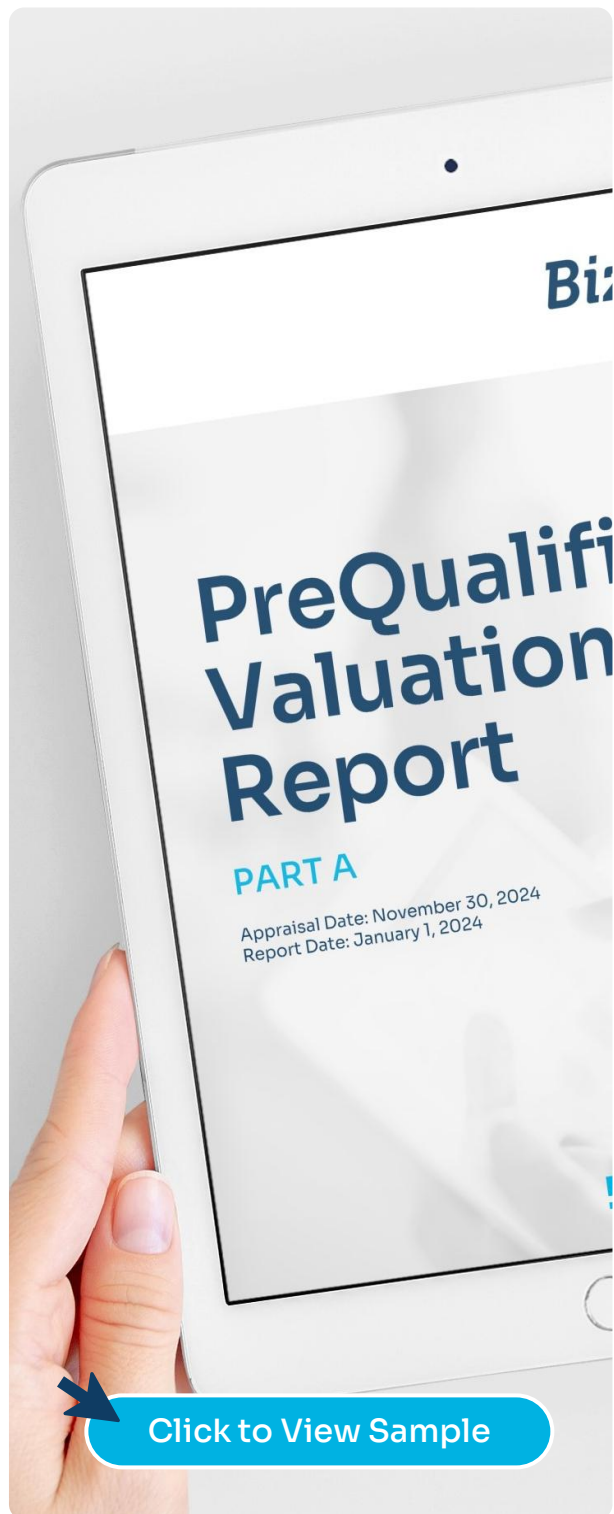


# Part A

## PreQualified Valuation Report

**Part A**, the PreQualified Valuation Report, serves as a dynamic tool used during the early stage of listing a business for sale. This report, conducted by a certified appraiser, furnishes business owners, advisors, and lenders with a detailed valuation range based on the market, income, and asset approaches. Additionally, it provides key ratios benchmarked to industry standards, ensuring a comprehensive understanding of the business's financial health. A unique feature is the inclusion of a section on loan eligibility, as well as on loan payment affordability metrics. Part A not only aids in establishing an informed realistic asking listing price but also assists lenders with providing a "conditional approval" to business owners and their advisors, instilling confidence in the business's credibility.

- **Conducted by a certified appraiser** with specialized knowledge and experience in business valuations, ensuring the highest standards of accuracy and reliability.
- Provides a **thorough valuation range** based on three fundamental approaches: Income, Market, and Asset.
- Features a **dedicated section on loan eligibility**, offering valuable insights for both sellers, advisors and lenders.
- Includes a **sensitivity analysis of different selling prices**, allowing for a nuanced understanding of financing scenarios.
- Provides a detailed examination of **loan payment affordability** to help brokers gauge a business's financial health and its ability to handle loan repayments
- Includes **key financial ratios** benchmarked to the industry, offering insights into the business's performance relative to its peers.



# Loan Eligibility Analysis

## Part A

BizWorth incorporates a [loan eligibility analysis](#) in the Part A report. This analysis considers various factors, such as lenders' conservative adjustments to a business's cash flow, the business's value, and terms like 5-year and 10-year loan durations, encompassing different interest rates and down payments. While lenders are not obligated to conditionally approve a specific loan amount, they are requested to confirm that their conditionally approved sum falls within the specified loan eligibility range. This approach acknowledges the diverse criteria that lenders may consider.

### Conservative Adjustments for Lenders

BizWorth's loan eligibility range integrates conservative adjustments commonly applied by lenders. Noteworthy adjustments commonly *excluded* are discretionary expenses.

If the sought-after loan amount surpasses the loan eligibility range, it indicates to the broker and their clients that potential adjustments to sale terms may be necessary. These adjustments could include considerations like a price reduction, increased cash down, contingencies, or exploring seller financing.

### Data Provided to Lenders

To assist lenders in evaluating the financial health and loan eligibility of the business, access to the seller's profile, valuation report, financials, and business tax returns is provided to lenders through BizWorth's secure portal.

Participating lenders are required to respond with a conditional approval within 10 business days.

