



**Jack Milford Ford**  
Attorney at Law

**JMFord Law Office**

**MAIL:**  
PO Box 82226  
Portland, OR 97282

**OFFICE:**  
205 SE Spokane St,  
Suite 300-50  
Portland, OR 97202

**OFFICE:**  
12275 SW 2<sup>nd</sup> St,  
Beaverton, OR 97005

**OFFICE:**  
503.963.3739  
503.771.7191

**MOBILE:**  
503.880.0788

**FAX:**  
877.387.8330

**WEB:**  
[jmfordlaw.com](http://jmfordlaw.com)

**EMAIL:**  
[jack@jmfordlaw.com](mailto:jack@jmfordlaw.com)



**ACQUISITION PROCESS FOR  
BUYER-SELLER  
ENTITY ACQUISITION  
ASSET ACQUISITION  
(PORTFOLIO OF ATM PROCESSING CONTRACTS/ATMS)**

**BASIC DUE DILIGENCE QUESTIONS  
FOR PROSPECTIVE  
BUYER-SELLER**

**GENERAL**

1. Who does the Seller Company process with and what is the length of that contract/agreement?
2. Who is the Seller's Company's sponsoring bank?
3. How many ATM contracts are in Seller's Portfolio & of what type: Site Owner, Offsite Owner, and/or Company Owned Placement? How many ATM contracts are for multi-locations & number of locations? Detailed response.
4. What makes/models of terminals comprise the Portfolio? Detailed response.
5. Are all ATMs ADA compliant? Detailed response.
6. Are all ATMs EMV upgraded? Detailed response. Turned on? Detailed response.
7. What is the attrition rate last six months? Detailed response, by site, transaction volume & revenue lost.
8. What is the average number of surcharge transactions per month, per site, per type of contract, for Portfolio, for past 12 months?
9. What is the surcharge amount per site?
10. What is the gross revenue per site? What is the Seller's net revenue per site?
11. Any branding contracts in place? If so, with whom, remuneration term, & length of contract left & any renewal clause?
12. Any non-surcharge contracts in place with any part of the Portfolio? If so with whom & what is the length of contract & any renewal clause?
13. Any other revenue generating contract in place with any part of the portfolio? If so with whom & what is the length of contract & any renewal clause?
14. Any litigation presently filed? Detailed response.
15. Any litigation pending appeal and/or appealed? Detailed response.
16. Aware of any pending litigation? Detailed response.

### **CONTRACTS**

1. What is the term length on the initial term and renewal term of the processing contracts: (i) average remaining by type of ownership, (ii) for each contract?
2. Can the contracts be cancelled by the (i) site/owner, (ii) site placement, and (iii) off-site owner? Detailed response.
3. How many variations of each type of contract comprise the Portfolio re (i) site/owner, (ii) site placement, and (iii) off-site owner?

### **SERVICE**

1. Does the Seller have service contracts for site locations? If so what are terms? Is services provided strictly on a time & materials basis? Or Seller services?
2. Does Seller cash load any terminals? Detail response.
3. Does Seller provide armored carrier cash management services for any site locations? If so, with whom & what are contract terms? Detailed response.

### **RESIDUALS**

1. What is the typical revenue split for (i) surcharge, (ii) for interchange: for site owner contracts? for off-site owner contracts? for Seller placements?
2. Are there any ISO payments or third party residual payments? Detailed response.
3. What type of reporting, when & in what format does Seller provide to site owners, offsite owners, & site placements?
4. How does Seller pay transaction revenue, when & in what format to site owners, offsite owners, & site placements?
5. Do any contracts provide for guaranteed minimum payments? Detailed response.