TrueQoE

EVIDENCE.CLARITY.CONFIDENCE.

START HERE...
This isn't another financial report.

It's designed to answer buyer questions BEFORE they become buyer objections.

The platform documents. People decide.

Buyer-Ready **Financial Review**

An Evidence-Based Transaction Readiness Report

Gulf Stream Mechanical, LLC

Commercial HVAC Service & Installation · Broward County, Florida

Review Period: FY2023 – FY2024 (Trailing Twelve Months)

Demonstration Sample · TQ-DEMO-0417 · July 14, 2026

DEMONSTRATION SAMPLE — SYNTHETIC DATA. Gulf Stream Mechanical, LLC is a constructed example. No real company, seller, or transaction is represented. Every figure is illustrative, built to demonstrate the platform's evidence and attribution model on a file with realistic problems in it.

READ THIS FIRST
The two-minute version of the deal. Busy buyers rarely read 100-page diligence packages.

They'll read this page.

If this page builds confidence, they'll keep reading.

Executive Summary

WHERE THIS DEAL STANDS

Gulf Stream Mechanical reports $121,000 of EBITDA and $363,000
figures are defensible. Neither is what a buyer will underwrite.

This review exists to reduce uncertainty before the LOI — by documenting t
evidence, and making every judgment call transparent while there is still tim
that one purpose.
Ten adjustments were identified. Nine were decided. One was left undecide
treatment does not exist in the file. One additional item carries no arithmetic
document that has not been produced.

REPORTED EBITDA	SELLER'S DISCRETIONARY EARNINGS	BUYER-ADJUSTED SDE
$121,000	**$363,000**	**$243,000**
As presented in seller-prepared financials	After owner-benefit addbacks · the marketed figure	After replacement manager cost · what a non-operating buyer underwrites

The three things that will be argued about

1. The building is rented from the seller. Gulf Stream leases its facility from an LLC controlled by the seller, at a rate materially below market. A buyer will not inherit that rate. Normalizing to market reduces earnings by **$36,000**. The seller did not raise this item. It was surfaced from the lease and the county comparables.

2. Nobody has priced the seller's own labor. The business is currently run by an owner-operator who takes no management salary beyond W-2 compensation that has been added back. A buyer who will not personally run the business must hire a general manager. Market rate for that role is **$120,000**. This single judgment call moves earnings by a third.

3. Interest expense rose 46% and there is no debt schedule. No arithmetic effect — but no close either. See Finding F-04.

THE HONEST ANSWER ON EARNINGS

Depending on how one item is treated — and it currently cannot be treated, because the evidence does not exist — buyer-adjusted SDE falls somewhere between **$243,000** and **$261,500**. This report does not choose. It shows why the choice is open, what document would close it, and what each answer is worth.

Earnings Bridge

FROM REPORTED TO BUYER-ADJUSTED

Every step below is an adjustment someone decided to make.
Register and to the evidence that supports it.

FOLLOW THE MONEY

One of the most valuable pages of the report.

Instead of asking buyers to "trust the add-backs," we show every adjustment step-by-step.

Transparency reduces friction.

REF	STEP		
	Reported EBITDA (seller-prepared)		
A-01	Rent normalization — related-party lease to market		
A-02	One-time legal — trade secret suit, settled Mar 2024		$96,000
A-03	Discontinued sponsorship — terminated Aug 2024	$7,000	$103,000
	Adjusted EBITDA	—	**$103,000**
A-04	Owner compensation — sole shareholder W-2	$185,000	$288,000
A-05	Employer payroll taxes on owner compensation	$14,200	$302,200
A-06	Family payroll — spouse, no documented role	$38,000	$340,200
A-07	Owner personal vehicle — F-250, personal use	$11,400	$351,600
A-08	Personal travel & meals coded to business	$6,900	$358,500
A-09	Owner health & life insurance	$4,500	$363,000
	Seller's Discretionary Earnings	—	**$363,000**
A-10	Replacement manager cost — market rate GM	($120,000)	$243,000
	Buyer-Adjusted SDE	—	**$243,000**

ONE ITEM IS NOT IN THIS BRIDGE

Adjustment **A-11 — Related-party equipment purchases ($18,500)** is **Undecided**. It is excluded from the arithmetic above because no treatment has been supported. If it is ultimately added back, buyer-adjusted SDE is **$261,500**. If it is not, the figure stands at **$243,000**. The document that resolves it is named in Finding F-05.

The bridge above reflects treatment decisions as of the issue date. Every figure is a consequence of a decision, not a fact about the business. Change a decision and the bridge recomputes. Nothing here is locked.

