



# CHECKLIST #2

## Boutique BD Merger & Acquisition Readiness

Merging with another financial firm is a huge decision; it can be overwhelming. There's too much at stake to not consider every angle. A great place to start is asking the right questions.

We've developed this checklist to ensure you ask the right questions. This will give your firm the best chance to make the right decision with the right partner.

Feel free to contact us directly for help finding the answers.

## 2.1 Legal & Financial

- Have all parties signed a non-disclosure agreement?
- Has due diligence taken place by all parties involved?
- Is a back end deal in play if expectations exceed that of the original deal?
- What is the consequence on the financial package for heavy attrition?
- Have you negotiated an acceptable Letter of Intent in writing?

## 2.2 Back Office & Compliance

- Have you reviewed all requirements under the FINRA rule 1017 which oversees change of ownership, business operations etc.

## 2.3 Transition & Retention

- Will the change effect current staff and employment in either hiring more staff or reducing staff currently employed?
- Will your staff have additional benefits?
- How will your clients perceive the change?
- How will competitors perceive the change?
- What kind of rep retention must you achieve to meet the deal parameters?
- What will your ongoing responsibilities include through the entire process?

## 2.4 Leadership

- Have all the owners and executives discussed and agreed about a minimum offer level?
- Will you continue to play a leadership role in the company?

## 2.5 Sales & Marketing

- Can the new broker dealer conduct in all of your current business lines, including outside business activities?
- Are you willing to change the company name?
- What services and enhancements will the new company provide that you didn't have before?

For a confidential initial consultation, please contact  
Dave Reyna directly at:

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