EB-5 Due Diligence Risk Analysis Report
Marcum LLP is one of the largest independent public accounting and advisory services firms in the nation. Ranked among the top 20, Marcum LLP offers the resources of 1,300 professionals, including over 160 partners, in 23 offices throughout New York, New Jersey, Massachusetts, Connecticut, Rhode Island, Pennsylvania, California, Florida, Grand Cayman and China. Headquartered in New York City, the Firm’s presence runs deep with full-service offices strategically located in major business markets.

Established in 1951, Marcum is a leader with an outstanding reputation at the national and regional levels. Marcum is ranked as one of the largest firms in the New York metropolitan area (Crain’s New York Business), the greater Philadelphia region (Philadelphia Business Journal), the New England region (Boston Business Journal) and the Southeast (South Florida Business Journal).

Marcum offers an extensive range of professional services and a high degree of specialization. In addition to traditional accounting, assurance and tax, including domestic and international tax planning and preparation, the Firm’s professional services include mergers and acquisition planning, family office services, forensic accounting, business valuation and litigation support. The Firm has developed several niche practice areas serving private equity partnerships; hedge funds; SEC registrants; real estate; government, public and not-for-profit sectors; manufacturing; construction; healthcare; and bankruptcies and receiverships; as well as a China specialty practice.

Marcum professionals combine practical knowledge with years of experience to provide a level of understanding and service that is unique among professional service firms. The Firm takes a team approach to every engagement, ensuring the highest degree of technical knowledge, experience and understanding of current issues and regulatory matters. In addition, as a founding member of The Leading Edge Alliance, a worldwide group of large, independent accounting practices, the Firm’s professionals have added access to a wide range of industry and service specialization.

Marcum is a member of the Marcum Group, an organization providing a comprehensive range of professional services spanning accounting and advisory, technology solutions, wealth management, and executive and professional recruiting. The Marcum Group companies include Marcum LLP; Marcum Bernstein & Pinchuk LLP; Marcum Buchanan Associates LLC; Marcum Cronus Partners LLC; Marcum Financial Services LLC; Marcum Search LLC; and Marcum Technology LLC. For more information, visit www.marcumllp.com.
The Transaction Services Group can support multiple facets of your transaction life cycle. Our Mergers & Acquisitions (M&A) specialists have diverse industry and professional backgrounds to provide an effective blend of industry focused transaction expertise.

The Transaction Services Team assists private equity groups, corporate buyers/sellers and their lenders with pre-acquisition due diligence including quality of earnings, assessment of pro-forma working capital, structuring purchase price mechanisms and tax structuring to closing working capital evaluations and purchase price allocations and valuations.

PRIVATE EQUITY SERVICES
Marcum’s integrated, multi-disciplinary teams successfully support private equity groups; funds and their portfolio companies with a full spectrum of professional services including:

Transaction advisory services
- Transaction services
- Integrated accounting due diligence – quality of earnings and integrity of EBITDA
- Evaluation of historical performance/trends and future cash flows
- Pre/post LOI and closing working capital assessment and normalization
- Tax structuring
- Identification of hidden costs and contingencies

Portfolio company services
- Annual audits and assurance services
- Tax compliance and planning, including state, local and sales & use tax
- Cost segregation studies, tax credits & tax loss optimization and transfer pricing studies
- Accounting assistance and bookkeeping
- Tax provisions
- Valuation and purchase price allocations
- Restructuring and forensic accounting

Fund services
- Compliance services: fund audits and tax compliance
- Accounting support and consulting
- Personal tax planning and wealth management

CORPORATE AND LENDER SUPPORT
Our M&A specialists assist public/private, strategic acquirers/sellers and their lenders identify and evaluate the challenges, opportunities and key performance indicators before it’s too late. We understand the requirements and expectations of the investment community and are often asked by a company’s key financing constituents to assist with the following:

Carve-outs and spin-offs
- Evaluate historical, stand-alone financial results and prepare executive financial reports, pro-forma and forecast results
- Identification of hidden values and potential risks
- Anticipation of supply and transition service agreements

Divestiture strategy/sell-side due diligence
- Identify and address potential buyer’s issues
- Determine challenges and strenuous deal points before going to market
- Minimization of costly post, exclusivity and closing purchase price adjustments
- Preparation of sell-side due diligence report
- Data room preparation and due diligence administration
Representative Transactions

