

**EXERCISE****DUE DILIGENCE FOR SECURITIES OFFERINGS*****Background***

Your firm has been hired to take a company through the public offering process, and you've been staffed on the deal team. The client is an online photo-sharing company that has no securities offerings experience. Your team is having an initial meeting with company management to provide an overview of the offering process. Your role at the meeting will be to discuss due diligence.

The partner asked you to prepare for your presentation by covering at least the following points about due diligence:

- Why do issuers need to go through the diligence process?
- Which parties are involved and what are their respective roles and interests in the diligence process?
- What's involved in a typical due diligence process?
- How will the diligence process differ in a follow-on offering or an offering of debt securities?

The partner has asked to speak with you before the client meeting to discuss what you intend to say at the meeting.

***Instructions***

Come prepared to share with the partner what you've planned for your due diligence presentation.