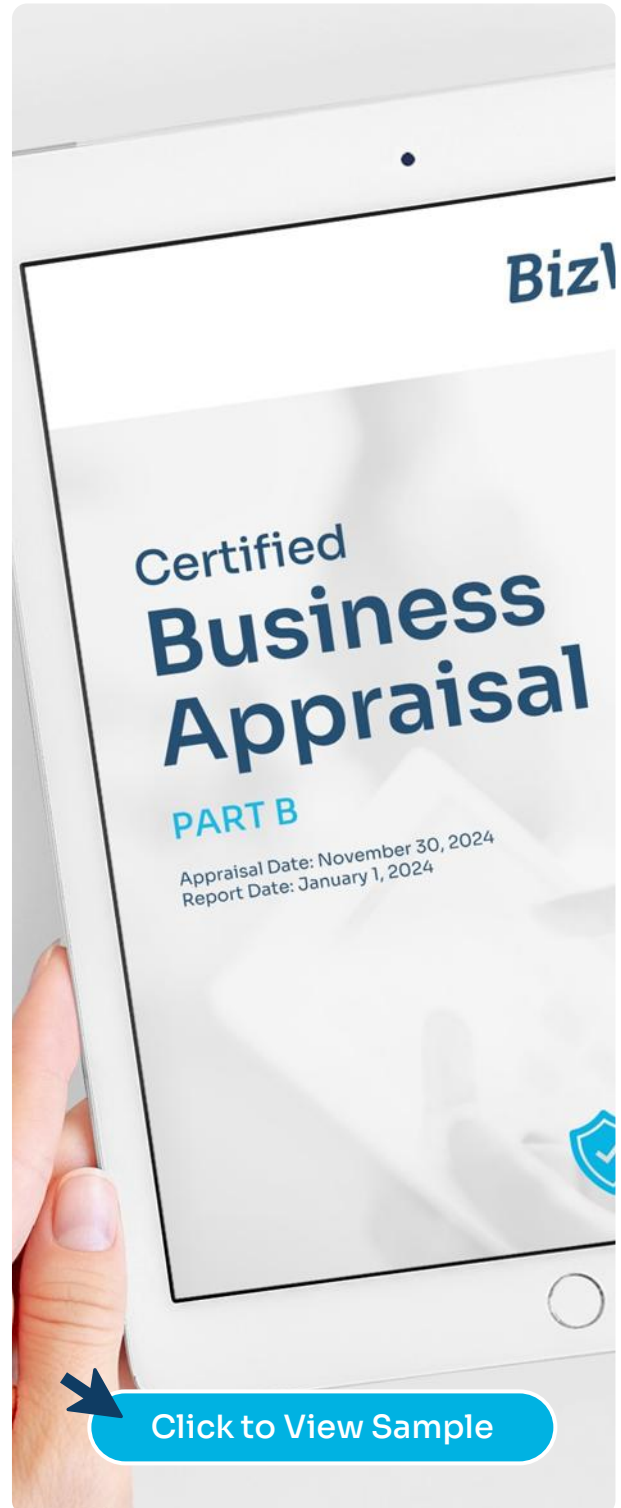


# Part B

## Certified Business Appraisal Report

**Part B**, the Certified Business Appraisal Report, seamlessly continues the valuation journey once an offer is accepted by the seller. Building on the foundation laid by Part A, Part B incorporates updated financial statements and a detailed owner's interview to reflect the latest information about the business. This report strictly adheres to USPAP and NACVA standards and is tailored explicitly to meet Small Business Administration (SBA) loan requirements. Its precision and compliance ensure a smooth transition during the financing phase, providing participating lenders with a detailed analysis for informed decision-making.

- Specifically tailored to meet the **Small Business Administration's (SBA) loan requirements**, ensuring alignment with standard operating procedures.
- Leverages data previously collected from Part A and **provides consistency** of certified appraiser conducting both valuations.
- Incorporates the **latest financial statements** to reflect the most recent performance and financial health of the business.
- Offers a **detailed analysis** that aids lenders in making informed decisions.
- Includes a **comprehensive owner's interview** to discuss any changes or developments in the business since the last valuation.
- Fully **complies with the highest industry standards**, including the Uniform Standards of Professional Appraisal Practice (USPAP) and National Association of Certified Valuers and Analysts (NACVA) standards.



# Machinery & Equipment Appraisals

## Overview

BizWorth's [Machinery & Equipment appraisals](#) offer trusted and reliable services for all industries, drawing on over 40 years of expertise. The appraisals are conducted by a team of experienced and efficient experts who leverage up-to-date databases for unparalleled accuracy.

The appraisals cover various types, with a focus on providing accurate asset evaluations. The ECA certified appraisers at BizWorth use sophisticated data analysis to assess machinery and equipment performance history, considering factors such as asset condition, usage patterns, and technological advancements. This meticulous evaluation ensures a precise understanding of the true worth of assets.

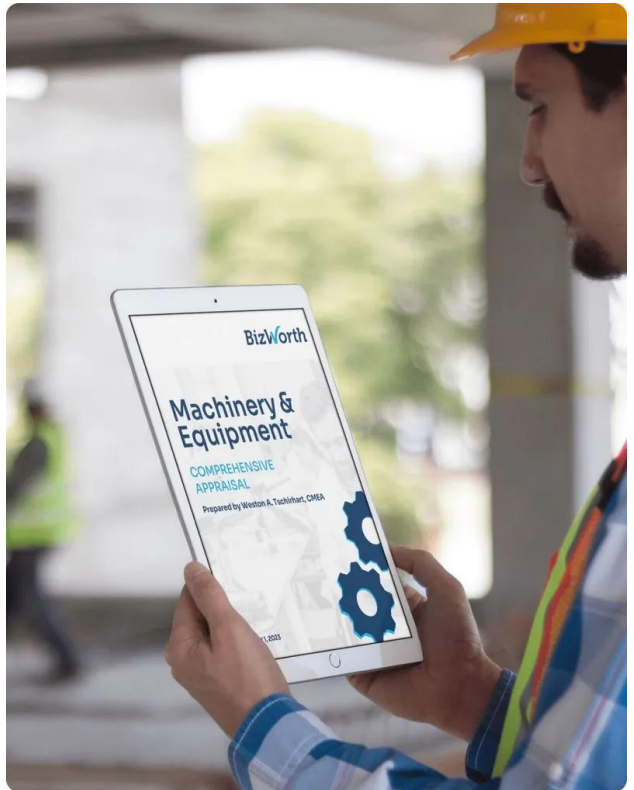
BizWorth has a proven track record as a trusted appraiser, backed by extensive experience and satisfied clients. The company's ECA certified appraisers specialize in machinery and equipment, offering industry-specific expertise that allows for tailored assessments aligning with the unique characteristics of assets.

## Reports We Offer

BizWorth offers two types of appraisals:

### Desktop Appraisal:

- Conducted without an on-site physical inspection.
- Relies on available data, documentation, photographs, and client-provided information.
- Practical when on-site visits are impractical due to time or cost considerations.



### Comprehensive Appraisal:

- Detailed and extensive assessment.
- Provides all necessary information and analysis within the appraisal report.
- Includes a comprehensive description of machinery and equipment, methodologies used, and the appraiser's reasoning behind valuation conclusions.
- Highly transparent, suitable for complex and high-value assets, legal disputes, financial reporting, and situations where a thorough and defensible valuation is essential.

