ACQUISITION DESK

Acquisition Memo

Fictional sample deal · Prepared for product demonstration only

Summit Property Services

Commercial and residential restoration company · Northern California

This memo is a static fictional example. Names, figures, assumptions, and analysis are illustrative and must be independently verified.

Executive Summary

Summit Property Services is presented as a 12-year restoration company with 18 employees, leased facilities, semi-absentee ownership, and a stated retirement sale. The opportunity shows attractive modeled cash flow, while licensing, customer concentration, lease terms, and owner-transition depth remain diligence priorities.

Deal Snapshot

Asking price	**$2,400,000**
Gross revenue	**$3,850,000**
Seller discretionary earnings (SDE)	**$620,000**
Asking-price multiple	**3.87x**
Employees / years in business	**18 / 12**
Real estate / seller involvement	**Leased / semi-absentee**
Reason for sale	**Retirement**
Seller financing	**Not yet confirmed**

Financial Analysis

Requested down payment (10%)	**$240,000**
Effective purchase-price equity	**$240,000**
Modeled SBA 7(a) loan	**$2,160,000**
Modeled interest rate	**10.75% scenario**
Estimated closing costs	**$75,000**
Total cash to close	**$315,000**
Available buyer cash	**$350,000**
Buyer funding gap	**$0**
Annual debt service	**$293,000**
Modeled DSCR	**2.12x**

Buyer take-home after debt payments

$327,000

Financial score **78 / 100**

Scenario estimate based on modeled financing assumptions. Confirm final terms, lender eligibility, and debt service with a qualified lender.

Buy Box Fit

Overall Buy Box Fit	**74 / 100**
Price target	**Outside target: $2.4M vs $2.0M**
Industry	**Match: restoration services**
Geography	**Partial: Northern California**
Buyer take-home	**Match: $327k vs $250k target**
Owner involvement	**Partial: semi-absentee**
Available cash	**Match: $350k vs $315k required**

Risk Review

- Unverified SDE and add-backs: request tax returns, P&L detail, and normalization support.
- Customer or insurance-carrier concentration: request revenue by customer and payer.
- Owner dependence and management depth: verify field-manager responsibilities and retention.
- Licensing and compliance: confirm California contractor licensing transition plan.
- Lease and facility costs: review renewal rights, rent escalations, and equipment needs.
- Seller transition expectations: define handoff period and post-close availability.
- Financing feasibility: confirm lender treatment of cash flow, lease, and working capital.

Suggested Pursuit Pack

Initial Email	**Drafted**
Call Prep	**Drafted**
Post-Call Follow-Up	**Ready to personalize**
Post-NDA Request	**Ready for diligence**

Suggested Next Steps

- Ask the broker for financial statements, add-back support, customer concentration, lease documents, and licensing details.
- Confirm whether seller financing is available and how a seller note would be subordinated.
- Review the scenario with a qualified SBA lender before treating the modeled results as financing terms.

Disclosures

Buyer-side screening summary for product demonstration. Not a lender submission package or a substitute for lender, legal, tax, accounting, or investment advice.

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