QUALITY OF EARNINGS REPORTS

I. *Objectives*

- Compare and contrast buy-side v. sell-side Quality of Earnings
- Discuss in context of sample report

II. *Similarities*

- Summarize accounting policies and practices
- Analyze financial information
- Identify potential contingent liabilities and assess possible impact
- Estimate required working capital
- Address tax matters and risks
- Examine and evaluate EBITDA adjustments

III. *Differences*

- Audience
- Perspective/Approach
- Timing

IV. *Deliverables*

- Accounting Due Diligence Sample Report

QUALITY OF EARNINGS REPORTS

I. *Objectives*

- Highlight similarities and differences in buy-side v. sell-side Quality of Earnings (Q of E)
- Summarize typical sell-side areas of focus
- Provide example of approach and deliverable

II. *Similarities*

- Summarize accounting policies and practices
- Analyze:
  - Revenue recognition
  - Margins by product, customer, etc.
  - SG&A levels and trends
  - Significant concentrations
    - Major customers
    - Limited supply of key materials or components
    - Sales by sales person or rep
    - Labor and collective bargaining agreements
  - Receivables, inventories, PP&E and other relevant asset accounts
  - Payables, accrued liabilities and other relevant liability accounts for those likely to be assumed by the buyer
- Identify potential contingent liabilities and describe likelihood and potential impact, such as:
  - Environmental liabilities
  - Potential product liability or warranty matters
  - Pension obligations
  - Others that may financially impact the buyer, even if the liability is excluded or indemnified

QUALITY OF EARNINGS REPORTS

- Estimate required minimum working capital levels
- Address tax matters and risks relative to the likely transaction structure
- List, describe and evaluate the various EBITDA adjustments

III. *Differences*

- Audience
  - Buy-Side
    - Distribution typically limited to buyer and its advisors and lenders
    - Work paper access typically not provided to other parties
  - Sell-Side
    - Distribution typically intended to include several potential buyers and their advisors
    - Work paper access may be provided to selected potential buyers and their advisors
- Perspective/Approach
  - Buy-Side
    - Identify risks that the client may use to:
      - Reduce purchase price or modify agreement
      - Use as negotiating points
      - Develop mitigation plans
    - Assess capabilities of target's personnel
  - Sell-Side
    - Identify risks early to allow some combination of:
      - Reaching resolution before distribution of Confidential Information Memorandum (CIM)
      - Describing the issue, impact and mitigating factors (seller has initial control of the dialog)
      - Communicating early as part of vetting potential buyers
      - Allowing time to desensitize the issue