# 6 Continuity Plan

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# Business Overview

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## Introduction

At BizWorth, we stand at the forefront of the business appraisal industry, dedicated to delivering unparalleled expertise in valuing ownership interests across diverse sectors. With a meticulous commitment to excellence, we assist business owners and professionals in navigating critical financial decisions, be it acquisitions, divestitures, partner buyouts, or legal proceedings. Our certified appraisals, conducted by accredited valuers adhering to the highest industry standards, yield not only valuable insights but also bolster credibility, playing a pivotal role in successful deal-making and dispute resolutions.

## Purpose of the Continuity Plan

The purpose of this continuity plan is to safeguard the operations and integrity of BizWorth in the face of potential disruptions and emergencies. As a company deeply committed to providing precise and reliable valuation services, we recognize the importance of ensuring business continuity to maintain our steadfast support for clients. This plan outlines comprehensive strategies and measures to mitigate risks, respond effectively to crises, and guarantee the seamless continuation of our critical business functions. By developing and implementing this plan, we aim to instill confidence in our stakeholders, including clients and lenders, regarding our ability to withstand unforeseen challenges and uphold the high standards that define BizWorth.

## Business Overview

At BizWorth, we are the cornerstone of the business appraisal industry, specializing in providing comprehensive valuation services to business owners and professionals across diverse industries. Our commitment revolves around assisting clients in assessing the value of ownership interests, guiding them through critical financial decisions, and ensuring the precision and reliability of our valuation reports. Whether navigating business acquisitions, divestitures, partner buyouts, or addressing litigation matters, BizWorth stands as a beacon of expertise, playing a crucial role in successful deal-making and resolutions.

## Key Functions and Services

Our key functions and services encompass a spectrum of activities designed to meet the diverse needs of our clients:

- **Valuation Services:** Meticulously crafted valuation reports for business acquisitions, divestitures, partner buyouts, and litigation matters.
- **Certified Appraisals:** Conducted by accredited valuers adhering to elevated standards set by well-recognized organizations.
- **Comprehensive Suite of Reports:** Tailored to meet diverse needs, including non-certified reports, certified reports, quality of earnings reports, machinery and equipment appraisals, and confidential information memorandums.

# Critical Business Functions

## Critical Business Functions

- **Business Development:** Identifying growth opportunities, strategic partnerships, and market expansion.
- **Marketing:** Promotional activities, brand management, and market positioning.
- **Sales:** The sales process, client acquisition, and revenue generation.
- **Accounting:** Financial transaction management, reporting, and compliance.
- **Customer Service:** Ensuring client satisfaction, handling inquiries, and addressing concerns.
- **Valuation Production:** Creating comprehensive valuation reports with a focus on precision and reliability.

## Vital Records, Systems, and Assets

- **Headquarters:** Address: 1900 Saint James Pl. Ste. 100 Houston, TX 77056.
- **Software Tools:** Microsoft 365, Adobe Acrobat DC, DocuSign, Webflow, AirTable, Stripe, Monday, Clustdoc, Reply.io, Apollo.io, OnceHub, Quickbooks.
- **Communication and Infrastructure:** Answer Force, Ring Central, Make, Zapier, Zoom.
- **Valuation and Database Tools:** RC Reports, Valusource, Business Valuation Resources, IBISWorld, Institute of Equipment Valuation.
- **Payroll and HR Services:** Paychex for Payroll, 401K Retirement, ATS, Time and Attendance Services.

Key Personnel	Duties	Contact
<b>Shelia Darby</b> <i>Managing Director</i>	Overseeing operations and critical decision-making.	<a href="mailto:shelia@bizworth.com">shelia@bizworth.com</a>
		<a href="tel:832-516-6072">832-516-6072</a>
<b>Joseph Wilson</b> <i>Business Valuation Manager</i>	Sales and valuation production.	<a href="mailto:jwilson@bizworth.com">jwilson@bizworth.com</a>
		<a href="tel:832-699-7977">832-699-7977</a>
<b>Victoria Duron</b> <i>Business Valuation Manager</i>	Sales and valuation production.	<a href="mailto:vduron@bizworth.com">vduron@bizworth.com</a>
		<a href="tel:832-742-1206">832-742-1206</a>
<b>Madeleine Fontein</b> <i>Business Operations Coordinator</i>	Accounting, customer service, operations.	<a href="mailto:mfontein@bizworth.com">mfontein@bizworth.com</a>
		<a href="tel:832-209-8736">832-209-8736</a>

# Risk Assessment

Category	Potential Risk	Impact Assessment	Likelihood
Natural Disasters	Hurricanes, floods, and other extreme weather events prevalent in the Gulf Coast region.	High impact on physical infrastructure, potential disruption of operations, and data loss.	Moderate, given the geographical location.
Cyber Threats	Data breaches, ransomware attacks, and unauthorized access to sensitive information.	High impact on data integrity, client confidentiality, and operational continuity.	High, as the financial industry is a prime target for cybercriminals.
Economic Downturn	Economic recessions affecting demand for valuation services, client budget constraints.	Moderate to high impact on revenue, client acquisition, and business development.	Moderate, contingent on broader economic trends.
Regulatory Changes	Shifts in financial regulations impacting valuation standards and reporting requirements.	Moderate impact on compliance efforts, operational adjustments, and potential legal implications.	Low to moderate, subject to legislative changes.
Talent Retention and Recruitment	Difficulty in retaining skilled personnel, challenges in recruiting qualified valuation professionals.	Moderate impact on service quality, operational efficiency, and client satisfaction.	Moderate, given competitive talent markets.
Technological Failures	System outages, software glitches, or hardware failures affecting daily operations.	Moderate impact on productivity, service delivery, and client communication.	Low to moderate, depending on the robustness of IT infrastructure.
Global Health Crises	Pandemics or health crises affecting workforce availability and disrupting normal business operations.	High impact on workforce health, business continuity, and operational efficiency.	Low to moderate, considering the unpredictable nature of health crises.

# Business Impact Analysis (BIA)

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In our conducted Business Impact Analysis (BIA), BizWorth has meticulously examined potential consequences associated with identified risks, prioritized our critical business functions, and established acceptable downtime thresholds for each essential operation. This strategic assessment is vital for strengthening our risk management approach and ensuring the resilience of our business operations.

## Potential Consequences

- **Data Breach:** Potential compromise of sensitive client information leading to reputational damage.
- **Cyber Attack:** Disruption of valuation production and potential loss of critical data.
- **Natural Disaster:** Physical damage to our headquarters with the subsequent interruption of our operational activities.

