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Representation, Liquidation, M&A and Engagement Agreement

The Rivo Consulting Group of Middlebury, CT (hereinafter “RCG”), hereby pledges for the duration of this agreement subsequently identified, to serve as merger & acquisition consultant, liquidation consultant, general business and management consultant, and exclusive representative of the business principal or controlling shareholder (hereinafter “Client”), and his/her business or qualifying organization (hereinafter “Business”) identified here as:

CLIENT:	_____	BUSINESS:	_____
ADDRESS:	_____	ADDRESS:	_____
	_____		_____
TELEPHONE:	_____	TELEPHONE:	_____
MOBILE:	_____	FACSIMILIE:	_____
E-MAIL:	_____	WEBSITE:	_____

THE LISTING PERIOD:

Client gives RCG the right of liquidation, or to effect a merger or acquisition for a period of _____ days beginning on the date of execution of this agreement which bears the signatures of both the Client representing his/her interest as an authorized owner or controlling shareholder of the Business as well as authorized representative of RCG. Upon Client's acceptance and affirmation by way of signature of this agreement (additionally, Client acknowledges receipt of a true and accurate copy of this agreement), all rights and obligations of this agreement will automatically extend through the date of the actual consummation of the liquidation, merger or acquisition. Client understands and agrees that the right to liquidation is limited, in that if Client, or any other person(s) outside the direct association, control and/or influence of RCG, secures a purchaser, and RCG is involved in negotiations and/or closing or RCG proprietary material is used in communicating with said buyer (including but not limited to sell sheet(s), photos, collateral material and/or financial summaries), Client will pay to RCG, 50% of the amount(s) agreed upon under the subsection entitled “COMPENSATION”, herein.

MEANINGS:

Client understands and agrees that the terms merger or acquisition and any variations as used in this agreement include, but are not limited to, sales, liquidations, leases, options, exchanges and any other disposition (or combination of dispositions) of any interest in any part of the Business and of any interest in Client and the creation of other interests involving the Business. Although the parties anticipate an outright liquidation of substantially all of the Business property for money, other dispositions may be available and may be acceptable to Client. Other dispositions could include sales of less than all of the Business, leases, options, exchanges and other dispositions of any of Client's interest in the Business, or of any interest in Client (share transfer, merger, stock option, subscription agreement or creation or assignment of a partnership interest, for example), or the creation of other interests involving the Business (formation of a partnership or joint venture, consulting or employment agreement, requirements or output contracts for example).

SCOPE OF SERVICE:

The term "purchaser" as used in this agreement includes purchasers, tenants, exchangers, optionees and any other categories of potential or actual transferees of any interest in any part of the Business or of any interest in Client and those involved in the creation of other interests involving the Business. RCG will represent and assist Client in valuing the Business, marketing the Business, identifying prospective buyers and in analyzing, structuring, negotiating and effecting a liquidation, merger or acquisition. Such scope of service will include but may not be limited to:

- Effectively develop SDE and EBITDA valuation
- Business process, management, HR and other structural identification
- Develop robust and effective liquidation and M&A marketing strategy with Client
- Develop a list of potential buyer(s)
- Financially vet the efficacy of purchase for potential buyer(s)
- Review financial and compliance documentation for presentation
- Counsel Client as to strategy for initiating discussions with potential buyers
- Develop substantial NDA documentation and procedure in the best interest of the Client
- Assist Client in negotiating a definitive liquidation and/or M&A plan
- Develop Memoranda of Understanding for Business liquidation, merger or acquisition
- Assist Client in developing a financing and/or liquidation strategy with potential buyer(s)
- Counsel Client on proper disassociation and/or non-compete activities
- Any other activities deemed necessary by RCG to facilitate liquidation and/or M&A

COMPENSATION:

Client agrees to pay the following fee(s) to RCG upon cash transfer, merger or acquisition of the Business:

- Administrative Retainer due upon execution of this agreement in the amount of \$ _____
(Received as received in full: _____)
- _____ % of the total Acquisition Price if Client consummates a liquidation, merger or acquisition on or before the expiration date of this agreement, or in accordance with percentage stipulations listed above.

The fee described above shall be payable in cash to RCG at the closing of the liquidation, merger or acquisition. In the event Client shall sell or issue to a Purchaser equity securities representing less than 80% of the Client's capital stock, RCG's fee shall be 12% of the total Acquisition Price.