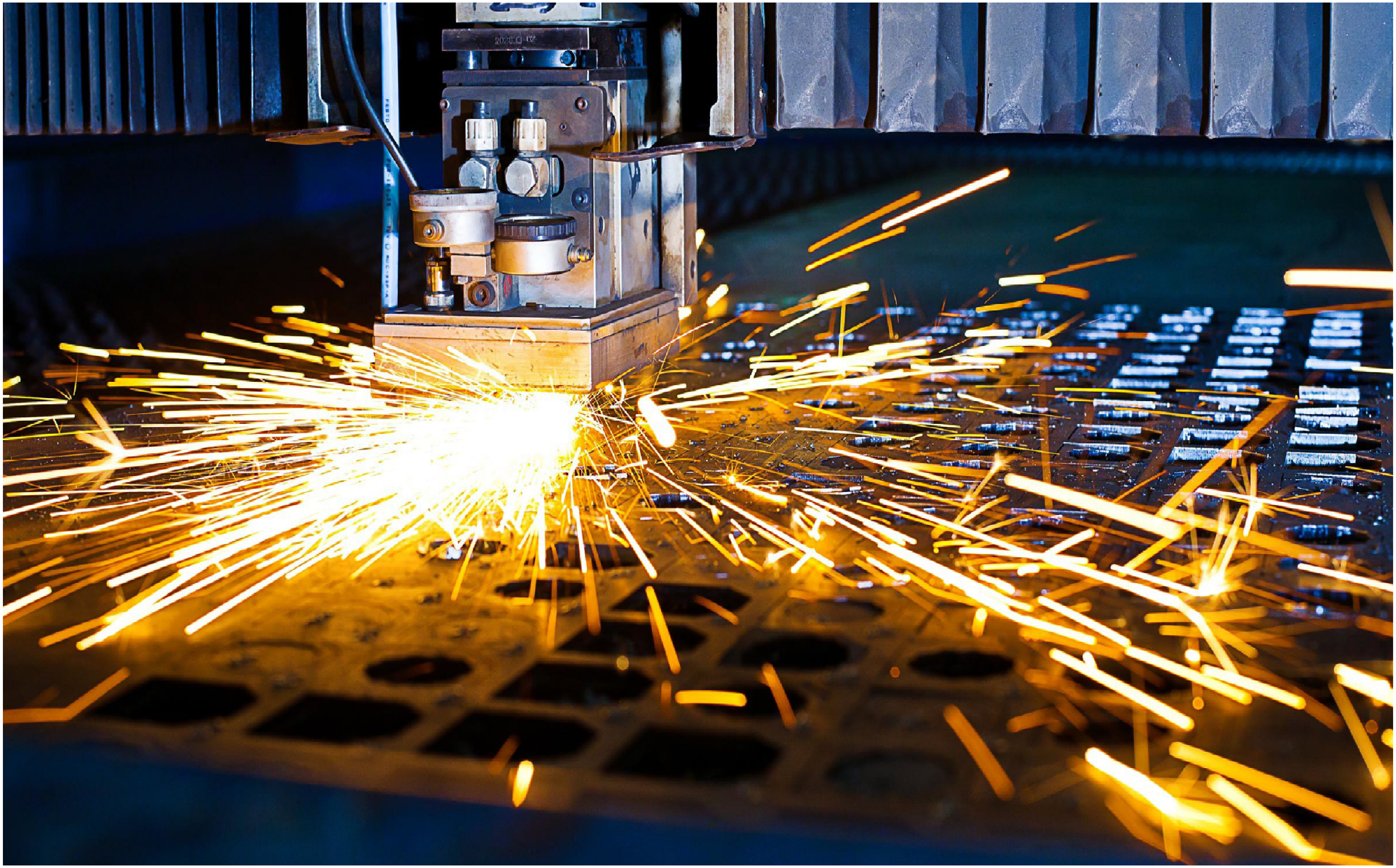
Quality of Earnings Reports

- Assess and test the readiness of Company personnel
  - Bolster where needed
  - Consult/guide
  - Serve as the primary point of contact if helpful

- Timing
  - Buy-Side
    - Typically between Letter of Intent and closing
    - Usually time-critical
  - Sell-Side
    - Typically before release of CIM
    - Timing to allow for iterations and improvements before CIM

IV. ***Deliverables***

- Formal, detailed report
- Access to various relevant data and analyses
- Additional insight provided verbally
- Other as required by the specific case



Accounting Due Diligence | Good Deal, LLC | September 2016

GROSSMAN YANAK & FORD LLP
Certified Public Accountants and Consultants

CONTENTS

GROSSMAN YANAK & FORD LLP
Certified Public Accountants and Consultants

Grossman Yanak & Ford, LLP
Three Gateway Center
Pittsburgh, PA 15057
T: (412) 338-9300
F: (412) 338-9305

[REPORT DATE]

Mr. Buyer Representative
Buyer
Street
City, State ZIP

Dear Mr. Buyer Representative

Introduction
We have concluded our engagement, which was performed in accordance with consulting guidelines established by the American Institute of Certified Public Accountants, to assist with your investigation and analysis of Good Deal, LLC ("Good Deal") and Subsidiary. Good Deal, LLC is owned by a holding company, Good Deal Holdings, LLC ("Holdings" or the "Company"), which only asset is the investment in Good Deal, LLC. This report presents our comments and recommendations based on the results of the procedures.

Nature of the Information
The information presented is based on discussions with and information provided by Good Deal management. We have not independently verified the information gathered or contained in this report and, accordingly, our procedures do not constitute an audit, review, or compilation of the information provided. Thus, we do not express a conclusion or provide any other form of assurance on the completeness or accuracy of the information. Additionally, we express no opinion on Weld's internal control systems over financial reporting or any part thereof.

Our assistance was directed to those business activities, operational areas, and financial information that you identified as being of concern to Buyer Representative LLC. In performing our services, we performed inquiries and analyzed information provided by Good Deal management which was relied upon as to its sufficiency, accuracy, and reliability.