**Kamino International Logistics**
Represented buyer
Award-winning global logistics provider and freight forwarder

**Energy Recovery Products**
Represented lender
Designs and manufactures AC/DC power supplies

**Jersey Precast Corporation**
Represented buyer
Manufacturer of pre-cast and pre-stressed concrete

**Fox Racing Shox**
Represented buyer
Designer, manufacturer and marketer of high-end suspension products

**Satoria Distribution and Packaging**
Represented buyer
Third party warehouse logistics and transportation provider

**Excelline Food Products**
Represented buyer
Manufacturer of branded and private label ethnic frozen and refrigerated foods

**CSL, Inc.**
Represented buyer
Surface finishing and specialty coatings for precision engineered metal parts and components

**Automatic Business Power Inc.**
Represented seller
Designer and manufacturer of military power and communications systems

**Davis Inotek Instruments, LLC**
Represented investor
Leading source of test, measurement and control instrumentation

**Extrumed**
Represented investor
Manufacturer of high precision custom extruded tubing for the medical device industry

**Filet of Chicken**
Represented buyer
Processor of food products for restaurant food services and retail customers

**Temcor**
Represented buyer
World leader in the design, manufacture and installation of clear-span domes

**Halo Branded Solutions, Inc.**
Represented buyer
Distributor of customized promotional products

**Onyx Power Corp.**
Represented buyer
Designer and manufacturer of power transformer and distribution systems

**Marelco Power Systems, Inc.**
Represented buyer
Designer and manufacturer of transformers, power systems and controls

**Bulk Handling Systems**
Represented buyer
Material sorting and handling systems for the solid waste and recycling industries

**Turbo International, Inc.**
Represented buyer
Turbochargers and components for the automotive aftermarkets

**Freshology, Inc.**
Represented investor
Provider of premium gourmet meals delivered for in-home dining

**Pro-Motion Distributing**
Represented buyer
Sales and distribution of performance automotive aftermarket parts

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David S. Appel is a senior partner in Marcum’s Tax & Business Services division and National Leader of the Firm’s EB-5 Regional Center Services Practice group. With more than 30 years of multidisciplinary experience in domestic and international taxation, Mr. Appel focuses his practice on family business tax strategy and consulting services.

He has addressed complex issues of estate, succession and retirement planning, including family wealth preservation and transfer to future generations. Mr. Appel heads the Firm’s Florida tax consulting services group and serves on the Florida Operations Committee. He is also a member of Marcum’s Executive Committee.

Mr. Appel was awarded the designation of Personal Financial Specialist by the American Institute of Certified Public Accountants, in recognition of his considerable experience in personal financial planning. An expert in estate tax, international tax, business succession planning and family estate planning, he has presented on numerous occasions to banking institutions and municipalities and at various tax conferences.

He also speaks frequently on a variety of topics related to the federal EB-5 Regional Center Pilot Program, which was established in 1990 to stimulate the U.S. economy through job creation and foreign investment in U.S. commercial enterprises. As Leader of Marcum’s EB-5 Regional Center Services practice, Mr. Appel oversees a comprehensive range of accounting and regulatory compliance services for both EB-5 investors and the regional centers that administer funded projects, including management of investor reports; documentation of lawful sources of funds; design of accounting systems and internal controls; outsourced accounting services; USCIS compliance reporting; international investor tax services; independent CPA firm reporting; funds transfer accounting; review of financial pro-forma; and green card process and tax effects monitoring.

Professional & Civic Affiliations
- American Institute of Certified Public Accountants (AICPA)
- AICPA Tax Division
- AICPA Personal Financial Planning Division
- Florida Institute of Certified Public Accountants (FICPA)
- Estate Planning Council of Greater Miami