"Acquisition Price" means the sum of all cash and non-cash consideration (at market or face value, whichever is higher) paid, delivered or made in connection with a liquidation, merger or acquisition, including, but not limited to, any notes made, securities transferred or issued, all Business property transferred by Client, debts assumed or acquired, and any amounts payable to Client or any shareholders, directors, officers, personnel and others affiliated with Client under non-compete, earn out or consulting agreements (exclusive of arrangements for services actually rendered), made in connection with a merger or acquisition.

Client understands and agrees that RCG's fee will apply to all consideration given for all tangible and intangible property covered in a liquidation, merger or acquisition, including, but not limited to: Business property (FFE), inventory of goods held for sale, work in progress and materials, accounts receivable, intellectual property and records of the (including but not limited to, all designs, trade names and domain names), general intangibles (including but not limited to, all goodwill, going concern value, customer and supplier-based intangibles, workforce in place and contract, franchise, lease, license or other property rights) and any non-compete, earn out or consulting agreements (exclusive of arrangements for services actually rendered), made in connection with a liquidation, merger or acquisition, including but not limited to those made by shareholders, directors, officers, personnel and others affiliated with Client.

GENERAL COOPERATION, REFERRAL AND SHOW:

Client will cooperate with RCG in carrying out the purpose of this agreement, including referring immediately to RCG all inquiries regarding the availability of the Business for liquidation, merger or acquisition. Client will make the Business available for RCG to show to prospective buyer(s) and others (including RCG employees and other cooperating brokers) during reasonable times.

ACCURACY OF INFORMATION:

Client will provide promptly, upon request, all information and documentation reasonably deemed necessary or desirable by RCG in connection with performing its services. Client represents and warrants to RCG that all written materials and other information (for example, tax returns, financial statements, general ledger, account records, customer/supplier lists and records, profit and loss statements, equipment lists and title documents) furnished to RCG will be correct and complete. Client understands and agrees that this information will be used by RCG to market the Business to prospective buyer(s) and that the information will be furnished to prospective buyer(s) for the purposes of inducing prospective buyer(s) to make a purchase, merger or acquisition and that such prospective buyer(s) will rely on the information being correct and complete. Client understands and agrees that RCG intends to use (pass on to prospective purchasers, for example) the information furnished by Client without making an independent investigation into the accuracy of the information and will do so only upon satisfactory execution of an agreed-upon NDA signed by the prospective buyer(s).

ENVIRONMENTAL CONCERNS:

Client represents (based on Client's best knowledge) that Client, the Business and the Business property are not, and have never been, in violation of any governmental requirements involving environmental or health protection.

MATERIAL FACTS:

Client represents and warrants that there are no facts known to Client materially affecting the value of the Business or any Business property which are not readily observable upon non-intrusive inspection or not readily ascertainable from the written materials and other information furnished by Client. Client understands and agrees that RCG will disclose the above facts (and subsequently discovered/disclosed facts) to prospective buyer(s). This paragraph is intended to include Client's knowledge of any pending, current or threatened litigation that may have an effect on the Business or real property.

UPDATES:

Client agrees that during the term of this agreement, Client will promptly notify RCG of any matter(s) affecting any of Client's representations or warranties under this agreement.

INDEMNITY:

Client shall indemnify and hold harmless RCG from and against all liability, claims, actions, damages, fines, expenses, costs, and any other losses, including attorney's fees, incurred by RCG, arising as a result of or in connection with this agreement (including but not limited to, for example, alleged liability based on the relationship of the parties, breach, misrepresentation, furnishing incorrect or incomplete information, undisclosed material facts affecting the Business) or the activities, status, condition, operations, liabilities, debts or obligations of Client or the Business. This provision will survive (remain independently binding and enforceable after) termination (expiration, cancellation or completion, for example) of this Representation and Engagement Agreement.

GENERAL PROVISIONS AND DISPUTE RESOLUTION:

This agreement shall constitute the entire agreement between the parties and any prior understanding or representation of any kind preceding the date of this agreement shall not be binding on either party to this agreement except to the extent incorporated in this agreement.