Procedures Performed
We performed the procedures enumerated in the engagement letter dated {ENG LETTER DATE}. The procedures were limited to those which you determined best met your informational needs and cannot be relied upon to disclose all significant matters aboutGood Deal or to disclose errors, fraud, or other illegal acts that may exist. The financial statements presented in Appendix VI have not been audited, reviewed, or compiled by us and, accordingly, we assume no responsibility for them. Had we performed additional procedures or had we conducted an audit or review of the financial statements, other matters might have come to our attention that would have been reported to you.

You have reviewed a draft of our report in order to confirm that the procedures performed were consistent with those requested by you. In addition, we have made our files available to you and you have obtained copies of analyses and other information as you determined appropriate.

Use of the Report
Due to its special nature, our report may not be suitable for any purpose other than to assist you in your evaluation of Good Deal. Consequently, our report is for your information and use only and should not be provided to any other party, in whole or in part, without our express written approval which may require that we perform additional work. Access to this report by a party other than Buyer Representative LLC requires our express consent and each recipient must sign a release letter in a form satisfactory to Grossman Yanak & Ford LLP prior to obtaining a copy of this report or receiving information from our firm derived from this report. Unauthorized use of this report is strictly prohibited.

Our report is based on current circumstances. Given the fact that many aspects of the transaction have either not been finalized or are not yet documented, certain changes may materially affect the financial information we received and are not reflected in this report. We have no responsibility to update our report for events and circumstances that occur after [REPORT DATE].

Sincerely,

Grossman Yanak & Ford LLP
Pittsburgh, Pennsylvania

DEFINITIONS, ABBREVIATIONS AND GLOSSARY OF TERMS

Abbreviation	Definitions
Diligence Terms	
Buyer	Buyer Representative, LLC
GYF	Grossman, Yanak and Ford LLP
LOI	Letter of Intent (dated September 29, 2016)
Company Terms	
Good Deal or Company	Good Deal, LLC (and wholly owned subsidiary)
Management	Collectively: Mr. Accounting, Chief Financial Officer & Ms. Boss, Chief Executive Officer
Reporting Periods	
2013	The twelve month period ended December 31, 2013
2014	The twelve month period ended December 31, 2014
2015	The twelve month period ended December 31, 2015
Aug-2015	August 31, 2015
Aug-2016	August 31, 2016
TTM Aug-2016	Trailing twelve months ended August 31, 2016
YTD 2014	The eight month period ended August 31, 2015
YTD 2016	The eight month period ended August 31, 2016
Other Terms	
EBITDA	Earnings before interest taxes depreciation and amortization calculated by subtracting interest, taxes, depreciation and amortization from net income
GAAP	U.S. Generally Accepted Accounting Principles
NWC	Net Working Capital

SCOPE OF PROCEDURES

Financial Due Diligence

GYF performed the procedures determined by Buyer as set forth in our engagement letter dated February 1, 2017. In addition to data provided by Good Deal, our work and observations included herein were based primarily on the following sources of information:

- GYF visit to Good Deal corporate offices in Anytown, USA during September 2016
- GYF communications with Management

Tax Due Diligence

GYF performed U.S. federal, state and local tax due diligence in connection with the contemplated transaction by a special purpose LLC formed by the Buyer to acquire the stock of Good Deal.

- The Company's tax returns for the years ended December 31, 2015, 2014 and 2013 were considered.
- Our tax due diligence was intended to identify potential historical tax exposures that may result in a $50K or greater cash adjustment, per issue (a "material exposure"). All exposures identified exclude penalties and interest, to the extent such may be applicable. Our procedures were not intended to identify any issues occurring outside the Historical Tax Period that may extend the statute of limitations for the IRS to assess taxes beyond three years (e.g., substantial understatement of income, and false, fraudulent, missing or incomplete returns).

Basis of Presentation

- All dollar amounts presented in this report are in thousands (000s) unless otherwise noted.
- This report considers the consolidated financial information of Good Deal and its wholly-owned subsidiary. We understand that all significant intercompany transactions have been eliminated by Management in consolidation.
- The analysis presented in this report is based on financial records provided to us by the Company. Our commentary on specific trends and results are based on Management's representations over the periods analyzed. For purposes of this report, GYF will separately identify if certain trends in the Company's operating results are based on our own conclusions drawn from the Company's financial records.

