

New York



Business Valuation Group, Inc.

Accuracy Is Our Agenda

ABC PROPANE

1-STAR REPORT

**CALCULATION OF A 100% INTEREST
IN THE COMPANY**

AS OF DECEMBER 31, 20XX

REPORT DATE: JUNE 4, 20XX

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New York



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Calculation Engagement

June 4, 20XX

Jack Smith
ABC Propane
Address
City, State, ZIP

Re: CALCULATION OF ABC PROPANE

Dear Mr. Smith:

This summary report is a brief explanation of our Calculation Engagement to determine the fair market value of a 100% of the operating assets and goodwill of ABC Propane as of December 31, 20XX.

Purpose of Report

We have performed a calculation engagement and present our report in conformity with the “Statement of Standards for Valuation Services No. 1” (SSVS) of the American Institute of Certified Public Accountants. This calculation was performed for a proposed sale of the business and is based upon the operating assets and goodwill of ABC Propane, i.e., an asset sale. Therefore this valuation excludes any real estate, cash, investments, accounts receivable, and another other non-operating assets, as well as, accounts payable, short and long-term debt, and any other non-operating liabilities. In the event of a stock sale, the aforementioned assets and liabilities would be added and subtracted, respectively, on the day of closing to determine total fair market value.

It must be understood that the results of our Calculation cannot be considered an opinion of fair market value, as our assignment lacks the due diligence necessary in an appraisal assignment.

Intended Users

This report is a restricted use calculation report. The Calculations are strictly for internal use by the Company’s management. Any other users are considered unintended users. You may not show our Valuation Calculations to a prospective buyer without our written permission, as our work is less than an appraisal, and it may mislead prospective buyers to show them our work without full disclosure of its limitations.

You may use the Valuation Calculations in preparing to negotiate a sales price with a potential buyer (third party). However, if you show them to a potential buyer, you may not disclose that New York Business Valuation Group, Inc. performed the Valuation Calculations, as our tables and commentary are prepared for your use, not someone else’s. If you do want another party to know of our authorship of the analysis, that will require a separate engagement letter

for us to prepare the report and the tables with proper disclosure for a third party to be able to rely on our work, as we would then become responsible to that party—which is not true in the current assignment. It should be a reasonably affordable upgrade of our work.

While it might seem logical that there is only one fair market value of an asset, that is not true. Value only has meaning in the context of a scenario, with its facts, assumptions, and the purpose of the valuation. Thus, our Calculations may not be used for other purposes, valuation dates, size interests, or by other users without our written permission. This is especially true for any circumstances that require a business appraisal or any other type of official opinion of value. If, at any time, you decide that you need an appraisal, we will draft a new and separate engagement letter to cover the appraisal.

Using our report in an unauthorized manner could be misleading and dangerous. You agree to indemnify New York Business Valuation Group, Inc. against any losses arising from unauthorized use of our report.

Standard of Value

Fair Market Value

The term ‘fair market value’ (FMV) is defined as the price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arms length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.¹

Fair Market Value vs. Investment Value

The fair market value of an asset is its value to a hypothetical buyer and seller. It is not the value of that asset to any particular buyer, which is investment value and is frequently different than fair market value. Investment value to a strategic buyer is almost always higher than fair market value. Although our valuation is intended to estimate fair market value, we assume no responsibility for a seller’s or buyer’s inability to obtain a purchase contract at that price.

Premise of Value

The calculated value relied on a “value in use” or going concern premise. This premise assumed that the Company is an ongoing business enterprise with management operating in a rational way with a goal of maximizing shareholder value.

Limitations of a Calculation Engagement

SSVS defines a calculation engagement as “An engagement to estimate value wherein the valuation analyst and the client agree on the specific valuation approaches and valuation methods the valuation analyst will use and the extent of valuation procedures the valuation

¹ International Glossary of Business Valuation Terms. IRS Treasury Regulations, Estate Tax Regulations 20.2031-1 and Gift Tax Regulations 25.2512-1 define the term similarly.

analyst will perform to estimate the value the subject interest. A calculation engagement does not include all of the procedures required for a valuation engagement. The valuation analyst expresses the results of the calculation engagement as a calculated value, which may be either a single amount or a range.”