## Critical Business Functions

We have identified and prioritized critical functions based on their significance to our core operations:

- **Valuation Production:** Essential for delivering our services to clients.
- **Customer Service:** Critical for maintaining client satisfaction and effective relationship management.
- **Sales:** Crucial for revenue generation and sustainable business growth.
- **Operations:** Overseeing day-to-day processes, especially in accounting.
- **Business Development:** Identifying growth opportunities and forming strategic partnerships.

## Acceptable Downtime

- **Valuation Production:** 24-48 hours – Ensuring timely delivery of client reports.
- **Customer Service:** 12-24 hours – Swift resolution of client inquiries and concerns.
- **Sales:** 48-72 hours – Resuming revenue-generating activities promptly.
- **Operations:** 24-48 hours – Ensuring the continuity of financial transaction management.
- **Business Development:** 72 hours – Allowing time for strategic planning and partnership development.

This Business Impact Analysis serves as a cornerstone for our proactive risk management strategy, empowering BizWorth to navigate challenges with resilience and maintain the high standards our clients expect in our valuation services.

# Preventative Measures

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In response to the findings of our Business Impact Analysis (BIA), BizWorth has implemented a series of preventive measures to mitigate the impact of potential risks and ensure the continuous operation of critical business functions. These measures encompass security protocols, robust backup systems, and redundancy plans.

## Implemented Data Security Measures

- Security protocols have been put in place to safeguard sensitive client information.
- Regular security audits and updates have been conducted to protect against evolving cyber threats.
- Employee training programs have been initiated to enhance awareness of cybersecurity best practices.

## Established Backup Systems

- Regular automated backups of critical data, including valuation reports and client information, have been implemented.
- Geographically distributed backup storage has been arranged to mitigate risks associated with a localized event, such as a natural disaster.
- Periodic testing of backup systems has ensured data integrity and swift recovery.

## Developed Redundancy Plans

- Redundant systems for key operational components have been introduced, minimizing the risk of single points of failure.
- Cloud-based infrastructure for critical software tools has been adopted to ensure accessibility and continuity during unexpected disruptions.
- Contingency plans for alternate locations or remote work have been developed to maintain operations in the event of a physical office disruption.

## Implemented Continuous Monitoring

- Real-time monitoring systems have been implemented to detect and respond to potential security threats promptly.
- Regular assessments of the IT infrastructure have been conducted to identify and address vulnerabilities proactively.
- Collaboration with external cybersecurity experts has been established to stay abreast of the latest threats and preventive measures.

## Established Client Communication Protocols

- Communication protocols have been established to keep clients informed in the event of service disruptions or delays.
- A dedicated client support team has been created to address inquiries and concerns during critical periods.
- Transparent communication about preventive measures in place has been provided to instill confidence in our clients.

## Conducted Cross-Training and Skill Development

- Employees have been cross-trained to ensure that multiple team members are proficient in critical functions.
- Ongoing skill development has been encouraged to adapt to evolving technology and industry best practices.
- A culture of resilience and adaptability has been established among the team.

These preventive measures collectively form a robust strategy that has safeguarded BizWorth against potential risks, ensuring the continuity of our operations and maintaining the high standards our clients expect in our valuation services.

# Emergency Response Plan

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In the event of an emergency or disruption, BizWorth has developed a comprehensive Emergency Response Plan to ensure the safety of our team, protect critical business functions, and maintain our commitment to delivering high-quality valuation services. The plan includes step-by-step procedures, communication protocols, emergency contacts, and immediate action items.

## Emergency Response Procedures

- **Notification:** Immediate alert to the leadership team and relevant personnel through the designated communication platform.
- **Assessment:** Leadership team conducts an initial assessment, discussing protocols, evaluating the extent of the disruption, and determining the potential impact. Determine the next course of action based on the assessment.
- **Communication:** Activate internal and external communication protocols for transparency and swift updates. Assign specific roles within the team for communication lead, operations lead, and client support lead.
- **Resource Access:** Contact necessary internal and external companies, including cybersecurity experts and IT support. Ensure access to required resources for a prompt resolution.
- **Resolution:** Act swiftly to resolve the issue and minimize downtime, utilizing predefined protocols and contingency plans. Regularly update the leadership team on the progress of resolution efforts.
- **Remote Work:** Activate remote work capabilities if necessary to ensure continuity. Ensure team members are aware of remote work protocols.

## Restoration Procedures

- **Incident Assessment:** Assemble the business continuity team to evaluate the incident's current status. Assess the extent of the disruption, critical function statuses, and overall impact on the organization.
- **Business Continuity Plan Activation:** Activate predefined procedures from BizWorth's business continuity plan. Ensure designated personnel understand their roles and responsibilities.
- **Communication Protocol:** Establish transparent communication channels. Regularly update the business continuity team, employees, and stakeholders on incident progress and mitigation efforts.
- **Risk Reassessment:** Reevaluate risks and threats based on the ongoing situation. Adjust the response plan considering any new information arising during the incident.
- **Resource Availability Check:** Evaluate critical resource availability for resuming normal operations. Ensure accessibility of necessary personnel, facilities, technology, and supplies.
- **Regulatory Compliance Confirmation:** Verify with Managing Director (S. Darby) if the decision to resume operations aligns with regulatory standards. Address any reporting or documentation obligations.
- **Testing and Validation:** Validate the effectiveness of systems and processes supporting normal operations. Conduct tests and simulations to ensure safe resumption of key functions without compromising quality or safety.
- **Stakeholder Consultation:** Engage key stakeholders (employees, customers, suppliers, regulatory authorities) for feedback influencing the decision to resume normal operations.

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## Testing and Updates

- **Annual Plan Testing:** Conduct simulations or drills annually to validate the effectiveness of the emergency response and restoration plan.
- **Regular Updates:** Update the plan based on process changes, lessons learned, or industry best practices.
- **Post-Incident Review:** Revise the plan following disruptive incidents, incorporating insights gained during the emergency response and restoration efforts.

## Crises Communication

### Communication Channels:

- **Internal Communication:** Utilize the internal communication platform for real-time updates and instructions. Conduct regular virtual meetings or town halls for detailed briefings.
- **External Communication:** Use official company channels such as the website, social media, and email for client and public communication. Establish a dedicated phone line for stakeholders seeking information.

# Communication Templates

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## Client Communication

**Subject:** *Important Update – [Crisis/Incident] Impact on Services*

Dear [Client Name],

We hope this message finds you well. We are writing to inform you about the impact of the [crisis/incident] on our operations and the measures BizWorth is taking to address this situation.