FINDINGS THAT MATTER

Find problems BEFORE buyers do.

Every issue discovered before going to market is one less surprise during diligence.

That's how retrades can be avoided.

Key Findings

THE FIVE THAT MATTER

Eleven adjustments were identified. Five carry consequences a buy

Each finding is tagged by the kind of risk it creates. **EARNINGS IMPACT** changes t number and stops the deal anyway. **CREDIBILITY RISK** will be challenged by a bu

F-01 **INCLUDED** **ADVERSE TO SELLER** **EARNINGS IMPACT**

The facility is leased from the seller, below market

WHAT WE FOUND	Gull Stream pays $4,000/month to Gull Stream Holdings LLC, an entity controlled by the seller. Three comparable Broward County industrial-flex properties transacted at $7,000–$7,400/month over the review period.
WHY IT MATTERS	A buyer will renegotiate this lease at arm's length or relocate. Either way, the current rate does not survive the transaction. Underwriting to $4,000/month overstates earnings by $36,000 annually.
EFFECT	($36,000) — earnings decrease
EVIDENCE	Executed lease agreement (E-04) · Broward County comparable lease data, three properties (E-05) · Sunbiz entity records confirming common control (E-06)
ATTRIBUTION	Included by **M. Reyes, Broker** · July 9, 2026 · Not contested by seller

F-02 **INCLUDED** **ADVERSE TO SELLER** **EARNINGS IMPACT**

No one has priced the cost of replacing the owner

WHAT WE FOUND	The seller works full time in the business: estimating, scheduling, and managing the field crew. His W-2 compensation of $185,000 has been added back to SDE. No cost has been booked for the person who would perform this work after closing.
WHY IT MATTERS	This is the most commonly omitted number in small-deal marketing. A buyer who intends to operate the business personally may reasonably exclude it. A buyer who does not — a search fund, a strategic acquirer, an absentee investor — must hire a general manager. Market compensation for a commercial HVAC GM in this market is $110,000–$130,000.
EFFECT	($120,000) — earnings decrease · **33% of SDE**
EVIDENCE	Owner W-2 and payroll register (E-01) · Owner time allocation interview, 07/08/26 (E-02) · Regional compensation survey, commercial HVAC GM (E-03)
ATTRIBUTION	Included by **M. Reyes, Broker** · July 9, 2026 · *Seller's position: excluded, on the basis that the intended buyer is an owner-operator. Both treatments are documented. The platform did not choose between them.*

Adjustment Register

EVERY ITEM · EVERY TREATMENT · EVERY DECIDER

The complete record. Each line shows what was found, how it was treated, who decided, and what evidence supports the decision.

REF	ADJUSTMENT	AMOUNT	TREATMENT	ATTRIBUTION	EVIDENCE
A-01	Rent normalization — related-party lease below market	($36,000)	INCLUDE	M. Reyes, Broker	E-04, 05, 06
A-02	One-time legal — trade secret suit, settled Mar 2024	$11,000	INCLUDE	M. Reyes, Broker	E-07
A-03	Discontinued sponsorship — terminated Aug 2024	$7,000	INCLUDE	M. Reyes, Broker	E-08
A-04	Owner compensation — sole shareholder W-2	$185,000	INCLUDE	M. Reyes, Broker	E-01
A-05	Employer payroll taxes on owner compensation	$14,200	INCLUDE	M. Reyes, Broker	E-01
A-06	Family payroll — spouse, no documented role	$38,000	INCLUDE	M. Reyes, Broker	E-01
A-07	Owner personal vehicle — F-250, personal use	$11,400	INCLUDE	M. Reyes, Broker	E-09
A-08	Personal travel & meals coded to business	$6,900	INCLUDE	M. Reyes, Broker	E-10
A-09	Owner health & life insurance	$4,500	INCLUDE	M. Reyes, Broker	E-01
A-10	Replacement manager cost — market rate GM	($120,000)	INCLUDE	M. Reyes, Broker	E-01, 02, 03
A-11	Related-party equipment purchases — Coastal Equipment	$18,500	UNDECIDED	M. Reyes, Broker	–
	Net effect of decided adjustments (from Reported EBITDA)				

NOTHING IS HIDDEN

Buyers don't expect perfection.
They expect transparency.
Every adjustment has:
✓ An amount
✓ Supporting evidence
✓ A person responsible

Most packages don't show this.

Evidence Still Required

WHAT IS MISSING · AND WHAT IT BLOCKS

This section is the reason to run the review before the listing goes to market rather than after a buyer's accountant asks for it under LOI.