Performing a Calculation allows us to take certain shortcuts that we could not take in an Appraisal. Examples of shortcuts are:

- (1) We reduced the amount of our independent market research compared to the amount we normally would perform in an Appraisal. Instead, we relied primarily on the client’s knowledge of the market and financial data provided. This is a significant reduction of our normal work, and it is imperative that you understand that our forecast of future cash flows may be materially different if we were to do such market research, and that would correspondingly affect the valuation.
- (2) In an Appraisal we must use every valuation method that is relevant. With a Calculation, we only need to use one valuation method. Here, we limited our analysis to the market approach. We considered several valuation multiples (Gross Revenues, Discretionary Earnings, EBITDA) from the IBA database and Pratt’s Stats. We did not review any financial statements. We only used last year’s Company’s data for the above benchmarks.

A calculation engagement is not officially considered an appraisal by the Uniform Standards of Professional Appraisal Practice (USPAP). It is necessary to understand that the conclusions in a calculation engagement must be considered as tentative and subject to change in the event you ever would decide to upgrade to a Limited or Complete Appraisal.

Sources of Data

- Company’s Sales, Discretionary Earnings, Pre-Tax Income, and EBITDA for the prior 12 months, provided by Company’s Management.
- Completed Questionnaire, provided by Company’s Management.

Conclusion

Based on our calculations in this report, which are based solely on the procedures agreed upon as referred to above, the resulting calculated value of 100% of the operating assets and goodwill (asset sale) of ABC Propane as of December 31, 20XX is between **\$1.511 million** and **\$1.946 million**. This calculated value is subject to the Statement of Limited Conditions found below.

Sincerely yours,

N Y Business Valuation Group, Inc.

Daniel T. Jordan, ASA, CBA, CPA, MBA
Certified Business Appraiser

History and Description of the Company

Background

ABC Propane (“ABC” or “the Company”) is a *State S* corporation, incorporated and founded in October 1997. Jack Smith is the sole shareholder of ABC. The Company sells and delivers propane to residential customers to oil field locations, sells and installs gas heaters, and sets and installs new lines to houses. ABC also delivers propane to wholesale customers and transports grain in South Dakota to the elevators. Additionally, ABC transports sand to oil well locations.

Location

ABC Propane is located in located in *City, State*.

Future Prospects for the Business

Mr. Smith expects the profitability in 20XX and 20XX to be similar or slightly larger than 20XX. He does not expect to see any decrease in sales.

Valuation

Valuation Approaches

A valuation approach is “a general way of determining a value indication of a business... using one or more valuation methods.” A valuation method is, “within approaches, a specific way to determine value.”

There are three valuation approaches in business valuation, which we list below. The approaches are:

- (1) The Asset Approach. In this approach, we seek to measure value through the calculation of assets net of liabilities.
- (2) The Income Approach. In this approach, we seek to measure value by converting anticipated economic benefits into a present single amount.
- (3) The Market Approach. In this approach, we seek to measure value by comparing the Company to sales of similar businesses or valuations of publicly traded firms.

This report considers just the Market Approach to derive an indicated value.

Market Approach

The Company is too small for meaningful comparison to publicly traded firms. Thus, we compare the Company to privately traded firms only.

Based on the operating nature of the business, we identified the following Standard Industrial Classification (SIC) Codes² that may be appropriate for the subject Company:

#5171: Petroleum Bulk stations and Terminals

Establishments primarily engaged in the wholesale distribution of crude petroleum and petroleum products, including liquefied petroleum gas, from bulk liquid storage facilities.

#5983 Fuel Oil Dealers

Establishments primarily engaged in the retail sale of fuel oil.