- **Situation Overview:** Provide a concise overview of the crisis and its potential impact on services.
- **Business Continuity Measures:** Assure clients of the steps taken to ensure business continuity, including any adjustments to service delivery or timelines.
- **Communication Channels:** Specify the channels through which clients will receive updates, such as email communications or a dedicated client support line.
- **Client Support:** Provide contact information for client support and assure clients that their inquiries will be addressed promptly.

We appreciate your understanding and trust in BizWorth. Should you have any questions or concerns, please do not hesitate to contact [Client Support Contact].

Best regards,  
[Your Name] [Your Position] BizWorth

# Communication Templates

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## Employee Communication

**Subject:** Urgent – Crisis Communication

Dear [Team/Employee Name],

In light of the current [crisis/emergency situation], we want to keep you informed about the steps BizWorth is taking to address this challenge. Your safety and well-being are our top priorities.

- **Situation Overview:** Provide a brief overview of the crisis, its impact on operations, and any immediate actions taken.
- **Employee Support:** Assure employees that their safety is paramount and detail any support mechanisms in place, such as counseling services or flexible work arrangements.
- **Continuity Measures:** Briefly outline the business continuity measures being implemented to ensure operational resilience.
- **Communication Channels:** Specify the channels through which further updates will be communicated, such as internal meetings, emails, or the company intranet.

We appreciate your understanding and cooperation during this challenging time. Please feel free to reach out to [Contact Person] for any concerns or questions.

Stay safe,  
[Your Name] [Your Position] BizWorth

# Communication Templates

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## Lender Communication

**Subject:** Urgent – Crisis Communication

Dear [Lender Name],

- **Situation Overview:** Provide a brief overview of the crisis and its potential impact on you as a lender.
- **Business Continuity Measures:** Highlight the business continuity measures in place to address the crisis and maintain operational stability.
- **Communication Channels:** Specify the channels through which lenders will receive updates, such as email communications, official statements, or a dedicated hotline.
- **Contact Information:** Provide contact information for any lender inquiries or concerns.

We value your partnership with BizWorth and appreciate your support during these times.

Sincerely,  
[Your Name] [Your Position] BizWorth

# Testing & Training Plan

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**Objective:** Regularly assess the effectiveness of BizWorth's Business Continuity and Emergency Response Plan to ensure optimal readiness and resilience in the face of potential disruptions.

## Testing Procedures

### Simulations and Drills:

1. Conduct annual simulations or drills simulating various crisis scenarios.
2. Involve key personnel from different departments to test their understanding of roles and responsibilities.
3. Evaluate the effectiveness of communication channels, internal and external, during simulated crises.

### Tabletop Exercises:

1. Conduct tabletop exercises involving relevant stakeholders.
2. Discuss hypothetical scenarios, assess decision-making processes, and evaluate the implementation of contingency plans.
3. Identify areas for improvement in communication, coordination, and resource utilization.

### IT Infrastructure Testing:

1. Regularly test the backup and recovery systems for critical IT infrastructure components.
2. Simulate scenarios such as data breaches or system failures to ensure a swift and effective response.
3. Evaluate the integrity and accessibility of stored data.

### Communication System Stress Testing:

1. Stress test communication systems, both internal and external, to assess their reliability under high-volume scenarios.
2. Verify the efficiency of emergency notification systems and communication platforms.

### Post-Incident Reviews:

1. Conduct thorough reviews following actual incidents or disruptions.
2. Evaluate the effectiveness of the response and recovery efforts.
3. Incorporate lessons learned into the continuous improvement process.

## Training Procedures

### Orientation Training:

1. Conduct orientation sessions for all new employees to introduce them to the company's continuity plan.
2. Emphasize the importance of their role in maintaining operational resilience.

### Annual Refresher Courses:

1. Provide annual refresher courses for all employees.
2. Cover key aspects of the continuity plan, communication protocols, and individual responsibilities.
3. Include updates based on lessons learned from simulations or real incidents.

### Role-Specific Training:

1. Tailor training programs based on employee roles and functions.
2. Ensure that employees understand the specific actions they need to take during a crisis.
3. Provide specialized training for individuals responsible for critical functions.

### Cross-Training Initiatives:

1. Implement cross-training initiatives to enhance flexibility within the team.
2. Ensure that multiple team members are capable of handling critical functions in the absence of key personnel.

# 7 Data Security

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# Data Privacy and Protection

BizWorth's Data Collection Portal, in partnership with our portal partner, places a strong emphasis on data privacy and protection to support secure data collection and confidential report downloads. Robust measures have been implemented to ensure the confidentiality, integrity, and availability of client data. Here are the key aspects:

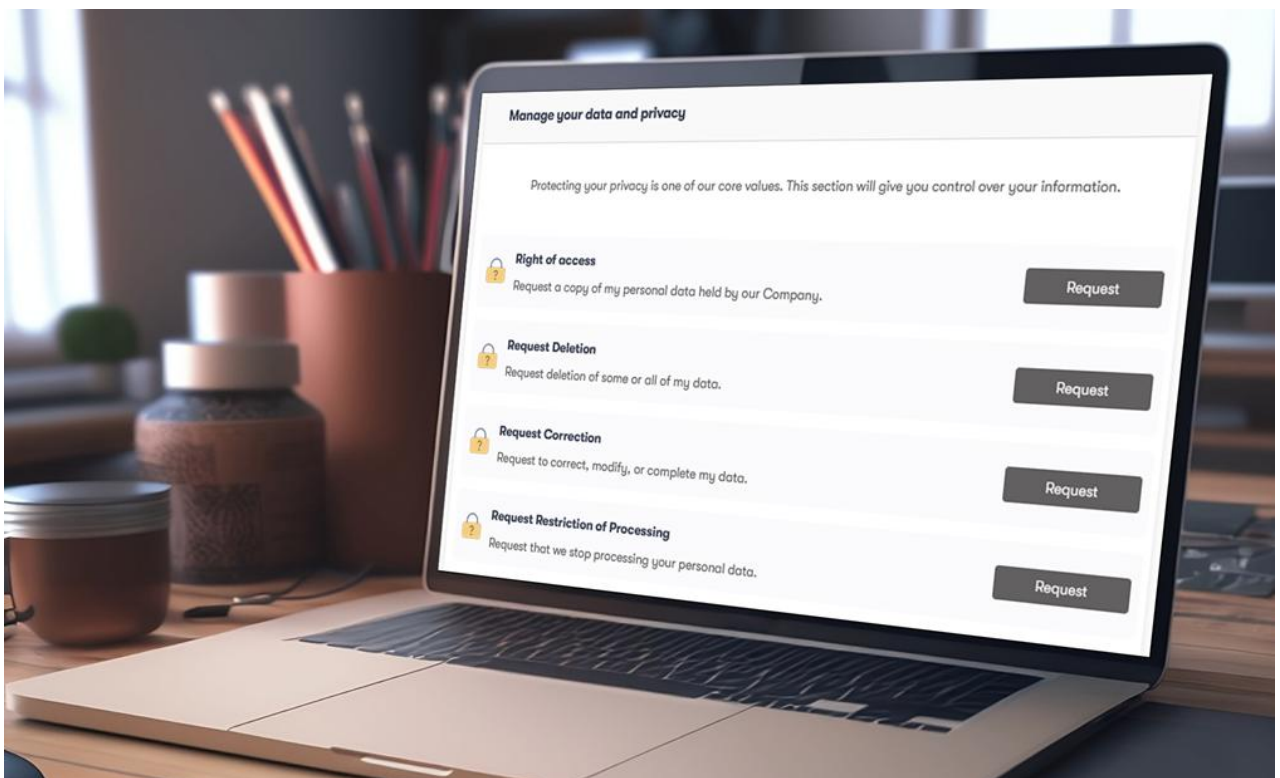
## Encryption

Industry-standard encryption protocols, including Secure Sockets Layer (SSL)/Transport Layer Security (TLS), are used to protect client data both at rest and in transit. SSL/TLS protocols establish secure connections between users and our servers, encrypting data during transit to prevent interception or tampering by attackers. This ensures the confidentiality and integrity of data during transmission.

## Access Control

Strict access controls are in place to ensure that only authorized personnel can access client data. This includes strong authentication mechanisms, such as passwords and multi-factor authentication, to prevent unauthorized access to data at rest and during transmission.

- **Passwords:** Secure password mechanisms are employed to authenticate users and restrict access. This ensures that only individuals with the correct credentials can access client data.
- **Multi-Factor Authentication (MFA):** In addition to passwords, multi-factor authentication is implemented to add an extra layer of security. Users are required to provide multiple forms of



identification before accessing the portal, further preventing unauthorized access.

### Data Backups

Regular backups are performed to prevent data loss in unforeseen events. These backups are securely stored and can be restored if needed.

### Secure Infrastructure

Our infrastructure, hosted on secure servers and data centers complying with industry best practices, includes physical security measures, firewalls, and intrusion detection systems.

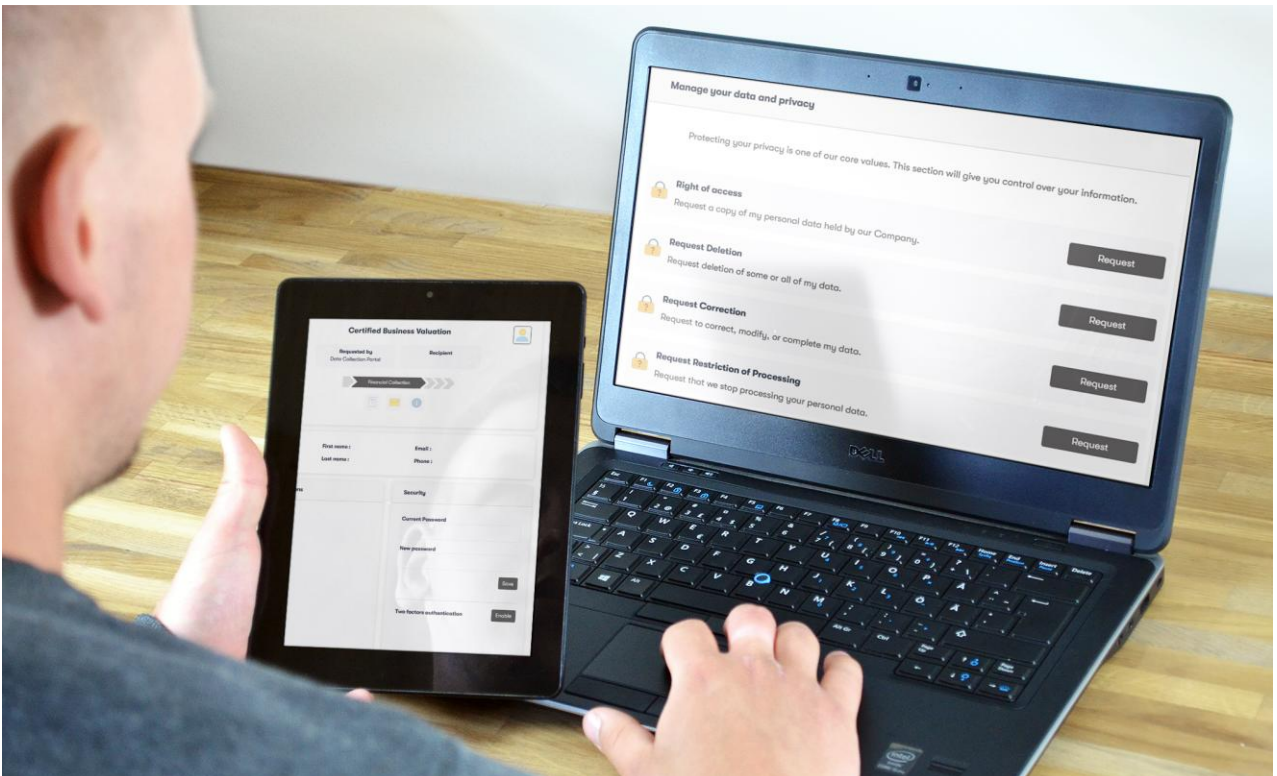
### Regular Audits and Testing

Regular security audits and testing are conducted to identify and address vulnerabilities or weaknesses in our systems, maintaining a proactive approach to security.

### Data Privacy

Client privacy is respected, and data is only collected and used for intended purposes. Privacy controls are implemented, providing transparent information about how client data is handled.

To simplify, BizWorth's Data Collection Portal, in partnership with our portal partner, prioritizes client data security, supporting secure data collection and confidential report download. Access controls include strong authentication mechanisms such as passwords and multi-factor authentication, ensuring secure access to data at rest and during transmission. Utilizing SSL/TLS protocols ensures secure data transmission during connections between users and our servers.



# 8 Insurance Coverage

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**9**  
**W-9**  
**Form**

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## Request for Taxpayer Identification Number and Certification

Go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9) for instructions and the latest information.