OVERVIEW

Transaction Overview - Summary from Letter of Intent

- Buyer is contemplating the purchase of 100% of the membership units of the Company for $28,000 via a special purpose entity.
- The contemplated transaction is on a cash-free, debt-free basis.
- The purchase price is based on TTM adjusted EBITDA of $3,700.
- Targeted working capital is $3,676.

Company Overview

- Good Deal, LLC and Subsidiaries is engaged in the manufacture of good products. The Company's products are sold to distributors across North America and to markets in the European Union, Australia, and Eastern Asia.
- The Company acquired certain assets from Deal One, Inc. (now "DO") in October 2014 and certain assets of Deal Two, Inc. ("DTI") in October 2015 (now part of Good Deal). The Company has consolidated the DO and DTI facilities into its Anytown USA location.

External Audits

The Company's financial statements are audited on an annual basis by an external accounting firm, CPA, LLC. Each of the audits resulted in unmodified opinions. GYF agreed the Company's internal trial balances to the reviewed financial statements for the years ended December 31, 2013, 2014, and 2015.

Employees

- The Company employs a workforce of approximately 100, comprised of both salary and hourly employees. None of the Company's employees are are represented by a union. See further discussion regarding employees on page 19.
- Key management includes:

Executive	Background
Ms. Boss, Chief Executive Officer	Redacted
Mr. Accounting, Chief Financial Officer	Redacted
Mr. Sales, Vice President of Sales	Redacted

Accounting System

The Company utilizes a cloud-based ERP system ("PLEX") for its general ledger, inventory management, and financial reporting functions.

REVENUE RECOGNITION, MAJOR CUSTOMERS AND SIGNIFICANT ESTIMATES

Revenue Recognition

The Company generally recognizes revenue when products are shipped, legal title is transferred to the customer, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable. Per Mr. Accounting, there have been no changes to revenue recognition policies, no significant sources of other revenue (i.e., revenue not resulting from the Company's core business), and no significant non-recurring revenue during the evaluation period.

Major Customers

The audited financial statements indicate two major customers that accounted for 27% and 33% of sales for the years ended December 26, 2015 and December 27, 2014, respectively. The loss of either of these customers could adversely affect the Company's business.

Significant Accounting Estimates

The governance letters issued in conjunction with the 2015, 2014 and 2013 audits indicate the following sensitive estimates affecting the consolidated financial statements (our comments regarding each are in italics):

- Recoverability of long-lived and intangible assets – *No issues were identified in conjunction with the audits. This estimate will not be further assessed in conjunction with this engagement as it does not have any impact on EBITDA or working capital.*
- Depreciation and amortization - *This estimate will not be further assessed in conjunction with this engagement as it does not have any impact on EBITDA or working capital.*
- Inventory obsolescence – *See consideration on page 25.*
- Overhead allocation – *See consideration on page 25.*
- Allowance for doubtful accounts – *See consideration on page 23.*
- Contingent consideration – *Mr. Accounting noted that the conditions requiring the payment of the remaining recorded contingent consideration associated with the DO transaction will not be achieved and that it will need to be reversed. This estimate will not be further assessed in conjunction with this engagement as it does not appear to have any impact on EBITDA or the pro forma working capital. We understand as well that the contingent consideration associated with DTI will also not be paid.* See consideration on page 9.
- Share based compensation – *The 2015 governance letter indicates that the absence of share based compensation expense or any related liability for equity options awarded prior to 2015 is based on management's assumption that option awards were generally granted with an exercise price equal to or greater than the fair value of the Company's equity options at the date of the grant. The pro forma EBITDA adjustments include an adjustment for payments made to option holders during 2016. Mr. Accounting noted that he expects outstanding options will be exercised in conjunction with the transaction in light of the option prices and the purchase price in the letter of intent.*

RECENT FINANCIAL PERFORMANCE

Income Statement Summary

Unadjusted	2013	2014	2015	TTM Aug-2016	YTD Aug-2016
Net sales	$ 13,467	$ 15,730	$ 22,345	$ 22,528	$ 16,102
Cost of sales	9,375	10,514	15,173	14,934	10,356
Gross Profit	**4,092**	**5,216**	**7,172**	**7,594**	**5,746**
General and administrative expenses	2,216	2,331	3,145	3,404	2,343
Sales and marketing expenses	1,537	2,150	2,483	2,855	1,916
Operating Income	**$ 339**	**$ 735**	**$ 1,544**	**$ 1,335**	**$ 1,487**
Unadjusted EBITDA	**$ 670**	**$ 1,412**	**$ 2,551**	**$ 1,616**	**$ 1,154**
Pro Forma EBITDA	**$ 1,344**	**$ 1,385**	**$ 3,134**	**$ 3,643**	**$ 3,093**