#4213: Trucking, Except Local

Establishments primarily engaged in furnishing "over-the-road" trucking services or trucking services and storage services, including household goods either as common carriers or under special or individual contracts or agreements, for freight generally weighing more than 100 pounds.

² SIC Codes obtained from the U.S. Department of Labor: www.osha.gov

Institute of Business Appraisers (IBA)

We searched for guideline transactions from the Institute of Business Appraisers (IBA) in Standard Industrial Classification (SIC) codes #5983, #5171, #4213. We received 46 transactions with sales between \$11,000 and \$6.2 million.

The main information provided on each sale are:

- (1) Selling price
- (2) Gross sales
- (3) Owner's Discretionary Earnings
- (4) Business Type
- (5) Date of Sale
- (6) Geographic Location.

We eliminated observations with sales below \$300,000 and observations that were not comparable to the subject Company's business, leaving 34 transactions (shown in Exhibit 1).

We calculate the Price to Gross Sales (P/G) and Price to Discretionary Earnings (P/DE) multiples.

Discretionary earnings are defined as EBITDA plus one owners' compensation. In other words, these are earnings from the historical operating income before nonrecurring expenses, non-operating income and expenses, expense items that are considered to be of a personal or discretionary nature, depreciation and amortization (non-cash expenses), income tax, interest expense and total compensation of the principal owner of the business. If there is more than one owner, one needs to adjust the compensation of all other business owners to market value. Discretionary earnings are meant to estimate the expected amount of money available to the owner from the business's operations.

We then compute the mean, median, minimum, maximum, standard deviation, and coefficient of variation of these multiples.

	Price/ Gross	Price/ Earnings
Mean	0.54	5.09
Median	0.49	3.33
Min	0.15	1.08
Max	1.28	24.07
Standard Deviation	0.30	4.88
Coefficient of Variation	0.56	0.96

We use the median P/G and P/DE multiples to determine the FMV. In general, the median is less sensitive to extreme scores than the mean, which makes it a better measure than the mean for highly skewed distributions. We apply our reported sales of \$2.4 million and discretionary earnings of \$557,573 to the above multiples to calculate the Fair Market Value.

	Equity Price Multiples		Weighted Value
	Sales	Discretionary Earnings [1]	
Company Fundamental 20XX	2,362,914	557,573	
Equity Price Multiple Selected	0.49	3.33	
Indicated Value	1,167,088	1,854,483	
Weight	50%	50%	100%
Weighted Value (Asset Sale)	583,544	927,242	1,510,786
Rounded			1,511,000

We give equal weight to the multiples. The fair market value under this method (asset sale assumption) is computed at **\$1.5 million** (rounded).

The observations in the IBA are asset sales, i.e., the sales price generally excludes cash, receivables, payables, and long-term debt, which are part of the fair market value. Here we assume an asset sale, i.e., we assume that only the operating assets and goodwill transfer to a buyer. Therefore no adjustments are necessary. However, in a stock sale transaction, we would need to adjust the value by adding/subtracting those items back to arrive at FMV.

The observations in the IBA are asset sales, i.e., the sales price generally excludes cash, receivables, payables, and long-term debt, which are part of the fair market value. Here we assume an asset sale, i.e., we assume that only the operating assets and goodwill transfer to a buyer. Therefore no adjustments are necessary. However, in a stock sale transaction, we would need to adjust the value by adding/subtracting those items back to arrive at FMV.

Guideline M&A Method-Pratt's Stats

We searched Pratt's Stats for transactions in the same Standard Industrial Classification (SIC) codes as described above and noted 70 transactions with net sales between \$70,000 and \$427.6 million.

The transactions received are asset and stock sales combined. In Exhibit 2, we eliminated the stock sales transactions and based our analysis entirely on the asset sales transactions (37 observations).

We display the following multiples:

- Market Value of Invested Capital to Sales (MVIC/S)
- Market Value of Invested Capital to EBITDA (MVIC/EBITDA)

*Calculation of 100% of Operating Assets & Goodwill of ABC Propane
As of December 31, 20XX*

We show the mean, median, minimum, maximum, standard deviation, and coefficient of variation of these multiples.

