

## Sustainable Concepts

In the current economic climate, we understand that companies are looking to mergers and acquisitions (M&A) as a strategy to position themselves as necessary to take advantage of the existing conditions. While company assets and projected revenue represent the major factors in the valuation equation, it is imperative that the current environmental condition of the property also be taken into account during the valuation stage. Existing environmental issues at a facility due to historical operations can present a significant long-term financial liability for future owners if not addressed correctly before a deal is executed. In some cases, the life-cycle costs to address environmental concerns could eclipse the value of the real property and future revenue streams making what appears to be a good deal for both parties a liability. Furthermore, we understand that in most M&A deals, schedule is the main driver to successfully execute a deal.

## Our Solution

At Endpoint Solutions, our environmental professionals are well versed in quickly and efficiently assessing a site for potential environmental concerns. Our environmental

staff average over 15 years experience and have performed environmental assessments and liability quantification services for Fortune 500 companies throughout the world. At Endpoint Solutions, we differentiate ourselves by utilizing highly experienced pro-



professionals during all phases of the assessment. By utilizing highly experienced professionals, Endpoint Solutions is able to make decisions during the assessment to take best advantage of the due diligence schedule.

## For more information

To learn more about the services offered by Endpoint Solutions, visit:

**[www.endpointolutionsllc.com](http://www.endpointolutionsllc.com)**

If you have any questions or would like to discuss your transaction please email **[info@endpointsolutionsllc.com](mailto:info@endpointsolutionsllc.com)** or contact us at the numbers listed below.

## **M&A Assistance Services**

Phase I & II Environmental Site Assessments (ESAs) – A Phase I ESA will identify any potential issues that may affect the soil or groundwater at the site. If the purchaser of the property desires to invoke the Innocent Landowner Defense at any point in the future should environmental contamination be discovered, a Phase I ESA must be completed prior to taking title to the property.



Based on the results of the Phase I ESA process or if known releases to the environment have occurred, a focused Phase II Investigation can be performed to confirm or deny the presence of contaminants in the subsurface. Typically in property transfer scenarios, Phase II investigations are performed by the buyer under Attorney-Client Privilege to protect the current landowner from regulatory reporting requirements.

Regulatory Compliance Audits – By performing a Regulatory Compliance Audit dur-

ing the early stages of the M&A process, the potential purchaser obtains an idea of how the facility has been operated and can identify any potential issues that if not corrected, may lead to regulatory fines or stop work orders thereby interrupting the revenue stream.

Baseline Environmental Evaluation – Future operations could have the potential to impact the site at a future date. At the time of transfer, a baseline assessment of the environmental conditions should be performed and documented to accurately identify any historic impacts and determine the environmental responsibilities of all parties going forward.

Life Cycle Cost Analysis (Liability Quantification) – In the event remediation is actively occurring and the seller of the property is no longer capable or interested in completing the remediation, the life cycle costs of the remediation must be accurately quantified to figure into the overall deal structure. This Cost Analysis or Liability Quantification must take into account valid regulatory closure options for the future uses for the facility as well as the risk tolerance of the potential purchaser. It may be possible to alleviate the concerns related to remediation life costs through the purchase of Remedial Cost Cap or Pollution Legal Liability Insurance.