

**Due Diligence Checklist
Preferred Stock Financing
[Sample]**

	<u>Date Provided</u>	<u>Does Not Exist</u>
A. ACTIONS AND MINUTES		
1. All shareholder actions and meeting minutes.	_____	_____
2. All board actions and meeting minutes.	_____	_____
B. CHARTER DOCUMENTS		
1. The Company's current Certificate of Incorporation, including any amendments thereto.	_____	_____
2. The Company's current Bylaws.	_____	_____
C. CAPITAL STOCK		
1. Current shareholder and optionee registers, including issuance dates and original issuance price. These lists should include any party who owns securities of the Company or has any rights regarding securities of the Company.	_____	_____
2. A summary of the vesting schedules of any stock or options subject to vesting.	_____	_____
3. Agreements relating to the purchase, repurchase, transfer, sale or issuance of securities, including option grant notices and exercise agreements.	_____	_____
4. Agreements relating to voting of securities and restrictive share transfers.	_____	_____
5. Agreements relating to preemptive or other preferential rights to acquire securities, including rights of first refusal.	_____	_____
6. Agreements relating to registration rights.	_____	_____
7. Shareholder agreements not involving the Company, including any side letter or agreement by a shareholder relating to the sale, voting, or transfer of securities of the Company.	_____	_____
8. Evidence of qualification or exemption under applicable federal and state blue sky laws for issuance or transfer of the Company's securities and related filings.	_____	_____
D. LEGAL AND REGULATORY		
1. All documents and correspondence relating to any pending litigation, threatened litigation, or disputes which could potentially lead to litigation involving the Company, its executive officers or its directors.	_____	_____

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2.	Any consent decrees, injunctions, judgments, other decrees or orders, settlement agreements or similar matters.	_____	_____
E.	INTELLECTUAL PROPERTY		
1.	Copies of (i) Proprietary Information and Invention Agreements signed by past or present employees and (ii) any related documentation pertaining to the transfer of any technology.	_____	_____
2.	Copies of (i) Consultant and Independent Contractor Agreements signed by all past and present consultants and independent contractors (ii) and any related documentation pertaining to the transfer of any technology.	_____	_____
3.	A list of any employees or consultants who have not signed Proprietary Information and Invention Agreements, including a list any periods of time where key employees or consultants performed services for the Company while not bound by such agreements.	_____	_____
4.	Any correspondence or documents relating to allegations of the Company's infringement of the proprietary rights of others, or allegations by the Company of infringement of the proprietary rights of the Company.	_____	_____
5.	Any licenses or agreements of any kind with respect to the Company's or others' patent, copyright, trade secret or other proprietary rights, proprietary information or technology, other than licenses or agreements pertaining to "off-the-shelf" or standard products.	_____	_____
6.	A list of patents, copyrights and trademarks, and any searches relevant to such items that have been done.	_____	_____
F.	MANAGEMENT, EMPLOYEES AND CONSULTANTS		
1.	A list of all current and former employees indicating, in each case, whether such party is currently providing services to the Company and the date of departure of any former employees.	_____	_____
2.	A list of all current and former consultants and independent contractors indicating, in each case, whether such party is currently providing services to the Company.	_____	_____
3.	A list of officers and directors. If any officers are not currently devoting 100% of their business time to the Company, please note them on this list.	_____	_____

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4.	Copies of all offer letters.	_____	_____
5.	Copies of all termination and separation agreements with departed service providers	_____	_____
6.	Copies of all agreements with current and former consultants, advisors and independent contractors.	_____	_____
7.	Any agreements, understandings or proposed transactions between the Company and any of its employees, officers, directors, affiliates, or any affiliate thereof, including without limitation, employment agreements, indemnification agreements and any loans or guarantees.	_____	_____
8.	Employee benefit and profit-sharing plans, including stock option, stock purchase deferred compensation and bonus plans or arrangements and forms of stock option grants or stock purchase agreements under such plans.	_____	_____
9.	A list and breakdown of all outstanding accrued salary, paid time off, and reimbursable expenses.	_____	_____
G.	DEBT FINANCING		
1.	All debt instruments and credit agreements entered into by the Company, including lease financing, which are currently in effect.	_____	_____
2.	Any guarantees of third party obligations.	_____	_____
H.	OTHER AGREEMENTS		
1.	Real property leases, including any amendments and all exhibits to such documents.	_____	_____
2.	Capital lease agreements.	_____	_____
3.	Standard forms of agreements used by the Company.	_____	_____
4.	Joint venture and partnership agreements.	_____	_____
5.	Management, service and marketing agreements.	_____	_____
6.	Confidentiality and nondisclosure agreements.	_____	_____
7.	Agreements requiring consents or approvals in connection with the financing.	_____	_____
8.	Agreements, letters of intent or term sheets regarding any proposed acquisition by the Company of any company, business or material amount of assets.	_____	_____
9.	Any other agreements material to the business of the Company, or outside the ordinary course of business.	_____	_____

Date
Provided

Does Not
Exist

I. **MISCELLANEOUS**

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| 1. | Any reports and studies prepared by the Company or outside consultants on the Company or its subsidiaries' or affiliates' business or financial condition. | _____ | _____ |
| 2. | Most recent audited financial statements and latest unaudited monthly financial statements. | _____ | _____ |
| 3. | Brief description of any contract restricting the ability of the Company to compete in any line of business with any person or entity, or committing the Company or any subsidiary to continue in any line of business. | _____ | _____ |
| 4. | Most recent Business Plan, Offering Memorandum or similar document of the Company. | _____ | _____ |
| 5. | Any documents indicating environmental liabilities or potential environmental liabilities, including violations of any environmental laws, or agreements for indemnity or remediation of any adverse environmental conditions. | _____ | _____ |

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