	MVIC/S	MVIC/EBITDA
Mean	0.67	9.24
Median	0.48	4.94
Min	0.05	0.82
Max	3.45	42.65
Standard Deviation	0.74	11.32
Coefficient of Variation	1.11	1.23

We use the median multiples to determine the FMV. We apply our reported sales of \$2.4 million and EBITDA of \$557,573 to the above multiples to determine the FMV based on invested-capital multiples.

	Invested-Capital Multiples		Weighted Value
	Sales	EBITDA	
Company Fundamental 20XX	2,362,914	557,573	
Median MVIC Multiple	0.48	4.94	
Indicated Value	1,137,243	2,755,741	
Weight	50%	50%	50%
Weighted Value	568,622	1,377,870	1,946,492
Less Interest-Bearing Debt (if any)			-
FMV-Private Illiquid Control Int (Asset Sale)			1,946,492
Rounded			1,946,000

We give equal weight to the multiples. The fair market value under this method (asset sale assumption) is computed at **\$1.9 million** (rounded). Similar to the above, no adjustments are necessary as we assume an asset sale.

Conclusion

In the table below, we summarize all of the value indications as provided by the IBA Database and Pratt's Stats.

Summary of All Value Indications

Valuation Methods	Exhibits	Indicated Value
Market Approach - IBA	Exhibit 1	\$1,511,000
Market Approach - Pratt's Stats	Exhibit 2	\$1,946,000

The resulting calculated value of 100% of the operating assets and goodwill (asset sale) of ABC Propane as of December 31, 20XX is between **\$1.511 million** and **\$1.946 million**.

Statement of Limiting Conditions

This appraisal is subject to the following assumptions and limiting conditions, in conjunction with the previously presented Certification section:

- (1) We have relied on Management's representation without independent investigation or corroboration as though they fairly and accurately represent the financial condition and activities of the Company. No financial statements or Company's tax returns were provided. We only received the Company's Sales, Discretionary Earnings, Pre-Tax Income, and EBITDA for the prior 12 months, provided by Company's Management. All other information used in this report is from sources we deem reliable. We have accurately reflected such information in this report; however, we make no representation as to our sources' accuracy or completeness and have accepted their information without further verification.
- (2) Neither our engagement nor this report can be relied upon to disclose any fraud, misrepresentation, deviations from Generally Accepted Accounting Principles, or other errors or irregularities.
- (3) The conclusions are based upon our review and analysis of documents and information provided, but did not include a visit to the Company's offices. We assume that the present owners would continue to maintain the character and integrity of the enterprise through any sale, reorganization, or diminution of the owners' participation or equity interest. We know of no significant pending legal action against the Company, and we assume none is or will be occurring. If this did happen, then it would change our opinion of the value of the Company.
- (4) All claims to property have been assumed to be valid and no investigation or consideration of legal title or any existing liens or encumbrances, which may be against the assets, were undertaken except as may be stated in this report.
- (5) We have not considered the existence of potential environmental liabilities, which may or may not be present on the underlying property. This includes real estate either owned or leased by the Company. Therefore, no responsibility can be taken for hidden or unapparent conditions of the property or potential claims against the Company.
- (6) Our opinion of value in this report is valid only for the stated purposes, and only as of the valuation date specified. The fair market value, as determined within our report, shall not be used for other purposes, size interests, or dates without our written permission.