This agreement shall inure to the benefit of the parties hereto and shall be binding upon the parties hereto and their respective heirs, successors, and assigns. Except as otherwise set forth herein, nothing in this agreement, expressed or implied, is intended to confer on any person other than the parties hereto or their respective heirs, successors, and assigns any rights, remedies, obligations, or other liabilities under or by reason of this agreement.

The parties agree that any controversy or claim arising out of or relating to this agreement, or breach thereof, in the absence of mutual resolution by, and on behalf of said parties, shall be settled by a prevailing court of The State of Connecticut, including but not limited to a Jurisdiction of Connecticut Small Claims Court or Superior Court of The State of Connecticut. The parties expressly waive any challenge to the use of a Connecticut Court in accordance with this agreement. The award made by the judgment of a foregoing court will be considered as final judgment in said court having jurisdiction. In the event of breach, default or other non-payment to RCG, upon prevailing by way of judgment, RCG shall be entitled to an additional award of expenses of litigation, including but not limited to required travel and other administrative expenses, witness and filing fees, administrative fees and any other costs incurred by RCG, in addition to reasonable attorney's fees and costs associated with obtaining and collecting an awarded judgment.

This Agreement shall be construed as to both validity and performance and enforced in accordance with and governed by the laws of The State of Connecticut. Furthermore, If any term, covenant, condition, or provision of this agreement or the application thereof to any circumstance shall be invalid or unenforceable to any extent, the remaining terms, conditions, and provisions of this agreement shall not be affected thereby and each remaining term, covenant, condition, and provisions of this agreement shall be valid and shall be enforceable to the fullest extent permitted by law. If any provision of this agreement is so broad as to be unenforceable, such provisions shall be interpreted to be only as broad as is enforceable.

CONTINGENT AND LIMITING CONDITIONS:

RCG's services constitute neither an audit nor a verification of the Client's underlying financial records. RCG has relied, without independent verification, on the accuracy, completeness, and fairness of all financial and other information that was publicly available or furnished to RCG by Client, their accountant(s) and/or legal counsel. It is understood that Client is not relying on RCG for legal, tax or accounting advice. It is also understood that no principal or employee of RCG has represented him/herself as an accountant, CPA, Attorney, Enrolled Agent or the like and Client is free to seek the counsel of an attorney or CPA at any time during this agreement or transaction. RCG has neither appraised nor otherwise independently determined the value of any Business property. Due to the economic and individual motivational influences, which may affect the sale of a business interest, RCG makes no representations and assumes no responsibility for the actual price of any liquidation, merger or acquisition. Client understands that this agreement does not guarantee consummation of a liquidation, merger or acquisition. Client understands that RCG makes no representations or warranties about any purchaser or any representations or warranties other than what is contained herein.

CONFIDENTIALITY:

RCG agrees to hold in strict confidence any and all proprietary information provided by Client in connection with this agreement. RCG agrees not to share any confidential information with persons outside RCG's office without Client's prior consent. Said consent shall be deemed automatically given upon the Client's signing of a properly executed NDA which will be required of any potential buyer(s) before disclosing material information deemed confidential.

AMENDMENTS AND ASSIGNMENTS:

This agreement may not be modified or changed except by an instrument or instruments in writing signed by the Client and RCG. Furthermore, the rights and obligations of the parties under this agreement shall not be assignable except with the prior written consent of the other party hereto. No waiver, amendment or other modification of this agreement shall be effective unless in writing and signed by each party to be bound thereby.

*The foregoing is a legally binding contract in The State of Connecticut. Read carefully before signing.
If you need legal advice, you should consult an attorney.*

Be It Known To All Whom These Present Shall Come...

Above-named Client hereby represents him/herself as a natural person and the lawfully designated business principal or controlling shareholder in the above-named Business, enjoying all rights and responsibilities to enter into this binding contract on behalf of said Business. Client further asserts his/her reading and understanding of the foregoing in its entirety and receiving a true and accurate tangible and/or electronic copy of the same.

SIGNATURE AFFIRMATIONS:

The parties hereto have executed this agreement this _____ day of _____, 20__

In the municipality of _____, Connecticut.

X _____
Signature: (Client)

X _____
Signature: (RCG)

By: (Name Printed)

By: (Name Printed)

For: (Business Name)

The Rivo Consulting Group
For:

Its: (Corporate Title)

Its: (Corporate Title)