Key Performance Indicators					
Gross Margin	*30.4 %*	*33.2 %*	*32.1 %*	*33.7 %*	*35.7 %*
Operating Margin	*2.5 %*	*4.7 %*	*6.9 %*	*5.9 %*	*9.2 %*
Unadjusted EBITDA Margin	*5.0 %*	*9.0 %*	*11.4 %*	*7.2 %*	*7.2 %*
Pro Forma EBITDA Margin	*10.0 %*	*8.8 %*	*14.0 %*	*16.2 %*	*19.2 %*

Net Sales

From 2013 to TTM Aug-2016 net sales increased by $9,061 (67%). Management represents that this increase is a function of both organic growth and acquisitions.

Gross Margin

The Company's margins improved from approximately 33% in 2014 and 2015 to approximately 36% through YTD Sep-2016. The margin improvement was principally a function of pricing increases of approximately 7% - 8%, on average, in April 2015 and approximately 3%, on average, in January 2016. The impact of the pricing increases on profitability is somewhat muted by the facility consolidation items identified as pro forma EBITDA adjustments.

Operating Expenses

General and administrative expenses are rather consistent as a percentage of sales, but real dollar spend has increased each year since 2013. Selling and marketing increases during the period are driven by personnel costs and are generally commensurate with the increase in sales. See further consideration on page 20.

KEY FINDINGS

ISSUE	SUMMARY OBSERVATIONS / RECOMMENDATIONS
Value Matters	
Recent Acquisitions	The purchase price is predicated on significant pro forma EBITDA adjustments, including significant assumptions related to prospective cost savings related to the DO and DTI acquisitions (principally personnel and freight). Further, sales at DO have declined since the acquisition. Consideration should be given to the operational efficiencies of these assumptions as well as the market for the DTI and DO products.
Sell Side Diligence	The Buyer should consider requesting that sell side diligence report regarding quality of earnings be finalized
Purchase Agreement Matters	
Equity Options	Equity options should be considered in conjunction with negotiation of purchase/sale agreement.
Legacy Costs - DTI & DO	The purchase price in the LOI contemplates pro forma EBITDA based on full consolidation of the DTI and DO operations in Anytown USA. We understand that both the DTI and DO operations have been fully integrated. DTI adjustments ceased in April 2016, when the lease term ended. DO adjustments related to facilities will end in October 2016, when the lease term ends. The adjustments related to DO seller employment agreements will end in October 2016. It appears that the facilities are fully integrated and that no legacy payments will be required after closing. To the extent that legacy payments are required after closing, such should be considered in the purchase price.
Indemnification	Buyer should ensure that the purchase document includes an indemnification against any prior tax liabilities related pre-acquisition DO. In addition, documentation should be obtained which supports the claim that Good Deal DO, LLC has withdrawn from the states it was previously registered to do business in.
Matters for Follow-up	
DO Merger	Buyer should review the DO merger document prior to closing to ensure that Buyer understands the merger. Mr. Accounting notes that this merger was completed on October 7, 2016.
CA Sales Tax	Buyer should obtain representation from Seller that all California sales taxes that are due are satisfied and that there are no open matters that need to be resolved. Buyer should obtain California sales tax clearance certificates from Seller before closing.
Closing Matters	
Inventory Observation	Inventory observations have historically resulted in unfavorable adjustments. While an observation was performed in October 2016, we recommend that a full observation be performed as of the closing date.

