

M&A SERVICES



Effective Management of Merger & Acquisition Activities

Mergers and Acquisitions (M&A) can be a powerful means to consolidate, expand, or amplify market share. Even under ideal circumstances, a negotiated transaction will consume management resources of both the prospective buyer and would-be seller. Consequently, the parties must have realistic expectations of the timing, structure, regulatory and other related considerations. As every transaction is different, it must be approached from the vantage point of the specific facts and circumstances at hand. The potential rewards of a successful Merger or Acquisition are considerable - and so are the risks. If your management team reacts too slowly, you fail. Of course, acting quickly is also not enough to guarantee success. Managing poorly at high velocity is as big a mistake as moving slowly in hopes of avoiding error. The secret is to manage the horsepower, move rapidly— accelerate hard when appropriate—and maintain the right touch. The key to moving rapidly with precision is deploying the right experience along several parallel competencies including:

- Due Diligence and Financial Assessment
- Settlement Statement Analysis
- Business and Technology Assessment
- Financial Operations Integration and Stabilization
- Regulatory and Compliance

Timing – The Clock is Ticking, Can Your Team **Keep Up?**



A merger or acquisition of new assets begins a cascade of activities that require prompt attention and resolution before the transition of responsibilities to the prospective buyer. Sellers are motivated for a seamless and quick transition and buyers are generally pushed to the limit to transition the operations and business infrastructure into their organizational structure.

Horn - History of Success

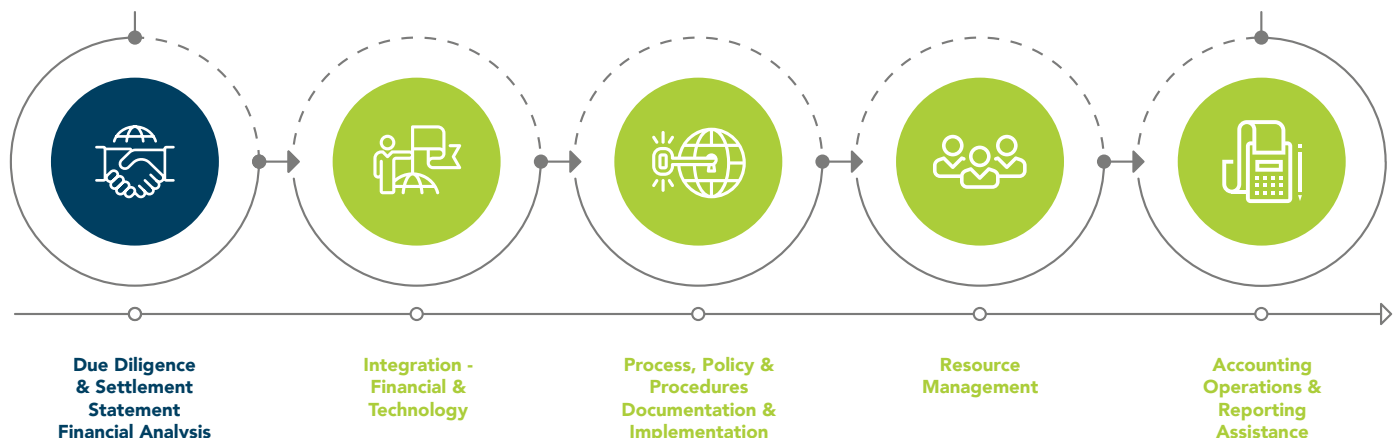
The Horn team has been assisting organizations with negotiated transactions in excess of three decades. Members of our team are former industry chief financial officers, controllers, financial reporting directors, and staff members in all key functional areas (Revenue, JIB, Accounts Payable and Receivable, Pipeline and Marketing Accounting, Risk Advisory, and Internal Audit). Our team is experienced in due diligence and settlement statement assessments, system selection, business integration, operational accounting and financial reporting, accounting and finance department standup, and policy and procedure documentation and implementation. Members of our team have been on all sides of Mergers or Acquisitions to implement a coordinated plan to maintain timelines and provide needed assistance to complete each stage of the transition process.

Our team has installed processes and policies and procedures that can be customized for the acquired assets. Members of our team also have expertise in integrating appropriate internal controls into their processes, policies and procedures developed – ensuring a robust and scalable solution with Sarbanes-Oxley compliance when applicable. Management team members engage at the start of the project to initiate financial due diligence and settlement statement assessments, integration activities and documentation of processes, policies and procedures. Our in-house resource management capabilities is a differentiator that allows us to add consultants throughout the project as needed for all phases.



Your Organizational Needs - **How We Can Help**

While all parties to the deal may be keenly interested in getting the deal to closing, one should never lose sight of the fact that the parties have different, competing and, generally speaking, conflicting interests and needs. The following represents a high-level overview of the five-step approach used by Horn Solutions to address each organization's initiative and needs related to Mergers and Acquisitions.



ACCOUNTING & TECHNOLOGY STAND-UP



Due Diligence and Settlement Statement Financial Analysis

- Buyer-Side Support
 - Understand the transaction acquisition agreements (Purchase & Sale Agreement & Transition Services Agreement).
 - Leverage our industry expertise to understand the uniqueness of the assets.
 - Understand the seller business infrastructure, support the operation of the assets and the recording and reporting of financial and operational information.
 - Audit settlement statement to determine appropriate purchase price adjustments, focusing on high risk revenue, expense and balance sheet financial accounting data through careful review of Settlement Statement line item details.
- Seller-Side Support
 - Assist with gathering data for the Data Room.
 - Assist with potential buyer questions on the financial data.
 - Prepare Preliminary Settlement Statement (PSS).
 - Prepare Final Settlement Statement (FSS).
 - Host purchaser audit of settlement statements.
 - Assist with transition to buyer.



Integration - Financial and Technology

- Application Readiness and Integration
- System Configuration and Data Conversion
- Chart of Accounts Development/Integration
- Business Process Design
- System and Process Testing

Accounting and Technology Stand-Up

- Process, Policy & Procedures Documentation & Implementation
 - Determine and document policies, procedures, and accounting positions (current state).
 - Design and documentation of processes, workflows and controls (future state).
 - Implementation and training for business systems and business processes.
- Resource Planning and Managed Services
 - Determine organizational structure.
 - Interim resource management – Horn management of temporary resource support and permanent hire strategy.
 - Managed services – efficient, reliable, cost-effective, scalable model to ensure continuity of service and provide a full back office solution.
- Accounting Operations and Reporting Assistance
 - Develop reporting package for internal and external users
 - Monthly general ledger and financial reports.
 - Standard and customized reports to highlight key transactional, operational, and financial metrics related to properties, assets, and other business activities.
 - Management dashboard with key data elements and reference points to provide information key to making intelligent management decisions regarding company strategies and objectives.
 - Financial and operational accounting operations
 - GL maintenance and journal entry posting, accruals, and reclasses.
 - Balance sheet reconciliations, month and quarter end procedures.
 - Quarterly financial consolidations.
 - Revenue distributions.
 - Accounts payable – joint interest billing.
 - Regulatory.

Entering into the acquisition process is much like starting a marriage, a new job, or other life altering event. It involves a major commitment and is best embarked upon after carefully considering the goals of all parties involved. As the process involves a large cast of insiders and consultants committed to the transaction and long-term transition period, Horn Solutions has the experience, expertise and proven track-record to support your team's efforts.

For any further questions for our team,
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