

## WHAT INFORMATION IS INCLUDED IN A DUE DILIGENCE REPORT?

- **Company Profile**
  - Basic background information—including history, operations, reputation, number of employees, contact information, ticker symbol, names of top executives, top competitors, overview of financials, and any recent news stories and company press releases.
- **Industry Profile**
  - To help understand the industry of the company for which you are conducting due diligence.
- **Financial Statements**
  - Directly from the company or from a third-party financial analyst.
- **Annual Reports**
  - Glossy report produced for shareholders containing information about operations, overview of financials, officers and directors, etc. Distinguished from the 10K filed with the SEC.
- **SEC Filings**
  - **10-K:** Annual filing required by the SEC.
  - **10-Q:** Quarterly filing that updates the information contained in the 10-K.
  - **8-K:** “Breaking News” filing to inform investors of material events.
  - **Proxy Statements:** Includes stock ownership data, compensation, and director biographies.
  - **Forms 3 and 4:** Insider trading disclosure. Form 3 is the initial filing, and Form 4 reflects changes in the holding.

## WHERE DO YOU FIND THE INFORMATION FOR A DUE DILIGENCE REPORT?

- **COMPANY’S WEB SITE** (e.g. I-Robot <http://www.irobot.com>)
  - Go to **About Irobot > Investors**
    - Management Team Biographies
    - Corporate Governance (Mission Statement and Corporate Governance Guidelines)
    - News Stories and Press Releases
    - SEC Filings
    - Annual Reports
    - Stock Performance Report
- **EDGAR—SEC’s WEB SITE** (<http://www.sec.gov/edgar.shtml>)
  - **Select “Filings and Forms”**
    - **About EDGAR** (Electronic Data Gathering, Analysis, and Retrieval system) provides background information about the web site, and what documents may be found there.
    - **SEC Forms List** provides a listing and description of all SEC forms organized under the Act that requires the filing (1933, 1934).
    - **Search for Company Filings**—type in the company name or ticker symbol (e.g. AVAV). You will see a listing of the securities filings in reverse chronological order.

- You can filter your results to look for a particular type of filing and within a particular date range.
  - Click on the link to the document you want to view. An html format table of contents will appear. This allows you to view the document, or skip to the exhibits within the document by clicking on the hyperlinks.
  
- **MERGENT ONLINE** (Access from <http://www.law.gmu.edu/library/catalog>)
  - **Select “Enter Mergent Online.”** Use the ticker symbol for easier searching. (e.g. **AVAV**)
  - Information Tabs:
    - **Company Details**—business summary along with a financial snapshot, key executives, contact information, and stock information.
    - **Equity Pricing**—detailed stock information that can be manipulated for analysis.
    - **Company Financials**—detailed accounts of the balance sheet, income statement, retained earnings, and cash flow.
    - **Create Reports**—allows you to customize your search for detailed analysis.
    - **EDGAR**—list of company’s securities filings in reverse chronological order. “Click here for EDGAR Search” to hone in on particular filings or time periods.
    - **News**—latest news articles and press releases on the company you are researching.
    - **Annual Reports**—links to the company’s annual reports prepared for stockholders.
    - **Competitors**—top competitors listed by total revenues.
    - **Industry Reports**—broad overview of particular industries.
  
- **WESTLAW BUSINESS** (Access from <http://www.law.gmu.edu/library/catalog>)
  - **Click On Company/Ticker Search**
    - Use the ticker symbol to search for all “Company Filings.” (e.g. **IRBT**)
    - Most recent securities filings will be listed in reverse chronological order.
    - You will also see reports categorized at the top of the page:
      - **Most Recent**—including securities filings, press releases and news stories (Lexis and WL are better for news stories), and stock information. The analysts reports are actually Investex Reports, and are not available under our subscription.
      - **Transactions**—including Registration Statements, Mergers and Acquisitions.
      - **Reported Financials**—quarterly or annually, includes income statement, balance sheet and cash flows.
      - **Information**—the true value of Westlaw Business is in its search capability, and the ability to create a specialized legal due diligence report.
        - **Company Exhibits**—material agreements entered into by the company, attached to the securities filings. Listed in reverse chronological order.
        - **Search Filings**—search for particular SEC filings. (e.g. exhibits)
        - **Legal Due Diligence**—create a comprehensive or customized report.