Articles, Seminars & Presentations
- Tax Strategies for Foreign Investment in US Real Estate, Chinese Investment in the US Real Estate Forum, June 2012
- Source of Fund Verification and Pre-immigration Taxation, Annual EB-5 Finance and Investment Forum, March 2012
- Tax Issues Associated with Discharge of Indebtedness, Marcum LLP Annual CPE Seminar, January 2012
- AICPA National Conference on Financial Planning
- AICPA National Conference on Estate Planning
- Family Firm Institute National Conference
- Heckerling Institute on Estate Planning
- Tax strategies for Foreign Investment, EB-5 Summit for Attorneys and Developer - February, 2013
- Source of Funds verification and pre-immigration taxation National EB-5 Finance Seminar Tour with Greenberg Traurig - March 2013
- Source of Funds verification and pre-immigration taxation EB-5 Investment Summit: Dealmakers Conference - May 2013
- Articles - EB-5 Insights: How Government policy can provide Private Equity Managers with an alternative method to raise capital: Marcum Private Investments Forum - March 2013
- Source of Funds verification and pre-immigration taxation: 2013 Invest in America Conference -March 2013
- EB-5 Investor Based Immigration: EB-5 From Start to Finish PINCUS Professional Education - August 2013

Awards & Recognition
- 2006 Key Partner Award, South Florida Business Journal Accounting-General Winner

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David S. Appel, CPA*/PFS
Senior Partner

AREAS OF EXPERTISE
- Estate Planning
- Business Planning & Governance
- Succession Planning
- Family Wealth Planning
- EB-5 Planning & Compliance Reporting

KEY CLIENTS
- Multi-Generational Family Business
- High-Net-Worth Individuals
- Agricultural Companies
- Broker-Dealers
- Real Estate Companies
- Construction Companies
- Aviation Companies
- Manufacturers
- Distributors
- Healthcare

EDUCATION
- Master of Business Administration, Nova Southeastern University
- Bachelor of Science, Accounting, University of Florida
- Bachelor of Science, Business Administration, Finance, University of Florida

*Licensed by the State of Florida
Drew Bernstein
ASSURANCE SERVICES

Drew Bernstein is a CPA and Co-Managing Partner of Marcum Bernstein & Pinchuk LLP. In 1983, Mr. Bernstein co-founded Bernstein & Pinchuk LLP, now the managing member of Marcum Bernstein & Pinchuk (MarcumBP), a PCAOB-registered accounting firm headquartered in New York.

Mr. Bernstein has over 30 years of experience in retail, manufacturing, hospitality, pharmaceutical, professional practices, and real estate. His extensive work has significantly contributed to the growth of the Firm’s client base abroad. He serves as an accountant and business advisor worldwide, providing specialized auditing and accounting services to public and non-public companies throughout the United States, China, Europe, and Africa.

Serving as director and chairman of the audit committee of NASDAQ- and AMEX-listed companies, Mr. Bernstein and is a frequent speaker at industry, investment banking and university conferences. He is an active member of the board of directors and an officer of a prestigious foundation honored with the President’s Voluntary Action Award by the late President Ronald Reagan.

Professional & Civic Affiliations
American Institute of Certified Public Accountants (AICPA)
New York State Society of Certified Public Accountants (NYSSCPA)
National Society of Accountants (NSA)

AREAS OF EXPERTISE
International Accounting
China Markets
Audit & Accounting for Public and Private Companies
Global Business Advisory

KEY CLIENTS
Retail
Manufacturing
Hospitality
Pharmaceutical
Professional practices
Real estate

EDUCATION
Bachelor of Science Degree
University of Maryland
Business School

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*Licensed by the State of New York
Ms. Kou is a managing director at Marcum Bernstein & Pinchuk and speaks fluent English and Mandarin with cross-cultural experience in accounting, audit and tax services for public, multinational and non-public companies. Her expertise spans various industries, including manufacturing, media and advertisement, real estate, retailing and finance. Ms. Kou has extensive experience in internal controls and financial audit of high-tech companies and network/telecom companies.

Ms. Kou worked in the U.S. GAAP audit and assurance team of Deloitte Touche Tohmatsu as a senior auditor before joining Marcum Bernstein & Pinchuk. She has experience in U.S. public companies, multinational corporations and those companies preparing to go public.

Ms. Kou is a CPA in both China and the United States. Ms. Kou holds both Bachelor’s and Master’s degrees in Economics from Peking University, majoring in Finance and Risk Management and Insurance, respectively. She received honors from Peking University and other academies and was honored as Outstanding Graduate. She is also a candidate for the U.S. Society of Actuaries/Casualty Actuarial Society membership.