- (7) This report reflects facts and conditions existing at the valuation date. Subsequent events and conditions have not been considered unless specifically noted and discussed in the report. We have no obligation to update our report for any other subsequent events and conditions.
- (8) The estimate of fair market value established by this report may rely on estimated values for some assets of the Business if independent appraisals for these assets are not available. Where such values are used in this appraisal no warranty is made with respect to these values. If these values are incorrect, the resulting estimate of the value of the subject ownership interest may be affected.
- (9) This is a preliminary appraisal and is not a certified appraisal. A preliminary report is not nearly as rigorous as a formal appraisal and is designed to give a guideline or benchmark value rather than a formal determination of value.
- (10) We performed less independent market research than we normally perform in a Complete Appraisal. Instead, we relied primarily on the client's knowledge of the market and his/her forecasts. This is a significant reduction of our normal work, and it is imperative to understand that our forecast of future cash flows may be substantially different if we were to do such market research, and that would correspondingly affect the valuation.
- (11) This report, being preliminary in nature and limited in scope, does not conform to all IRS and USPAP standards.
- (12) An appraisal is not a legal or tax opinion. Its purpose is to estimate value according to the applicable standard of value. The appraiser assumes no responsibility whatsoever for legal or tax matters relative to its finding. Values are stated without reference to applicable legal or tax claims unless so noted.
- (13) Though some similarities exist between value as used for this purpose and others, it would be incorrect to use the fair market value as determined within our report for any other purposes due to specific timing, performance, and marketability issues that arise in evaluating the fair market value of a company. Accordingly, any such use of the value as determined within this report for other purposes would be inaccurate and possibly misleading and no such use shall be made by the Company.
- (14) Our determination of fair market value does not represent investment advice of any kind to any person and does not constitute a recommendation as to the purchase or sale of shares of the Company or as to any other course of action.
- (15) Future services regarding the subject matter of this report, including, but not limited to, testimony or attendance in court shall not be required of New York Business Valuation Group, Inc. unless previous arrangements have been made in writing.

- (16) Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, mail, direct transmittal, or other media without the prior written consent and approval of New York Business Valuation Group, Inc.
- (17) This report may only be distributed in its entirety to those directly involved with the purpose of this study. All other users are to be considered unintended users and should not rely on the information contained in this report without the advice of their attorney or accountant. This report may not be distributed in part, as only a thorough reading of this report can accurately convey the logic contained within. Excerpts taken out of context can be dangerously misleading and are therefore forbidden without the written consent of New York Business Valuation Group, Inc.

SAMPLE

Appraiser's Qualifications

Daniel Jordan, ASA, CBA, CPA, MBA, is the Managing Principal of New York Business Valuation Group, Inc. (NYBVG), specializing in the valuation of closely held businesses and intangible assets. Mr. Jordan provides business valuation services full time since 2000.

In addition to his CPA, Mr. Jordan has achieved multiple professional accreditations. He is an Accredited Senior Appraiser (ASA) and a Certified Business Appraiser (CBA). He earned his MBA Degree in Finance and Accounting from the Heinrich-Heine-University of Düsseldorf, Germany. Additionally, Mr. Jordan has published articles on valuation-related matters, lectured seminars, and provided expert testimony in court.

Mr. Jordan has been working for leading valuation firms. Prior to NYBVG, he worked nine years for Abrams Valuation Group, Inc. under the direct supervision of Jay Abrams, a nationally known authority in valuing closely-held companies who has written extensive material that is used in the profession. Mr. Jordan has assisted in the writing of Abrams' book "How To Value Your Business And Increase Its Potential", published by McGraw-Hill, which is also noted in the book. Mr. Jordan plays an integral role in valuations and litigation support work.

Mr. Jordan has played an integral role in valuations and transaction support work and has provided valuation/financial consulting services to clients representing a variety of organizations, from small entrepreneurs and family limited partnerships to firms with revenues of up to \$246 million, including the following:

- Mergers & Acquisitions and Sales
- Venture Capital Funding
- Private Placements
- Shareholder Buy/Sell Agreements
- Debt Instruments (Notes, Viatical Settlement)
- Intangible Assets (Patents, Economic Damages, Non-compete Agreement)
- Purchase Price Allocation (SFAS 141)
- Litigation Settlement
- Estate, Income & Gift Tax Reporting
- Financial Reporting

Industries that he has worked on include private equity, casinos, insurance, computer software, textile, auto repair, line tester technology, food manufacturer and broker, asset management, electronics manufacturers, furniture manufacturing, embroidery & printing, retail pharmacy,

internet start-up, restaurants, art collection, internet mortgage leads, internet automobile and home improvement leads, manufacture of custom scientific equipment, swim wear, accounting practice, commodities, construction, various distributors of different lines of business, jewelry, etc.