KEY FINDINGS (CONTINUED)

ISSUE	SUMMARY OBSERVATIONS / RECOMMENDATIONS
Tax Planning Matters	
IC DISC	Mr. Accounting noted that foreign sales approach $1,500,000 annually. Consideration should be given to forming an Interest-Charge Domestic International Sales Corporation (IC-DISC) in order to reduce federal income taxes for members if the transaction is consummated.
Fixed Asset Appraisal	Fixed asset appraisals should be performed in conjunction with the transaction in order to properly allocate consideration between property and equipment and intangible assets so as to maximize tax deductions. (Such would not need to be completed for the DTI or DO assets if such are easily identified.)
Accounting Matters	
Sales/Margin Detail by Brand	The Company maintains information in an Excel Pivot table that includes sales and margin information by brand, class and part. Mr. Accounting noted that this information was used in the development of pricing increases in order to target pricing increases toward low margin parts. The information is very detailed and can be sorted and subtotaled in many meaningful ways. However, the information appears to be incomplete with respect to DO information and should be reconciled to the general ledger.
Accrued Liabilities	The Buyer may want to consider reviewing detailed schedules supporting various accrual accounts as some analyses included unusual items and did not reconcile to the general ledger.

KEY FINDINGS (CONTINUED)

ISSUE	SUMMARY OBSERVATIONS / RECOMMENDATIONS
Accounting Matters (continued)	
Potential Adjustments	♦ Remaining contingent consideration will not be paid and should be adjusted – no impact on pro forma EBITDA/working capital. ♦ The practice of valuing purchased parts and outside processing substantially mitigates the risk that the inventory cost is higher than its market value. However, both this practice and the application of budgeted labor/overhead standards to inventory at year-end could result in misstatements in an inflationary market. This risk likely warrants consideration to protect the Buyer from working capital implications that could result from rising costs estimated for 2017. ♦ The Company experienced significant standard cost variances in 2015 and 2016 resulting from acquisitions. Variances should be monitored and standards adjusted as necessary. ♦ Accrued rent may be overstated as approximately $105,000 expected to be received from the lessor related to tenant improvements may not be properly considered. Any adjustment prior to closing would also require repair of the trailing twelve month information used to determine the working capital target. ♦ The Company does not accrue vacation. While we understand that vacation is earned in a year for use in that year and unused vacation is generally forfeited at the end of the year, at any given time during the year there is likely an obligation for vacation earned, but not yet used. Considering the proximity of the expected closing date to year-end, this matter may not be significant; however, vacation time around holidays may have an impact. ♦ The Company expects to pay approximately $45,000 to California for sales taxes resulting from nexus in California, not identified until the current year. Mr. Accounting noted that this is not accrued at September 24, 2016, but is expected to be resolved before the transaction is consummated. Buyer may also want to consider exposure to similar taxes in other states as the purchase agreement is finalized. ♦ The Company offers cash discounts, but does not maintain an accrual. Mr. Accounting indicated that cash discounts are insignificant. ♦ The Company experienced limited returns, but does not maintain an accrual. There are, however, pro forma adjustments for returns in the pro forma working capital and EBITDA analyses. ♦ The warranty accrual should likely consider labor and overhead in addition to materials; however, any adjustment would also require adjustment to the trailing twelve month information used to determine the working capital target.

EBITDA ANALYSIS

	REF	2013	2014	2015	TTM Aug-2016	YTD Aug-2016
Unadjusted EBITDA		$ 670	$ 1,412	$ 2,551	$ 1,616	$ 1,154
Seller Proposed Adjustments						
Valuation adjustment	A	-	(196)	(455)	(455)	-
Facility consolidation	B	-	-	31	786	755
Acquisition expense	C	-	177	193	284	154
Seller employment agreement	D	-	-	150	157	99
Severance and related payments	E	148	42	105	51	33
System reimplementation	F	-	-	6	126	120
Standard inventory reset	G	-	-	-	(72)	-
Other sales adjustment	H	(14)	(44)	64	65	-
Purchase accounting adjustment	I	-	-	34	51	17
Project consulting	J	64	-	-	103	103
Straight-line rent adjustment	K	115	3	2	53	49
Sales & use tax compliance	L	-	-	25	25	-
FL operations support travel	M	-	-	7	58	50
Board fees and travel	N	-	17	24	22	10
Recruiting & relocation	O	173	25	40	33	17
Deferred compensation	P	-	-	8	16	8
Accrued royalty	Q	-	-	20	8	-
Discretionary compensation	R	30	-	-	10	10
Allowance for returns	S	-	(8)	(7)	11	6
international market exploration	T	81	-	-	-	-
DO retention payments	U	-	-	-	19	19
DTI proforma & facility consol.	V	-	-	-	747	489
Total Seller Proposed Adjustments		**597**	**16**	**247**	**2,098**	**1,939**
Seller Proposed EBITDA		**$ 1,267**	**$ 1,428**	**$ 2,798**	**$ 3,714**	**$ 3,093**