**Give form to the  
requester. Do not  
send to the IRS.**

**Before you begin.** For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

<b>Print or type. See Specific Instructions on page 3.</b>	<b>1</b>	Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.)  BIZWORTH, LLC			
	<b>2</b>	Business name/disregarded entity name, if different from above.			
	<b>3a</b>	Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only <b>one</b> of the following seven boxes.  <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C corporation <input type="checkbox"/> S corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input checked="" type="checkbox"/> <b>LLC.</b> Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) <b>Note:</b> Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner.  <input type="checkbox"/> Other (see instructions)	<b>4</b>	Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):  Exempt payee code (if any) _____  Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____  <i>(Applies to accounts maintained outside the United States.)</i>	
	<b>3b</b>	If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions <input type="checkbox"/>			
	<b>5</b>	Address (number, street, and apt. or suite no.). See instructions. 1900 SAINT JAMES PL, SUITE 100	Requester's name and address (optional)		
	<b>6</b>	City, state, and ZIP code HOUSTON, TX 77056			
	<b>7</b>	List account number(s) here (optional)			

### Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

<b>Social security number</b>									
<b>or</b>									
<b>Employer identification number</b>									
8	5	-	3	9	5	7	2	3	0

**Note:** If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

### Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

<b>Sign Here</b>	Signature of U.S. person <u>Shelia Darby</u> <small>Shelia Darby (Mar 12, 2025 09:50 CDT)</small>	Date <b>03/12/2025</b>
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## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9).

### What's New

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

### Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they

must obtain your correct taxpayer identification number (TIN), which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid).
- Form 1099-DIV (dividends, including those from stocks or mutual funds).
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds).
- Form 1099-NEC (nonemployee compensation).
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers).
- Form 1099-S (proceeds from real estate transactions).
- Form 1099-K (merchant card and third-party network transactions).
- Form 1098 (home mortgage interest), 1098-E (student loan interest), and 1098-T (tuition).
- Form 1099-C (canceled debt).
- Form 1099-A (acquisition or abandonment of secured property).

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

**Caution:** If you don't return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding*, later.

**By signing the filled-out form, you:**

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued);
2. Certify that you are not subject to backup withholding; or
3. Claim exemption from backup withholding if you are a U.S. exempt payee; and
4. Certify to your non-foreign status for purposes of withholding under chapter 3 or 4 of the Code (if applicable); and
5. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting is correct. See *What Is FATCA Reporting*, later, for further information.

**Note:** If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Establishing U.S. status for purposes of chapter 3 and chapter 4 withholding.** Payments made to foreign persons, including certain distributions, allocations of income, or transfers of sales proceeds, may be subject to withholding under chapter 3 or chapter 4 of the Code (sections 1441–1474). Under those rules, if a Form W-9 or other certification of non-foreign status has not been received, a withholding agent, transferee, or partnership (payor) generally applies presumption rules that may require the payor to withhold applicable tax from the recipient, owner, transferor, or partner (payee). See Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

The following persons must provide Form W-9 to the payor for purposes of establishing its non-foreign status.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the disregarded entity.
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the grantor trust.
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust and not the beneficiaries of the trust.

See Pub. 515 for more information on providing a Form W-9 or a certification of non-foreign status to avoid withholding.

**Foreign person.** If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person (under Regulations section 1.1441-1(b)(2)(iv) or other applicable section for chapter 3 or 4 purposes), do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515). If you are a qualified foreign pension fund under Regulations section 1.897(l)-1(d), or a partnership that is wholly owned by qualified foreign pension funds, that is treated as a non-foreign person for purposes of section 1445 withholding, do not use Form W-9. Instead, use Form W-8EXP (or other certification of non-foreign status).

**Nonresident alien who becomes a resident alien.** Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a saving clause. Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

**Example.** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if their stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first Protocol) and is relying on this exception to claim an exemption from tax on their scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

## Backup Withholding

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include, but are not limited to, interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third-party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester;
2. You do not certify your TIN when required (see the instructions for Part II for details);
3. The IRS tells the requester that you furnished an incorrect TIN;
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only); or
5. You do not certify to the requester that you are not subject to backup withholding, as described in item 4 under "*By signing the filled-out form*" above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

See also *Establishing U.S. status for purposes of chapter 3 and chapter 4 withholding*, earlier.

## What Is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all U.S. account holders that are specified U.S. persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

## Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you are no longer tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

## Specific Instructions

### Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part 1 of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

- **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

**Note for ITIN applicant:** Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040 you filed with your application.

- **Sole proprietor.** Enter your individual name as shown on your Form 1040 on line 1. Enter your business, trade, or "doing business as" (DBA) name on line 2.

- **Partnership, C corporation, S corporation, or LLC, other than a disregarded entity.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

- **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. Enter any business, trade, or DBA name on line 2.

- **Disregarded entity.** In general, a business entity that has a single owner, including an LLC, and is not a corporation, is disregarded as an entity separate from its owner (a disregarded entity). See Regulations section 301.7701-2(c)(2). A disregarded entity should check the appropriate box for the tax classification of its owner. Enter the owner's name on line 1. The name of the owner entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For

example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2. If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

### Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, enter it on line 2.

### Line 3a

Check the appropriate box on line 3a for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3a.

IF the entity/individual on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation.
• Individual or • Sole proprietorship	Individual/sole proprietor.
• LLC classified as a partnership for U.S. federal tax purposes or • LLC that has filed Form 8832 or 2553 electing to be taxed as a corporation	Limited liability company and enter the appropriate tax classification: P = Partnership, C = C corporation, or S = S corporation.
• Partnership	Partnership.
• Trust/estate	Trust/estate.

### Line 3b

Check this box if you are a partnership (including an LLC classified as a partnership for U.S. federal tax purposes), trust, or estate that has any foreign partners, owners, or beneficiaries, and you are providing this form to a partnership, trust, or estate, in which you have an ownership interest. You must check the box on line 3b if you receive a Form W-8 (or documentary evidence) from any partner, owner, or beneficiary establishing foreign status or if you receive a Form W-9 from any partner, owner, or beneficiary that has checked the box on line 3b.

**Note:** A partnership that provides a Form W-9 and checks box 3b may be required to complete Schedules K-2 and K-3 (Form 1065). For more information, see the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

If you are required to complete line 3b but fail to do so, you may not receive the information necessary to file a correct information return with the IRS or furnish a correct payee statement to your partners or beneficiaries. See, for example, sections 6698, 6722, and 6724 for penalties that may apply.

### Line 4 Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

#### Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third-party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space on line 4.