Professional and Civic Affiliations
American Institute of Certified Public Accountants (AICPA), Member
Chinese Institute of Certified Public Accountants (CICPA), Member

Coco (Jin-Wei) Kou, CPA*  
Managing Director

AREAS OF EXPERTISE
Internal Controls  
Financial Audit of High-Tech and Network/Telecom Companies

KEY CLIENTS
Manufacturing  
Media & Advertisement  
Real Estate  
Retailing  
Finance

EDUCATION
Master in Economics, Peking University

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Shanghai - Suite 1006, Jing An Kerry Centre  
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Tel: 86-21-60545845  Fax: 86-21-52986255

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ASSURANCE

Marcum’s Assurance division professionals provide a tailored audit approach to each engagement. Team members place a strong emphasis on early planning and learning the unique aspects of a client’s business. Doing so ensures that each client receives an effective, cost-efficient and independent audit performed in a timely manner.

The Assurance division works with commercial and SEC clients, governmental and not-for-profit entities and employee retirement plans. A full range of services is offered including:
- Agreed-Upon Procedures
- Attestation
- Financial Audits Reviews and Compilations
- Breakeven Analyses
- Single Audits
- Sarbanes-Oxley 404 Compliance
- Forecasts and Projections
- Internal Audits
- Internal Control Reviews
- IT Audit and Advisory Services
- Public Company Filings
- Strategic and Operational Planning
- Transaction Services

TAX & BUSINESS

The Tax & Business Services division is comprised of dedicated professionals who have been involved with numerous complex transactions at the local, national and international levels.

The division offers all forms of regulatory compliance services, planning and specialization in a variety of areas including:
- Estates, Gifts and Trusts
- Family Wealth Planning
- Bankruptcy and Insolvency Tax
- State and Local Taxation
- SEC and Large Corporate Matters
- International Taxation
- Real Estate Tax Services
- IRS Representation
- High-Net-Worth Individuals
- Family Business Owners
- Large Corporations
- International Businesses
- Foreign Nationals
- Tax Exempt Clients

With partner involvement at every level of service, the Tax & Business Services team provides highly personalized advice and guidance to a client base including:

ADVISORY

Marcum’s Advisory Services division works with clients across a broad range of industries. The team’s skilled professionals use their experience to help clients address and navigate complex business and personal issues including:

Bankruptcy and Fiduciary Services
- Insolvency and Receivership
- Trustee, Reorganization and Financial Advisory Services

Forensic and Litigation Services
- Forensic Accounting and Fraud Assessment
- Damage Determination and Expert Testimony
- Marital Dissolution
- Regulatory Compliance, including Bank Secrecy Act and Taxation
- Due Diligence and Capital Formation
- Computer Forensics
- Business Valuation

Operational and Process Improvement
- Business Process Improvement
- Internal Controls and Governance
- Real Estate Advisory Services
- Family Office Services
- Risk Management

INDUSTRIES

Marcum’s comprehensive services accommodate companies of all sizes in varied industries. From start-up through growth, merger or acquisition to public listing or ownership transition; Marcum professionals guide businesses every step of the way.

- Alternative Investments
- China-based Companies
- Communications
- Construction
- Employee Benefit Plans
- Financial Services
- Government Agencies
- Healthcare
- Hedge Funds/Alternative Investments
- High-Net-Worth Individuals
- Hospitality
- Insurance
- Manufacturing & Distribution
- Media & Entertainment
- Not-For-Profit Organizations
- Public Companies
- Private Equity
- Real Estate
- Retail & Consumer Products
- SEC Registrants
- Software & Technology
Marcum Group a family of organizations providing a comprehensive range of professional services including accounting and advisory, technology solutions, wealth management, and executive and professional recruiting.

These organizations include:

- **Marcum LLP**
  www.marcumllp.com

- **Marcum Bernstein & Pinchuk LLP**
  www.marcumbp.com

- **Marcum Buchanan Associates LLC**
  www.marcumbuchanan.com

- **Marcum Cronus Partners LLC**
  www.marcumcronus.com

- **Marcum Financial Services LLC**
  www.marcumfs.com

- **Marcum Search LLC**
  www.marcumsearch.com

- **Marcum Technology LLC**
  www.marcumtechnology.com