	REF	2013	2014	2015	TTM Aug-2016	YTD Aug-2016
Seller Proposed EBITDA		$ 1,267	$ 1,428	$ 2,798	$ 3,714	$ 3,093
Due Diligence Adjustments						
Change in methodology for calculating inventory reserve	Pg. 25	175	-	-	-	-
December updates to standard labor and overhead	Pg. 24	-	(63)	161	-	-
Rent	Pg. 14	(98)	20	12	(59)	-
Estimated impact of four months without Controller	Pg. 21	-	-	-	(12)	-
Product liability settlement	Pg. 21	-	-	163	-	-
Total Due Diligence Adjustments		**77**	**(43)**	**336**	**(71)**	**-**
Pro Forma EBITDA		**$ 1,344**	**$ 1,385**	**$ 3,134**	**$ 3,643**	**$ 3,093**

Overview

- The EBITDA analysis presents a bridge from unadjusted EBITDA to pro forma EBITDA.
- TTM Aug-2016 EBITDA is detailed on page 11.
- Seller EBITDA adjustments are described in detail pages 12 - 16. Due Diligence EBITDA adjustments are described on the pages referenced above.
- In general, EBITDA adjustments:
  - Consider non-recurring and life-style expenses
  - Consider out of period items
  - Exclude the effect of potential post-closing synergies/changes

EBITDA ANALYSIS (CONTINUED)

	REF	Sep-15	Oct-15	Nov-15	Dec-2015	Jan-2016	Feb-2016	Mar-2016	Apr-2016	May-2016	Jun-2016	Jul-2016	Aug-2016	TTM Aug-2016
Unadjusted EBITDA		**$ (4)**	**$ 77**	**$ 60**	**$ 329**	**$ (7)**	**$ 258**	**$ 402**	**$ 103**	**$ 300**	**$ 239**	**$ (97)**	**$ (44)**	**$ 1,616**
Seller Proposed Adjustments														
Valuation adjustment	A	-	-	-	(455)	-	-	-	-	-	-	-	-	(455)
Facility consolidation	B	-	-	-	31	30	28	57	92	81	34	240	193	786
Acquisition expense	C	31	16	45	38	-	4	53	-	2	17	73	5	284
Seller employment agreement	D	12	12	12	22	13	13	13	12	12	12	12	12	157
Severance and related payments	E	4	2	4	8	4	2	8	5	2	4	3	5	51
System reimplementation	F	-	-	-	6	17	17	17	17	17	17	18	-	126
Standard inventory reset	G	-	-	-	(72)	-	-	-	-	-	-	-	-	(72)
Other sales adjustment	H	25	7	9	24	-	-	-	-	-	-	-	-	65
Purchase accounting adjustment	I	-	-	17	17	17	-	-	-	-	-	-	-	51
Project consulting	J	-	-	-	-	-	-	-	27	29	21	11	15	103
Straight-line rent adjustment	K	(1)	(1)	(1)	7	6	6	6	7	6	6	6	6	53
Sales & use tax compliance	L	25	-	-	-	-	-	-	-	-	-	-	-	25
Operations support travel	M	-	-	5	3	3	2	5	7	4	19	10	-	58
Board fees and travel	N	2	10	-	-	3	-	-	-	3	3	1	-	22
Recruiting & relocation	O	1	6	-	9	-	-	-	-	-	-	-	17	33
Deferred compensation	P	-	-	-	8	8	-	-	-	-	-	-	-	16
Accrued royalty	Q	2	2	2	2	-	-	-	-	-	-	-	-	8
Discretionary compensation	R	-	-	-	-	-	10	-	-	-	-	-	-	10
Allowance for returns	S	2	1	1	1	(4)	(4)	(4)	(4)	6	6	6	4	11
DO retention payments	U	-	-	-	-	-	-	-	-	-	-	-	19	19
DTI proforma & facility consol.	V	58	59	73	68	72	63	66	65	60	60	57	46	747
Total Seller Proposed Adjustments		**161**	**114**	**167**	**(283)**	**169**	**141**	**221**	**228**	**222**	**199**	**437**	**322**	**2,098**
Seller Proposed EBITDA		**$ 157**	**$ 191**	**$ 227**	**$ 46**	**$ 162**	**$ 399**	**$ 623**	**$ 331**	**$ 522**	**$ 438**	**$ 340**	**$ 278**	**$ 3,714**
Due Diligence Adjustments														
Rent	Pg. 14	-	-	-	-	-	-	-	-	-	-	-	(59)	(59)
Estimated impact of four months without Controller	Pg. 21	-	-	-	-	-	-	-	-	-	-	-	(12)	(12)
Total Due Diligence Adjustments		-	-	-	-	-	-	-	-	-	-	-	(71)	(71)
Pro Forma EBITDA		**$ 157**	**$ 191**	**$ 227**	**$ 46**	**$ 162**	**$ 399**	**$ 623**	**$ 331**	**$ 522**	**$ 438**	**$ 340**	**$ 207**	**$ 3,643**

