

FORM 211 AND SEC FILINGS - DUE DILIGENCE CHECKLIST

The following is a partial list of information and documents which may be required for filing the form 15c211 by a brokerage firm. Much of this information will be required by the NASD. By compiling and providing this information to VentureVest Capital Corporation in advance, it could speed up your filing of the 15c211 and the clearance by NASD.

CORPORATE ORGANIZATION AND OTHER INFORMATION

- Articles of Incorporation (with amendments)
- Certificate of Incorporation
- By-Laws
- All of the above information on any company that this company merged into
- Officers & Directors Questionnaire (also 10% shareholders)
- Resumes of Officers & Directors
- Recent Changes in Corporate Structure
- Shareholder List (generated by the Transfer Agent, if one)
 - (a) Show Number of Outstanding Shares and Percent Owned
 - (b) Stock option or Share Appreciation Rights Plans
 - (c) Original shareholder list, with dates of acquisition, restrictions, etc.
 - (d) Stock Purchase Agreements, Subscription Agreements
 - (e) Stock certificate specimen
- Parent, subsidiaries and affiliates
- Shareholder's Agreements
- Minutes of the Board of Directors
- List of primary beneficiary of any shareholders in a Corporate name
- Describe the relationship between the officers and directors and shareholders
- Indicate any "free trading" shares, shares that have been held over two years
Shares that have been registered, if any
- Names in which Business has been conducted
- Merger Agreements, contracts, etc.
- Description of subsidiary transactions, etc.
- If the company has had any discussions or negotiations concerning potential Merger or acquisition candidates, describe the discussions and provide Related documentation

IF COMPANY IS A REPORTING COMPANY OF HAS BEEN A PUBLIC COMPANY OR HAS DONE AN OFFERING OF ANY KIND

- Proof of CUSIP registration and CUSIP number and CIK code
- Copies of all 10K's, 10Q's, 8K's, and all other filings with any government agency, either state or federal.
- Any Offering Memorandum or Registration Statement and amendments thereto
- Exemption upon which any offering was relied
- Provide any details surrounding any Reg. D, 504, or 506 offerings, including who solicited investors, how they were known to the solicitor and provide copies of any executed subscription agreement document
- Indicate whether the company or a subsidiary or previous company ever traded and the last price it traded.

MANAGEMENT

- Organizational Chart
- Resumes and Bio's on Officers and Directors (include how long they have been an Officer or Director)
- Ownership Interest of all Officers and Directors
- Compensation And Contracts
- Performance Evaluation Criteria
- Profit Or Gain Sharing Policies
- Has any Officer, Director or 10% shareholder ever had SEC or NASD problems
- Has any Officer or Director or major shareholder filed bankruptcy in the past five years (provide complete information)

BUSINESS INFORMATION

- History of Company since inception
- Product Offering
- Depreciation Method
- Patents
- Management Information System
- All communications, written or oral with the NASD or the SEC

FINANCIAL STATEMENTS

- 2 or more years of Historical Audited Statements (Reviewed within last 6 months
 - (a) Income Statement
 - (b) Balance Sheet
 - (c) Statement Of Cash Flows
 - (d) Change In Equity Statement
- Year-To-Date Internally Generated Monthly Statements
- 1 year statements for any merged or acquires entity.
- Most Recent Five Year Projections
- Monthly Sales Projections Taking Seasonality Into Account

BUSINESS PLAN

- Most Recent Five Year Business Plan
- Prior Business Plan
- Previous Private or Public Offering Prospectuses or Circulars
- Plans and agreements for future activity

TAX STATUS

- Historical Tax Rate
- Net Operating Losses

MARKETING

- Pricing Strategy
- Patents
- Distribution Channels
- Promotion Tactics
- Customer Base
 - (a) Top Ten Customers By Product Line - Showing Volume
 - (b) Market Share By Product Line

- All press releases issued for the last 2 years
- All sales information and literature
- All web sites, names and addresses

OPERATING DATA

- Accounts Receivable
 - (a) Turnover Or Days
 - (b) Aging
 - (c) Control And Credit Policy
 - (d) Seasonality
- Inventory
 - (a) Turnover Or Days
 - (b) Obsolescence Policy
 - (c) Sources Of Supply
 - (d) Valuation Method
- Backlog
 - (a) By Product Line
 - (b) Five Year History
 - (c) Current
 - (d) Seasonal Issues

CONTRACTS

- List Major Contracts By Product Line
- Terms

CAPITAL EXPENDITURES

- Last Five Years
- Five Year Gross Projection
- Detailed Priority List With As Much Analysis As Possible

EQUIPMENT

- List
- Age
- Appraisal
 - (a) Orderly Liquidation Value
 - (b) Replacement Value

DEBT AND LEASES

- Lender
- Terms
- Interest Rate
- Payment Schedule

LITIGATION

- Any current legal proceedings or threat of legal proceedings
 - (a) Description
 - (b) Potential Damages
- Potential
 - (a) Description
 - (b) Potential Damages

PROPERTY

- Description

- Recent Acquisitions Or Spin-Offs
- Expansion Plans

INSURANCE

- Property
- Liability
- Workman's Compensation
- Other

COMPETITION

- By Product Line
 - (a) Name, Address And Phone Number
 - (b) Size Of Overall Company
 - (c) Size Of The Business Unit That Is The Competitor
 - (d) Market Share
 - (e) Competitive Advantages And Disadvantages
- Trade Publications
 - (a) Name, Address And Phone Numbers

EMPLOYEE RELATIONS

- Unions
 - (a) Name Of Union
 - (b) Name Of Local President, Address And Phone Number
 - (c) Copy Of Contract

PENSION PLANS

- Funding Status
- Balance Sheet Treatment
- Ten Year Projected Cash Expense

RETIREE MEDICAL BENEFITS LIABILITIES

- Funding Status
- Balance Sheet Treatment
- Ten Year Projected Cash Expense

ENVIRONMENTAL LIABILITIES

- Description
- Phase One Studies
- Phase Two Studies
- Five Year Projected Remediation Cost
- Five Year Projected Compliance Cost

LAST CORPORATE TRANSACTIONS

- Description Of Each
- Purchase And Sale Agreement Of Each

OTHER INFORMATION

Any other information that might be important to the Company or the NASD.

- _____
- _____
- _____

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