1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2).

- 2—The United States or any of its agencies or instrumentalities.
- 3—A state, the District of Columbia, a U.S. commonwealth or territory, or any of their political subdivisions or instrumentalities.
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities.
- 5—A corporation.
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or territory.
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission.
- 8—A real estate investment trust.
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940.
- 10—A common trust fund operated by a bank under section 584(a).
- 11—A financial institution as defined under section 581.
- 12—A middleman known in the investment community as a nominee or custodian.
- 13—A trust exempt from tax under section 664 or described in section 4947.

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
<ul style="list-style-type: none"> <li>• Interest and dividend payments</li> </ul>	All exempt payees except for 7.
<ul style="list-style-type: none"> <li>• Broker transactions</li> </ul>	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
<ul style="list-style-type: none"> <li>• Barter exchange transactions and patronage dividends</li> </ul>	Exempt payees 1 through 4.
<ul style="list-style-type: none"> <li>• Payments over \$600 required to be reported and direct sales over \$5,000<sup>1</sup></li> </ul>	Generally, exempt payees 1 through 5. <sup>2</sup>
<ul style="list-style-type: none"> <li>• Payments made in settlement of payment card or third-party network transactions</li> </ul>	Exempt payees 1 through 4.

<sup>1</sup> See Form 1099-MISC, Miscellaneous Information, and its instructions.

<sup>2</sup> However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

**Exemption from FATCA reporting code.** The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) entered on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37).

B—The United States or any of its agencies or instrumentalities.

C—A state, the District of Columbia, a U.S. commonwealth or territory, or any of their political subdivisions or instrumentalities.

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i).

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i).

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state.

G—A real estate investment trust.

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940.

I—A common trust fund as defined in section 584(a).

J—A bank as defined in section 581.

K—A broker.

L—A trust exempt from tax under section 664 or described in section 4947(a)(1).

M—A tax-exempt trust under a section 403(b) plan or section 457(g) plan.

**Note:** You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

**Line 5**

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, enter "NEW" at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

**Line 6**

Enter your city, state, and ZIP code.

**Part I. Taxpayer Identification Number (TIN)**

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have, and are not eligible to get, an SSN, your TIN is your IRS ITIN. Enter it in the entry space for the Social Security number. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). If the LLC is classified as a corporation or partnership, enter the entity's EIN.

**Note:** See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at [www.SSA.gov](http://www.SSA.gov). You may also get this form by calling 800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/EIN](http://www.irs.gov/EIN). Go to [www.irs.gov/Forms](http://www.irs.gov/Forms) to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to [www.irs.gov/OrderForms](http://www.irs.gov/OrderForms) to place an order and have Form W-7 and/or Form SS-4 mailed to you within 15 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and enter "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, you will generally have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note:** Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon. See also *Establishing U.S. status for purposes of chapter 3 and chapter 4 withholding*, earlier, for when you may instead be subject to withholding under chapter 3 or 4 of the Code.

**Caution:** A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

## Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

**Signature requirements.** Complete the certification as indicated in items 1 through 5 below.

**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third-party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

## What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup>
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>
5. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee <sup>1</sup>
b. So-called trust account that is not a legal or valid trust under state law	The actual owner <sup>1</sup>
6. Sole proprietorship or disregarded entity owned by an individual	The owner <sup>3</sup>
7. Grantor trust filing under Optional Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))**	The grantor*

For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity <sup>4</sup>
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing Form 1041 or under the Optional Filing Method 2, requiring Form 1099 (see Regulations section 1.671-4(b)(2)(i)(B))**	The trust

<sup>1</sup> List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

<sup>2</sup> Circle the minor's name and furnish the minor's SSN.

<sup>3</sup> You must show your individual name on line 1, and enter your business or DBA name, if any, on line 2. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

<sup>4</sup> List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

\* **Note:** The grantor must also provide a Form W-9 to the trustee of the trust.

\*\* For more information on optional filing methods for grantor trusts, see the Instructions for Form 1041.

**Note:** If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

## Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information, such as your name, SSN, or other identifying information, without your permission to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax return preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity, or a questionable credit report, contact the IRS Identity Theft Hotline at 800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 877-777-4778 or TTY/TDD 800-829-4059.

**Protect yourself from suspicious emails or phishing schemes.**

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to [phishing@irs.gov](mailto:phishing@irs.gov). You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 800-366-4484. You can forward suspicious emails to the Federal Trade Commission at [spam@uce.gov](mailto:spam@uce.gov) or report them at [www.ftc.gov/complaint](http://www.ftc.gov/complaint). You can contact the FTC at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft) or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see [www.IdentityTheft.gov](http://www.IdentityTheft.gov) and Pub. 5027.

Go to [www.irs.gov/IdentityTheft](http://www.irs.gov/IdentityTheft) to learn more about identity theft and how to reduce your risk.

## Privacy Act Notice

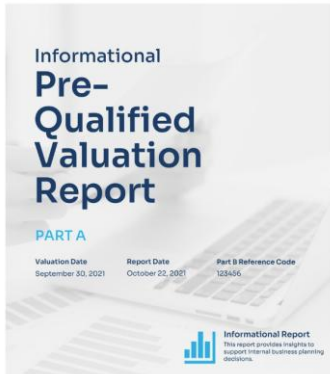
Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and territories for use in administering their laws. The information may also be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payors must generally withhold a percentage of taxable interest, dividends, and certain other payments to a payee who does not give a TIN to the payor. Certain penalties may also apply for providing false or fraudulent information.

**10**  
**Report  
Samples**

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# All Report Samples

**BizWorth**



## Informational Pre-Qualified Valuation Report (Part A)

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## SBA Certified Business Appraisal Report (Part B)

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## Certified Machinery & Equipment Appraisal

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# 11 Certified Business Appraisal Report

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Sample

## **What We Do**

With a national partnership of over 2,000 partners, including business brokers, BizWorth helps business owners and professionals across industries to value ownership interests. From business acquisitions and divestitures to partner buyouts and litigation, we provide certified valuation reports that deliver the insight and credibility needed to facilitate deal making and successful resolutions. Our certified appraisals are conducted by certified valuers who adhere to the high standards set forth by well-recognized, accredited organizations.

## **Our Mission**

Our mission is to exceed client expectations by delivering reliable reports that are easy to understand, adhere to professional standards, build credibility and minimize financial risk to our clients.

## **Our Vision**

To help business owners, professionals and partners value, protect and preserve ownership interests and assets of privately held businesses.

# ***BizWorth***