REF	DOCUMENT REQUIRED	RESOLVES	BLOCKS	AT STAKE
R-01	**Complete debt schedule** as of most recent month-end, plus all loan agreements executed FY2023–FY2024	Unexplained 46% rise in interest expense F-04	Lender approval · Closing	—
R-02	**Coastal Equipment invoices** plus two independent comparable quotes	Related-party equipment treatment F-05	Earnings certainty	$18,500
R-03	**Spouse role documentation** — job description, or written confirmation of no operational role	Anticipated challenge to the family payroll addback F-03	Nothing · pre-empts a fight	$38,000
R-04	**Signed lease** or written confirmation of post-closing terms a buyer would be offered	Whether $36,000 is the right rent normalization F-01	Nothing · confirms F-01	$36,000
R-05	**Trailing twelve-month P&L** through most recent month-end	Currency of the review period	Buyer confidence	—

R-01 IS THE ONE THAT ENDS DEALS

A missing debt schedule has no effect on the earnings figure and every effect on the closing. It will be requested by a lender, by a buyer's counsel, and by any acquirer's diligence provider. Producing it now costs the seller an afternoon. Producing it under LOI, after a buyer has found the gap themselves, costs credibility that does not come back.

Each item above is tracked as open until the document is produced and logged in the Evidence Register. Items do not silently resolve. Nothing in this report treats a missing document as i

BEFORE YOU LIST

Instead of waiting for buyers to discover missing documents...

You can collect them before the listing ever goes live.

Confidentiality & Data Handling

WHAT HAPPENS TO THE SELLER'S BOOKS

A seller hands over the most confidential information their business possesses. This page states plainly what is done with it — including the one thing most platforms leave out.

Confidential by design

Encrypted in transit and at rest. Documents are **never sold**, and never disclosed to other users, brokers, buyers, lenders, or investors without authorization.

Every number is traceable

Every adjustment, calculation, and conclusion links to the suppo
judgment links to the person who made it.

Decision support — not a substitute

Built for buyers, sellers, brokers, CPAs, and lenders. The platform
calculations. **It does not replace professional judgment.**

What we do with the data — including the part most pla

De-identified, aggregated data may be used to improve document
customer financials are never used for this purpose, never sc
platform that claimed it did nothing at all with the data would be m
demonstrate that we do not make claims we cannot keep.

SELLERS ASK THIS

One of the first seller questions...

"What happens to my financials?"

This page answers that before they have to ask.

Who else sees the file

Service providers — cloud infrastructure, secure file storage, authentication, and AI processing — receive only what is reasonably necessary to operate the platform. If a professional review is requested, reviewers engaged by Strategic Lever LLC are contractually bound to confidentiality and acquire no ownership of the information. The uploading party retains ownership of every document.

The honest limit

No method of electronic transmission or storage can be guaranteed to be completely secure. That sentence appears in our Privacy Policy, and it appears here for the same reason every adverse finding in this report appears: *because it is true, and a document that omitted it would be less trustworthy, not more.*

> **FULL TERMS**
>
> This page summarizes. The governing documents are the TrueQoE Privacy & Confidentiality Policy and Terms of Use, both at trueqoe.com. Where this summary and those documents differ, those documents control.

Why Perform This Review Before Going to Market?

THE SAME WORK — AT A DIFFERENT MOMENT

None of the findings in this report are exotic. A competent buyer's accountant would find every one of them. The only question this review answers is **when** they get found — and by whom.

FOUND DURING DILIGENCE — AFTER THE LOI		FOUND BEFORE THE LISTING GOES OUT
The buyer discovers the debt schedule is missing.	→	**The seller produces it. It costs an afternoon.**
The buyer discovers the building is rented from the seller, below market.	→	**The CIM discloses it, with the normalization already applied.**
The buyer challenges the add-backs. Weeks of email.	→	**Every add-back arrives with its evidence attached.**
The buyer prices in the uncertainty and retrades.	→	**Negotiation begins from a documented position.**
The seller looks like he was hiding something.	→	**The seller looks like he was ahead of it.**
Credibility is lost. It does not come back.	→	**The adverse findings are why the rest is believed.**

The work gets done either way. The only variable is who finds the problems, and what it costs when they do.

Today, it is the buyer's accountant, on the buyer's clock, after both parties have spent three months and a great deal of money. There is no version of this transaction in which the related-party lease goes unnoticed.

This report is not a guarantee of any outcome. It does not raise a valuatic
financial scrutiny from the most expensive moment in the transaction to t

THE WHOLE POINT

This is the entire value proposition.

The same issues will eventually be discovered.

The question is...
Do you want your seller to discover them first, or the buyer?