

**Black
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RESPIRE
breathe easy again



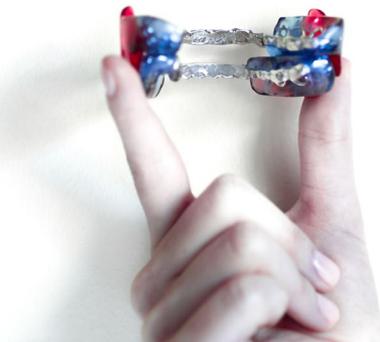
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HOW BLACK INK BUSINESS SERVICES HELPED RESPIRE GROW A SCALABLE BUSINESS MODEL WHILE NAVIGATING A PARENT COMPANY

When the CEO of Respire approached Black Ink, he knew he needed help moving the company toward reaching its full potential. Due to the perspectives he had gained while fulfilling the roles of bookkeeper and CFO, the CEO knew he would need someone knowledgeable in accounting who could help revamp the companies' current systems and processes. Coupling all of this with the need for solid Business Intelligence and some housekeeping, he knew that within a year Respire would be seeking a partner in order to grow the business. Black Ink was brought in as a partner and began to rethink the functions of the back-office and accounting, while also preparing Respire for a close examination from potential investors. Respire needed to be prepared to put their best foot forward while raising capital and preparing for an investor, and Black Ink was able to assist in their endeavor.



ABOUT RESPIRE



Respire was formed in March 2010 with a business model for providing a range of top quality, functional devices to make sleep apnea treatment available to more people than ever before.

Following the initial years of success, the company has never been in a better position to capitalize on the opportunities in the market. Respire has built a solid operational foundation and has a strong management team to create products and services that drive growth in the marketplace.

Respire was acquired by Whole You, Inc. in 2014, a Mitsui Chemicals Company. Whole You brings a wealth of resources and knowledge to help drive us forward in the next phase of our growth.

This new partnership will help provide the market with industry-leading products and services over the coming years.



THE CHALLENGE

Off-Board Day to Day Accounting Functions from CEO

After four years of the CEO managing all day to day accounting functions for the company, it was time to scale. As with many start-ups, the founders wear many hats. Prior to Black Ink's engagement, nearly all day to day accounting and bookkeeping functions had been performed by the CEO. Both his role and the company's needs had outgrown his ability to manage these functions and continue to grow the business.

Business Intelligence Needs

While the company grew, so did the need for a clearer picture of the company finances. This became increasingly apparent as the founders started to plan for growth and a potential investment. Should an investor show interest, Respire would need to have the correct Business Intelligence that could anticipate and answer questions from potential investors.

Sales, Marketing and Ordering System Needed

After five years of managing customer relationships on spreadsheets and calendars, as well as handling all orders flowing directly through QuickBooks, the need arose for a new system. In addition to the typical functions of a customer relationship tool, Respire required a solution for tracking orders from sale to delivery. There was a need for many team members to have access this system across offices while still integrating it with the General Ledger.

Pre-Diligence and Due-Diligence

As Respire actively searched for a potential equity partner, they wanted to ensure their finances and procedures were both in order and well documented prior to sharing sensitive information with potential suitors.

Compliance with new Partner

After the transaction with Mitsui and WholeYou, Respire needed to be able to report into a publicly traded company with tight closing dates.



THE SOLUTION

Take control of General Ledger Maintenance and CFO Functions

Black Ink took responsibility for the QuickBooks file and accompanying financial schedules which included managing all day to day bookkeeping needs. Black Ink performed an audit on the books starting from the entity formation to date while working alongside the tax accountants to address each issue with limited impact to the company and shareholders. This ultimately warranted a revamping of the Chart of Accounts and moving the company to GAAP Standards, which included proper Accrual Accounting and Inventory Documentation.

Buildout new Budgeting Process and Reporting Decks

Black Ink met with the Stakeholders of Respire as well as the new partners in order to outline the different reporting needs of Respire's different departments. After classifying the needs and wants of each Stakeholder, Black Ink designed a reporting deck with pathways to address everyone's needs. We then began a reporting cadence with management, as well as redesigned the budgeting process.

Onboarding and integrating the industry standard program *Magic Touch*

After assisting in vetting several CRM and Order Solutions there was a consensus to onboard Magic Touch Software. The process involved migrating all historical and current client data from QuickBooks Enterprise to Magic Touch. Black Ink then ran both QuickBooks and Magic Touch for two months before moving entirely over to Magic Touch for all orders, and syncing data directly to the General Ledger in order to make certain that the new systems had redundancy while working out any issues with the new systems.

