

● SOP 50 10 8.1, effective October 1, 2026

SBA-compliant Quality of Earnings, addressed to your bank, in 10 business days.

One vendor for every 7(a) acquisition file. A lender-commissioned QofE where SOP 50 10 8.1 requires it (business purchase price of \$3 million or more), and a DSC Verification where it does not. Fixed fees by product and purchase price, written in credit terms, delivered in 10 business days from a complete document set, and we answer your underwriter's calls.

01 / WHAT YOU GET

The report your credit file needs

- ✓ **Proof of cash**, month by month over three years plus the trailing twelve months, reconciled to bank and merchant deposits
- ✓ **Add-back schedule**, each adjustment tested against a source document, a non-recurrence narrative and a benchmark; undocumented add-backs modeled at zero
- ✓ **Book-to-tax and IRS transcript reconciliation** of the P&L to the filed returns and to IRS account transcripts
- ✓ **Customer concentration** and revenue durability
- ✓ **DSC-ready adjusted earnings**, so the number drops straight into your debt-service coverage calculation
- ✓ **Net working capital trend** and findings in plain credit language

02 / HOW IT WORKS

Lender engages, borrower pays at closing

- 01 You sign the engagement letter.** The report is addressed to the bank and the bank is the client.
- 02 Borrower pays the fee at closing** as a loan cost. No retainer from the bank.
- 03 Day 1: document request** goes to the buyer and seller. We collect directly, you stay copied.
- 04 Day 5: findings call** with your BDO and underwriter. If earnings are coming in light, you hear it here, not on day 10.
- 05 Day 10: signed report** delivered, counted from a complete document set, with workpapers available on request.

03 / FEE

Published, flat, by product

QofE, up to \$5M 10 business days	\$9,500
QofE, \$5M to \$10M 10 business days	\$14,500
QofE rush 7 business days	+\$2,500
QofE above \$10M or multi-entity, 48-hour quote	Quoted
DSC Verification sub-\$3M files, 7 days	\$4,500
Review letter buyer-ordered QofE, 5 days	\$2,500
SBA valuation (CVA, NACVA) change of ownership, 7 days	\$3,500

Purchase price measured before equity injection and seller notes, as the SOP measures it. Days count from a complete document set. Fees cover the deliverable, the findings call and underwriter questions through closing. Carve-outs (one business operated inside a multi-business entity) and multi-location targets are quoted separately, because each set of books is tested on its own. Travel, if any, at cost.

Which product for which file

\$3M and up: the SOP requires a lender-commissioned QofE, and a report prepared by or for the borrower or seller does not count. **Under \$3M:** DSC Verification, a two-page memo to the bank with the cash proof, add-back check, book-to-tax reconciliation and adjusted earnings for the DSC.

Buyer already ordered a QofE: we review it and issue a lender reliance letter, per SBA's August 2026 training. **IRS transcripts:** the guidance directs the preparer to reconcile reported earnings to IRS account transcripts. We obtain them under one authorization and share them with the bank, so the borrower is not asked twice.

Request the vendor packet

Engagement letter template, W-9, independence policy and methodology note. Redacted sample report available on request. Signed by Alejandra B. Barrera, Managing Partner.
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INDEPENDENCE STATEMENT

No stake in the deal closing

Kerdai accepts lender-commissioned Quality of Earnings engagements only from the lender. We do not accept engagements from the borrower or the seller on the same transaction, and we are paid a fixed fee that does not change with the outcome of the loan.

Disclosure of common ownership. Kerdai's principals also own IC-USA, a business brokerage. Kerdai declines any lender-commissioned work on a transaction where IC-USA or its agents represent the buyer or the seller, and we confirm this in writing in every engagement letter before work begins.

If a conflict surfaces after engagement, we withdraw, return any fee and refer the bank to another provider.

THE TEAM

Transaction people, not just report writers

Kerdai's advisors have spent more than two decades combined on the deal side of M&A: valuing, negotiating and closing acquisitions of privately held companies from the low six figures to the tens of millions. **We know how a number holds up at the closing table because we have sat at it.**

Valuations signed by a NACVA Certified Valuation Analyst (CVA), an SBA Qualified Source under SOP 50 10 8.1.

MBA Business Administration

MSIRE International Real Estate

CVA Certified Valuation Analyst (NACVA)

IBBA Intl. Business Brokers Assn.

BBF Business Brokers of Florida

20+ Years combined in M&A

ILLUSTRATIVE EBITDA BRIDGE TTM, \$ THOUSANDS

Reported EBITDA (seller CIM)	1,240
Owner salary below market	(85)
Personal vehicle and travel add-back	42
Non-recurring insurance recovery	(118)
Revenue not supported by deposits	(64)
Legal settlement, one-time	31
Diligence-adjusted EBITDA	1,046
Difference at a 3.5x multiple	(679)

Example figures for illustration only. In this case the seller's number overstated debt-service capacity by about 16 percent, and the purchase price by roughly \$680,000.

WHAT THE BRIDGE GIVES YOUR UNDERWRITER

Earnings you can put in the DSC

Every line is traced. Each adjustment on the bridge points to a bank statement, invoice, tax return or payroll record in the workpapers, so a reviewer can follow it without calling us.

Unsupported revenue comes out. Months where reported sales do not tie to deposits are reduced to what the deposits support, with the gap explained.

Undocumented add-backs are not counted, however reasonable they sound. The schedule lists what was claimed, what was accepted and why, and the result is stated as adjusted EBITDA and as cash flow available for debt service.

Can the bank rely on the report?

Yes. The engagement letter names the bank as the client and the party entitled to rely on the report for its credit decision and SBA file. The borrower gets a copy only with the bank's permission, under a non-reliance notice.

What if the valuation comes back different?

The QoE establishes the earnings, the valuation applies a multiple to them. If the appraiser needs a reconciliation to our figure, or the structure changes and the bank needs a revised bridge, we issue a revision at no added fee within 30 days of the report date.

What happens when add-backs fail?

You hear it on the day-5 call, not in the final report. We quantify the shortfall against projected DSC so the BDO can renegotiate price or structure before the credit memo is written. We do not soften a finding to keep a deal alive.

Send us the next file.

Scope confirmed within one business day of the LOI and purchase price.

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