CONSOLIDATED STATEMENTS OF OPERATIONS

UNADJUSTED	2013	2014	2015	TTM Aug-2016	YTD Aug-2015	YTD Aug-2016
NET SALES	$ 13,467	$ 15,730	$ 22,345	$ 22,528	$ 15,919	$ 16,102
COST OF SALES	9,375	10,514	15,173	14,934	10,595	10,356
GROSS PROFIT	4,092	5,216	7,172	7,594	5,324	5,746
OPERATING EXPENSES						
General and administrative expenses	2,216	2,331	3,145	3,405	2,083	2,343
Sales and marketing expenses	1,537	2,150	2,483	2,854	1,545	1,916
Total operating expenses	3,753	4,481	5,628	6,259	3,628	4,259
OPERATING INCOME	339	735	1,544	1,335	1,696	1,487
OTHER INCOME(EXPENSE)						
Interest expense	(517)	(39)	(61)	(73)	(31)	(42)
Other, net	(6)	296	436	(290)	-	(727)
Other Income (expense), net	(523)	257	375	(363)	(31)	(769)
NET INCOME (LOSS)	$ (184)	$ 992	$ 1,919	$ 972	$ 1,665	$ 718
EBITDA CALCULATION						
Net income (loss)	$ (184)	$ 992	$ 1,919	$ 972	$ 1,665	$ 718
Interest expense	517	39	61	73	30	42
Depreciation	329	373	561	557	389	384
Amortization	8	8	10	14	6	10
Unadjusted EBITDA	$ 670	$ 1,412	$ 2,551	$ 1,616	$ 2,090	$ 1,154

CONSOLIDATED BALANCE SHEETS

ASSETS	2013	2014	2015	Aug-2015	Aug-2016
CURRENT ASSETS					
Cash	$ 186	$ 69	$ 149	$ 42	$ 32
Accounts receivable, net	368	1,089	1,796	1,661	1,746
Inventory	2,421	4,090	3,800	4,082	4,017
Prepaid expenses and other assets	121	216	280	209	285
Total	3,096	5,464	6,025	5,994	6,080
NONCURRENT ASSETS					
Property and equipment, net	1,095	2,165	2,661	1,893	2,779
Intangible Assets	1,843	2,115	2,141	2,125	2,131
Total	2,938	4,280	4,802	4,018	4,910
TOTAL	$ 6,034	$ 9,744	$ 10,827	$ 10,012	$ 10,990

LIABILITIES AND MEMBERS' EQUITY	2013	2014	2015	Aug-2015	Aug-2016
CURRENT LIABILITIES					
Accounts payable	$ 513	$ 1,594	$ 871	$ 865	$ 1,588
Line of credit	-	316	-	-	58
Accrued expenses	504	872	1,044	1,125	1,129
Accrued performance consideration	-	679	263	661	162
Current portion of notes payable	252	332	487	252	350
Deferred revenue	-	122	238	116	138
Total	1,269	3,915	2,903	3,019	3,425
NONCURRENT LIABILITIES					
Deferred compensation	-	-	8	-	16
Accrued performance consideration	-	-	55	-	55
Notes payable	985	734	1,342	566	1,108
Total	985	734	1,405	566	1,179
MEMBERS' EQUITY	3,780	5,095	6,519	6,427	6,386
TOTAL	$ 6,034	$ 9,744	$ 10,827	$ 10,012	$ 10,990