

**March 2019**

**Dear Potential Buyer:**

We represent a Developing and Manufacturing company established in 1988 known for tabletop, heavy-duty document processing systems. We are looking for a strategic buyer with the appropriate resources to merge this business into theirs. The buyer will be well positioned to capture additional market share by leveraging their strength in marketing sales and similar general products lines. The Seller has to retire due to health issues but developed great machinery with corresponding patents that can improve the product lines of the potential buyer.

The company currently has strong brand awareness and loyal customers. This was achieved organically without a formal sales team or marketing efforts. This speaks directly to the quality of the product and the patents this company owns. This gives the potential buyer the option to potentially not only establish an additional market for themselves, but to also increase prices for the patented equipment

**Company Description**

The company operates in the area of developing and manufacturing of tabletop, heavy-duty unique document processing systems. The company's goal was and is to provide their customers with exceptional products and services. They are both a solid and flexible customer-focused company and are only being sold due to the owner's age and health reasons.

Some of their main products include:

Document Sequencer (Paginator), Dual-Head Check Endorser / Counter, MICR Encoder, Exception MICR Encoder.

The Company specializes in unique product lines which are patented and are used in the USA as well as many other places around the world.

The company is headquartered in the Los Angeles area in a commercial building within a commercial park environment. The company occupies about 2,000 square feet, which includes office space. This location can be kept, or the new buyer can move the business anywhere in the USA.

### **Asking Price:**

We are asking for a Best Offer price with a minimum of \$250,000. The price is based on the ability to reach the hundreds of current clients the company works with, as well as the potential for growth. There is hardly any direct competition since the equipment is patented. A strategic buyer should easily be able to increase the sales of the various products from an average of less than 100 units per product, to potentially thousands. There is also the opportunity to update the current prices on products to reflect today's market as an adjustment hasn't occurred for several years

The current owner created some of original product line for the banking industry but has since expanded and increased his product lines to other industries. The equipment is sold into the legal, medical/pharmaceutical, finance, forensics, and government agencies. Other new markets are available.

A savvy buyer could expand the reach into other industries with larger markets. Selling the product online and mentioning the up to date retail price, will bring new dealers and distributors to continue and support the products.

Despite the current owner's health, he and his family are willing to wait for the right buyer that will lead to an easy and seamless transfer for both parties.

**Mark Tzalka**

**Broker-CBB-CMEA-SBA- CSA**

**BRE # 01195073 Member of IBBA -CABB - M&A Source, SCBBN**

**California Insurance Broker License # OE586686**

**Murphy Business Brokers**

**"The Nation's Premier Brokerage Firm"**

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## **STANDARD "CONFIDENTIALITY/DISCLOSURE" AGREEMENT**

herein known as PROSPECT, acknowledges and agrees that PROSPECT approached **MURPHY BUSINESS – LOS ANGELES (BROKER)**, and that **BROKER** was the first to advise them of the availability and details concerning the following business and/or real property opportunity:

**LISTING NUMBER: ST 2019 BUSINESS DESCRIPTION:** Manufacturing of Patented Checks and Document Processing Eq.

1. PROSPECT understands and agrees that all dealings concerning the opportunities above will be handled through **BROKER** and that **BROKER has entered into agreements with Sellers for the payment of commissions**. BROKER will furnish to PROSPECT certain proprietary information relating to the various operations, properties, personnel, financial and other matters which are non-public, confidential or proprietary in nature and are hereinafter referred to as "Proprietary Information." The Proprietary Information will be kept confidential and shall not, without the prior written consent of BROKER, be disclosed by PROSPECT or its agents, representatives or employees, in any manner whatsoever, in whole or in part, and shall not be used by PROSPECT, its agents, representatives or employees, other than in connection with the purchase of one of the opportunities described above. PROSPECT shall be fully responsible for any breach of this Agreement by itself, its agents, representatives or employees. The Proprietary Information (including any copies thereof) will be returned to BROKER immediately upon BROKER's request. PROSPECT agrees that it shall not retain any copies of the Proprietary Information supplied pursuant to the terms and conditions of this Agreement.
2. Any and all information provided to PROSPECT is provided for informational purposes only. BROKER does not make any representations and/or warranties as to the accuracy of the information provided and that PROSPECT is to make his or her own independent evaluation of the opportunities described above. PROSPECT acknowledges that BROKER has advised PROSPECT to seek independent professional advice in the review and evaluation of the information provided and that PROSPECT should seek the advice of an attorney and/or certified public accountant.
3. In the event PROSPECT discloses the availability of said designated opportunities to a third party who purchases a business without **BROKER** assistance, then PROSPECT, in addition to the remedies specified herein, is also responsible for payment of **BROKER'S** compensation which would have been paid on the listed selling price or minimum compensation, whichever is greater.
4. For two years from the date of this Agreement, PROSPECT agrees not to deal directly or indirectly with the Seller's of the opportunities listed above without the prior written consent of BROKER. If PROSPECT enters into a sale and/or purchase agreement, a management contract or other financial arrangement with a Seller of an opportunity, including a leasing of the business premises from the Seller or its Landlord, PROSPECT shall be liable for any and all damages **BROKER** may suffer, including but not limited to the Seller's commission payable on the sales price or minimum commission due under the Listing Agreement with Seller, whichever is greater and, any commission due on the lease agreement negotiated with the Landlord. PROSPECT agrees and does hereby appoint **BROKER** its attorney in fact to execute all documents necessary to place a lien on the business assets to collect its compensation, and this Agreement shall be the consent to do so.
5. This Contract shall be governed by the laws of the state of California. Any breach of this Agreement shall result in the prevailing party being entitled to receive from the other party all of its reasonable attorney's fees, costs, and expenses incurred at both the trial and appellate levels. The parties hereby consent to personal jurisdiction and venue, for any action arising out of a breach or threatened breach of this Agreement in the Circuit Court in and for Orange County, California. The parties hereby agree that any controversy which may arise under this Agreement would involve complicated and difficult factual and legal issues. Therefore, any action brought by either party, alone or in combination with others, whether arising out of this Agreement or otherwise, shall be determined by a Judge sitting without a jury.
6. The Seller is the intended beneficiary of all covenants of PROSPECT which benefit the Seller, including without limitation the covenants concerning the use of information disclosed to PROSPECT, and a Seller may bring an action to enforce such covenants. PROSPECT represents and warrants to BROKER that PROSPECT does not represent a third party, governmental agency or competitor of the business, nor is PROSPECT employed by a competitor and the sole purpose for receiving any information regarding a business is to purchase said business. PROSPECT acknowledges receiving a copy of this Agreement and a facsimile copy with signatures shall be considered as original

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PROSPECT Signature

Date

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Drivers License No. of Prospects  
(Copy of License Attached)

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PROSPECT Printed Name

Phone Number

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AGENT FOR SELLING BROKER

DATE

**Murphy Business L.A, Inc.  
24300 Hartland Street West Hills, CA. 91307  
Phone: (818)262-3725 | Fax: (818)827-3387**

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City

State

Zip