Due Diligence Questions for TSI

1. Please breakdown the AxN revenue by Year and by Customer for 2004-2009 & Ytd. 2010, as you did with AdDept please list largest revenue customer first.
2. Please list all newspaper customers that use AxN, as well as large newspaper potential customers who should be using AxN
3. Do you re-sell IBM hardware? If so what is the margin?
4. Enclose or attach a copy of your sales or marketing letter you would send a potential customer, as well as any sales or marketing brochure showing your products.
5. What are the Ad industry largest circulation trade journals?
6. Have you ever attended any of the big Advertising trade shows?
7. What customers would you use for references? Who is your biggest advocate for TSI?
8. What are the specific modules for AdDept? AxN?
9. Describe each employee by the following:
    a. Specific job and skill set
    b. strengths and weaknesses
    c. long term potential
    d. daily tasks
10. Based on payroll records, it appears there has been turnover with the Technical staff? Please explain
11. Do you have a proprietary training manual in place for a new owner?
12. Do you have a training manual for new staff in the programming side?
13. Having 30 years of coding/programming language, how will you train a new owner to take over in a 2-4 year time period?
14. For the Tax year ending 11/30/09 you show $59,246 in contract labor? What is that for?
15. Your Tax returns show commission expense? What is that for? Who is getting paid commission?
16. Please detail your Telephone/Internet expense? What is included in this expense?
17. For Tax year ending 11/30/08 you paid $58,806 for subcontract, what is this for?
18. Why have you not increased your prices for AxN?
19. Why hasn't the New York division of Macy's used AxN?
20. Please <u>explain in detail</u> the following 2 items
    a. What do you mean by AdDept provides the tools for accurate and verifiable allocation of expenses to stores and/or merchandise?
    b. AdDept facilitates the collection of co-op?
21. Have you considered upgrading AdDept text-based front end to graphical Or web-based? What would this cost and could it bring you new business?