



Why Do Emerging Businesses Choose Geffen Mesher?

AT A GLANCE

Geffen Mesher regularly provides financial statement audit and tax compliance services to middle market and emerging companies, including companies with annual revenues ranging in size from less than \$1 million to over \$900 million. We provide financial statement audits and/or tax compliance services to more than 30 emerging companies operating in the technology and software industries.

Emerging companies choose Geffen Mesher because of our:

- Significant experience in financial statement audits of a variety of emerging companies and industries, including technology, software and online service companies
- Significant experience with international compliance, planning, structuring and transfer pricing
- Significant experience with multi-state income tax and sales and use tax matters
- Significant experience with complex revenue recognition and equity transactions, including accounting for stock option plans
- Significant experience in consulting with companies to maximize their value as they explore potential M&A transactions
- Core philosophy of building strong client relationships, which supports continuous improvement on performance
- Staffing, which includes significant partner and senior manager involvement (40-50% of the total hours incurred during the engagement), while a fixed fee caps the client's cost
- Size – we are one of the largest CPA firms in Oregon, offering the resources you expect
- Competitive fees

FIRM BACKGROUND

Clients appreciate the strategic advice we offer to help their continuing success, while also receiving the day-to-day help they may require for accounting issues, accounting software assistance and other matters that arise. They also appreciate our attention to detail and our commitment to building and maintaining long-standing relationships. Geffen Mesher has a long track record of delivering on what we say we're going to do; this is a significant reason that many of our clients have been with us for generations. While some of our clients are working toward becoming the leader in their industry and managing their company for years to come, others are building value to maximize the value of their company in an acquisition scenario. We are experienced in working with clients that range from utilizing our services for ramping up towards an M&A transaction to those that have been with us for multiple generations.

Geffen Mesher is a Portland-based certified public accounting firm that has been serving clients in the Northwest for more than 80 years. We are a large locally owned firm and the sixth largest firm overall in the Portland metropolitan area. We have approximately 107 employees, including 14 shareholders and 73 professional staff.

We believe Geffen Mesher provides a unique blend of the quality and depth of experience that national firms are known for, with the responsiveness and concern for clients that local firms possess. In fact, many of our people began their careers with national firms and joined Geffen Mesher for its client service approach and low employee turnover. Additionally, we are an active member in the highly regarded DFK association of CPA firms (www.dfk.com), with over 300 independent offices located throughout the United States and around the world. The benefits of DFK are paramount; while we work to address the local, regional and national concerns of our clients, we are also addressing



international challenges, continuously evaluating each of our client's strategic needs.

Being a large single office firm allows our professionals to make decisions and best serve our clients. We are able to quickly reach conclusions on significant or unusual technical matters and do not have to wait for a decision to be made by a headquarters office that does not know our client and may not feel the same sense of urgency. This gives us the ability to be more innovative, flexible and creative in our approach to solving the challenges clients face.

INITIAL AUDIT ENGAGEMENTS

Our firm has significant experience in performing initial audit engagements. Initial audit engagements can be a challenge as the auditors have no prior experience with the company and a company's staff may not have previously been through an audit.

Over the past three years our professionals have performed initial audit engagements for more than 10 companies. From these audits we have found that our risk-based audit approach, which allows us to focus on the risks that are specific to our clients, is an effective and efficient approach for both us and the client.

We have also learned how to ensure the audit process is as efficient for clients as possible and we use accounting schedules and other reports the client generates and utilize internally to manage the business. If the client does not have certain schedules that we need for audit purposes, we provide templates that we have found effective from use in other initial audit engagements.

In our experience we have found that many emerging companies going through an initial audit may not account for certain transitions in full compliance with generally accepted accounting principles. We meet with the client early in the process to identify any accounting areas that may need adjustment and work together to correct the accounting before performing our audit procedures.

REVENUE RECOGNITION

Our team has consulted on revenue recognition issues in a variety of industries, including technology companies working on development and/or management type contracts that have multiple-deliverables or milestone based revenue recognition criteria and software companies that derive their revenue from one time fees to recurring subscription fees for their services. We also have experience with grant accounting, perpetual-use software licenses, software and hardware maintenance contracts and other complicated revenue transactions that may arise. We

believe that our broad experience with complicated revenue transactions across a wide range of industries is invaluable to clients.

EQUITY TRANSACTIONS

Our professionals have consulted on a wide range of complicated equity transactions in a variety of industries. We are well versed with accounting for preferred stock, convertible preferred stock, common stock, stock option plans, warrants, dividends, stock redemptions, convertible debt and other equity instruments.

MERGERS & ACQUISITIONS

We understand that many clients are growing their business and would like to run it for many years to come. We also realize that the future is uncertain and clients may face acquisition opportunities or a sale opportunity that is too attractive to pass on. We have worked on a number of transactions within the M&A space in recent years, including assisting clients in structuring acquisitions, helping clients to ready their businesses for sale, consulting on buy and sell-side due diligence projects, advising clients on purchase price allocations and supporting clients in assimilating new acquisitions. In recent years, we have assisted clients on more than 20 M&A transactions, ranging in size from \$1M to \$200M.

INCOME TAX APPROACH

We regard taxes as a cost that can be controlled by effective tax planning. We will be your advocates. Research and planning are always conducted with this as the foremost thought. We help our clients achieve their tax goals by presenting workable alternatives rather than merely explaining why their plans cannot be achieved. We are proactive and responsive with regard to the ever-changing body of tax laws. In addition to helping companies comply with federal, state and local income tax compliance, we will help Companies address tax-related issues and opportunities as they arise.