



CHECKLIST FOR 504 DEBENTURE - CHANGE OF OWNERSHIP

Personal Information – Required from all 20% or more owners of Applicant Small Business and Real Estate Holding Entity (if applicable):

1. Owners & Key Management* - Required from all 20% or more owners, officer's & directors, and key management as determined by WBD
2. Photocopy of Driver's Licenses
3. Personal Financial Statement (SBA Form 413)* or Alternative Template that provides same level of detail – Current within 45 days and signed by both spouses (if applicable)
4. Federal Personal Tax Returns for prior 3 years (if most recent year is on extension, provide copy of extension and W2)
5. Affiliated Entities – Federal Tax Returns for prior 2 years and a Schedule of Indebtedness. In general, if a 20% or more owner of the Applicant Small Business has a 20% or more ownership in another entity, that entity is considered an affiliate. WBD will determine potential affiliates upon receipt of the Federal Personal Tax Returns.

Business Information:

1. WBD, Inc. 504 Application & Legal Fee Agreement*
2. Project & Small Business Questionnaire*
3. Job Information*
4. Year-End Financial Statements (balance sheets & income statements) and Federal Tax Returns for prior 3 years for Applicant Small Business and Real Estate Holding Company (if applicable)
5. IRS Form 8821 must be completed for the Applicant Small Business and signed by the business owner (Note the form will be sent for signature after receipt of the business tax returns)
6. Current YTD P&L and Balance Sheet (within 60 days) for the Applicant Small Business with a comparable P&L through the same time period last year
7. Current YTD P&L and Balance Sheet (within 60 days) for the Real Estate Holding Company (if applicable)
8. Schedule of Indebtedness consistent with the interim balance sheet(s) provided in #6 and #7*
9. Aging of A/R and A/P consistent with the interim balance sheet provided in #6, with an explanation of accounts > 90 days (if applicable).
10. Two Years of P&L Projections with Detailed Assumptions*
11. Monthly Cash Flow Projection for first 12 months of operations is required for Start-Ups*
12. Franchise, Dealer, Supply, or License Agreements (if applicable)
13. Copy of any Licenses Required to Operate Business (i.e., seller's permit, liquor license, etc.)
14. Filed Articles and Operating Agreement or Bylaws for Applicant Small Business
15. Filed Articles and Operating Agreement for Real Estate Holding Entity

Seller to Provide:

1. Federal Tax Returns for prior 3 years – Seller needs to sign & date the first page
2. Current YTD P&L (within 60 days) – Seller needs to sign & date the first page
3. IRS Form 8821 - Completed based on Seller's Tax Returns. Seller required to sign & date
4. IRS Tax Transcript Certification* - Seller needs to sign & date

Project Information:

1. Executed Copy of Offer to Purchase or Purchase Agreement (offer should allocate the purchase price between real estate, furniture & equipment (F&E), inventory, goodwill, non-compete, etc.)
2. If change of ownership project involves new capital expenditures:
 - a. Equipment – Bids from vendors (used equipment being acquired from a private party must be supported by an equipment appraisal)
 - b. If Project includes Construction – Construction Contract or Bid(s)

Items Needed Later:

1. Life Insurance Information
2. Real Estate Projects:
 - a. Environmental Questionnaire w/ Records Search & Risk Assessment, TSA with SBA Reliance Letter, or Phase I with SBA Reliance Letter
 - b. Real Estate Appraisal listing WBD/SBA as additional intended users:
 - i. If project includes construction – “As-Is” and “As-Complete” Value required
 - ii. Appraiser must include the remaining economic useful life of the real estate
3. Equipment Appraisal (if applicable):
 - a. Completed by a person that is qualified to provide a valuation, is independent of transaction, and has performed an on-site inspection of the equipment.

*Template Available