



McDONALD·DALTON
CAPITAL PARTNERS

THE CONFIDENTIAL PRIVATE AUCTION

A **confidential private auction** is the process that experienced seller-focused professional investment bankers utilize to achieve maximum value for selling shareholders of privately held companies.

The confidential auction process involves establishing a number of serious acquirers who are each negotiating price and terms during the same period. Each prospective acquirer is unaware of the identity of the others, but will clearly sense that others are involved, increasing the potential of achieving the following results:

- Maximum Sales Price
- Optimize Subjective Future Goals of Seller & Employees

The confidential private auction is a "proven process" which McDonald Dalton has utilized for twenty-two transactions during its eight-year history.

The process utilizes the following:

- a. Confidential Key Business Information Teaser (Details of industry and business specialization, key financial information, broad location parameters)
- b. Proprietary information systems that allow McDonald Dalton to understand which market that buyers are interested in pursuing?
- c. Our "Seller" client knows exactly "Who" is interested and requests business details about them prior to the release of information. This allows a thorough investigation by our sellers prior to any information being released to prospects.
- d. If our "Seller" client is not interested in a particular buyer potential that prospect never receives any information.
- e. Once our "Seller" client approves a buyer, then that buyer is required to sign a "Confidentiality Agreement", before detailed information is sent to them.
- f. Buyers interested in acquiring companies have built-in incentives not to disclose a seller's information for fear that they will create alternate competitive buyers.

The confidential private auction is both an art and a science that can be worth millions of dollars to a selling shareholder.

In our Industry there is a "Key Industry Statistic" that bears out the value of the Confidential Private Auction:

"Seventy-Eight (78%) of all private sales of companies result from an unsolicited bid from a buyer previously known to the seller. Buyers use this approach aggressively because they understand that in this approach there are no other buyers! The results.....they buy for a price they stipulate.....the seller always loses substantial value due to the deficiencies of this single bidder process"