Books/Articles

- Assisted with the writing of *How to Value Your Business and Increase Its Potential*, Jay Abrams, McGraw-Hill, 2005.
- “Superiority of Regression Analysis over Ratio Analysis”, *Business Appraisal Practice*, Fall 2007, p. 27-31.

Lecture Summary

- “Superiority of Regression Analysis over Ratio Analysis”, New York State Society of CPA’s, Business Valuation Committee, New York, NY, October 2007.
- “Understanding Business Appraisals”, New York Legal Assistance Group, Inc., New York, NY, November 2008.
- “A Fresh Look at BV Theory”, New York Association of Business Brokers, Tarrytown, NY, April 2009.
- “Business Valuation: Discounts and Premiums”, American Association of Attorney-Certified Public Accountants, Uncasville, CT, May 2010.

Books/Articles Quoting Daniel Jordan

- Practical Planner, Martin M. Sherkman, CPA, MBA, PFS, JD, Volume 5, Issue 5, May 2010

Business Valuation Education

- *International Appraisal Conference* of The American Society of Appraisers, San Diego, August 2002 (27 CPE Hours)
- *Mastering Appraisal Skills for Valuing the Closely Held Business – Part A*. Instructor: Paul Hyde, The IBA, San Diego, March 2005 (32 CPE Hours)
- *Mastering Appraisal Skills for Valuing the Closely Held Business – Part B*. Instructor: Rand M. Curtiss, The IBA, Cleveland, July 2005 (32 CPE Hours)
- *Report Writing*. Instructor: Steven Schroeder, The IBA, St. Louis, August 2005 (16 CPE Hours)
- *Preparation For the CBA Exam*. The IBA, Phoenix, November, 2005 (16 CPE Hours)
- *Uniform Standards of Professional Appraisal Practice (USPAP)*: Instructor: Andrew Mantowani. Ivy Real Estate Education, New York, February 2006 (15 CPE Hours)
- *International Appraisal Conference* of The American Society of Appraisers, New York, August 2006 (6.5 CPE Hours)
- *Valuation for Financial Accounting (FASB 141/142/144)*. Instructor: William Johnston, ASA. Center for Advanced Valuation Studies (CAVS), New York, August 2006 (7 CPE Hours)

- *Advanced Financial Statement Analysis for Appraisers - Making the Calls*, Instructor: Mike Adhikari, The IBA, Las Vegas, January 2008 (8 CPE Hours)
- *Advanced Case Studies: Practical Applications*, Instructor: Dennis Bingham, The IBA, January 2008 (16 CPE Hours)
- *Valuing Intangibles*, Instructor: Rob Schlegel, The IBA, January 2008 (8 CPE Hours)
- *Forensic Accounting for Business Appraisers*. Instructor: Dr. Laura Tindall, The IBA, Louisville, KY, July 2008 (16 CPE Hours)
- *Business Appraisal for Divorce*, Instructor: Rob Schlegel, The IBA, July 2008 (8 CPE Hours)
- *Marketing Your Practice-Making the Phone Ring*, Instructor: KC Conrad, The IBA, August, 2008 (8 CPE Hours)
- *Advanced Planning Seminar -Estate & Business Planning*, New York, April 20, 2009 (7 CPE Hours)
- *Estate Planners Day 2009*, Estate Planning Council of NYC, New York, May 6, 2009 (7 CPE Hours)
- *14th Annual Multi-State ESOP Conference* of The ESOP Association, Scranton, Pennsylvania, September 2009
- *ESOP Appraisals*, Instructor: Chris Best, The IBA, November 9, 2009 (8 CPE Hours)
- *ESOP Conference* of The ESOP Association, Las Vegas, Nevada, November 2009 (12 CPE Hours)
- *44th Annual Heckerling Institute on Estate Planning*, Orlando, January 25-29, 2010 (33.5 CPE Hours)
- *45th Annual Heckerling Institute on Estate Planning*, Orlando, January 10-14, 2011 (33 CPE Hours)
- *46th Annual Heckerling Institute on Estate Planning*, Orlando, January 9-13, 2012 (33 CPE Hours)