Pre-populated Data Room with common Due Diligence Requests

Black Ink worked with Respire to prepare them for a potential investors. To do this, they needed to ensure that various financial reports and KPIs were being tracked and documented. Having worked on the client side of several transactions, Black Ink was able to create a data room pre-populated with reports prior to an initial requests. This allowed for Respire to fulfill Due Diligence requests very quickly, as many items were already prepared and ready to share. This increased the efficiency and decreased the overall time spent on the Due Diligence portion of the transaction.

Adopt all Required Standards

With Respire's new parent company being a publicly-traded company in Japan, it was necessary to adopt all required standards to be compliant with Japanese Nikkei. Black Ink reviewed all processes and worked with the parent company to adopt compliant processes and standards.

March 2014

Black Ink engaged by Respire to take over finance functions

April 2014

Black Ink performed a thorough review of the books from Jan. 2010 to April 2014 and addressed all issues found

1.



1 Year: Worked on Due Diligence request with Mitsui

2.



Acquisition of Respire by WholeYou and Mitsui

January 2015

3.



Reporting up to Mitsui as the parent company Compliance w Public Trading regulations

March 2015

4.



Bookkeeping and Controller support

April 2015

5.

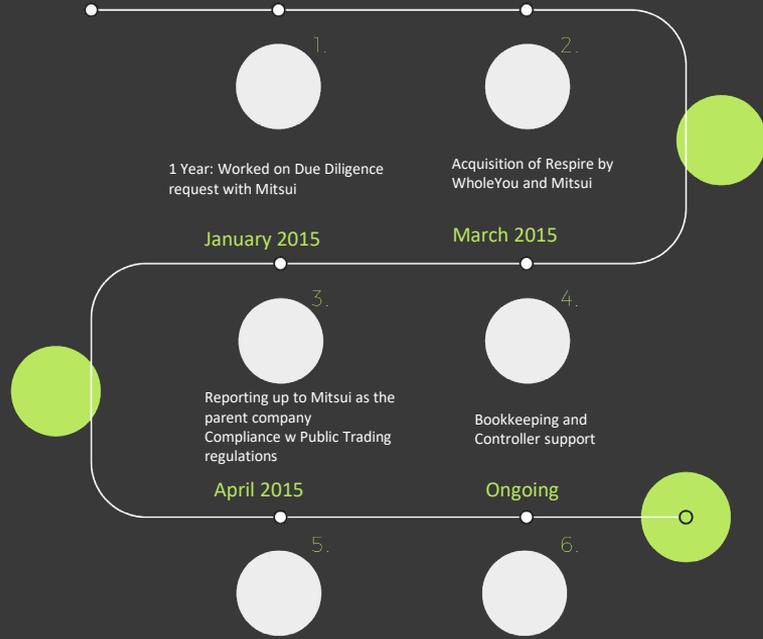


Ongoing

6.



THE TIMELINE





THE DELIVERABLES

- Reviewed four years of Books and cleared up any issues found
- Launched MagicTouch and integrated with QuickBooks to gain efficiencies and improve accuracy while keeping financials current.
- Led Annual Financial Audit with an outside firm
- Led three-year Sales Tax audit
- Designed and maintained all Financial Models and Budgets
- Led the drafting of the Employee Handbook and Benefits Package
- Prepared accounting manual as per Mitsui/Whole You's request to comply with their internal policies
- Led the Due Diligence process and played a key role as the main point of contact on behalf of Respire. All accounting requests were directed to Black Ink, from providing investors with custom reports to giving a break-down of the internal accounting processes.
- Ongoing Daily Support and day to day General Ledger Maintenance since March 2014



DON'T TAKE OUR WORD FOR IT

"As the CEO and founder of a growing company, I'm being pulled in all directions on a busy schedule. I need to prioritize my time on projects that are revenue-generating and that I have the best skill set for, and bring in experts in other areas. Bookkeeping is one of those areas. Having gone through an acquisition with Mitsui Chemicals Inc., Black Ink was able to lead the due-diligence data gathering, allowing me to focus on the negotiations. Black Ink has taken a huge weight off my shoulders and has been able to grow with us as we scale"

David Walton, CEO, and founder of *Respire Medical*





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