Member - Professional Organizations

- The Institute of Business Appraisers, Inc. (IBA)
- The American Society of Appraisers (ASA)
- National Business Valuation Group, LLC
- Estate Planning Council of Rockland County
- Estate Planning Council of NYC
- Fellow Member of Yeshiva University Planned Giving Committee

Exhibits

Exhibit 1	IBA Data
Exhibit 2	Pratt's Stats
Exhibit 3	Summary of All Value Indications

SAMPLE

Exhibit 1

IBA Data (SIC Codes 5983, 5171, 4213)

Business Type	Annual Gross (\$000)	Disc Earn (\$000)	Sale Price (\$000)	Price/ Gross	Price/ Earnings	Geo-geographic	Yr/Mo of Sale	SIC
Freight Company	341	84	300	0.88	3.57	FL		4213
Transportation Freight Company	454		400	0.88		GA	03/28/08	4213
Freight	475	241	610	1.28	2.53	FL	07/01/05	4213
Transportation Freight Company	489	120	325	0.66	2.71	FL	09/30/02	4213
Auto Transport	500	75	185	0.37	2.47		01/01/05	4213
Freight & household mov'g	560	25	369	0.66	14.76		06/01/85	4213
Transportation Delivery of Trucks	585	219	482	0.82	2.20	FL	04/01/04	4213
Auto Transport	687	106	550	0.80	5.19	WA	03/01/98	4213
Trucking-long haul	740	15	361	0.49	24.07	OR	10/01/98	4213
Transportation Freight Company	800		400	0.50		GA	08/21/08	4213
Transportation	850		160	0.19		FL	05/19/08	4213
Bulk Fuel Sales	1,066	22	160	0.15	7.27		04/01/94	5983
Heating Oil Dist.	1,176	604	650	0.55	1.08	PA	11/02/99	5983
Bulk Petroleum Distributorship	1,600	89	250	0.16	2.81	IN	03/01/06	5171
Trucking - Oil & Gas	1,674	231	1,147	0.69	4.97	AR, OK	09/01/99	4213
Heating Oil & HVAC Distributor	1,861	65	488	0.26	7.51	PA	11/21/06	5983
Transportation Truck (Hauling) Bkr	1,894	192	500	0.26	2.60	FL	10/01/03	4213
Fuel oil, distr.	1,950		950	0.49		DE	06/01/93	5983
Fullfill Co	2,000	500	2,100	1.05	4.20	AZ	01/01/00	5171
Heating Oil & HVAC Distributor	2,276	-102	783	0.34		NY	11/01/06	5983
Transportation Truck (Hauling) Bkr	2,401	267	547	0.23	2.05	FL	03/19/04	4213
Transportation Freight Company	2,412	0	825	0.34		OH	10/04/06	4213
Gas sls/LP and diesel	2,500	200	1,280	0.51	6.40	MN	11/01/95	5171
Trucking Brokerage	2,558	286	600	0.23	2.10	CA	07/01/05	4213
Gas/fuel oil sales	2,900	175	1,280	0.44	7.31	MN	11/01/95	5983
Petroleum jobber	2,900	148	445	0.15	3.01	OH	01/01/91	5983
Heating Oil and HVAC Distributor	3,099	1,145	1,558	0.50	1.36	PA	10/20/04	5983
Transportation Truck (Hauling) Bkr	3,192	1,071	4,000	1.25	3.73	FL	09/01/04	4213
Heating Oil Distributor	3,890	360	1,109	0.29	3.08	PA	11/25/02	5983
Gasoline sales, worldwide	4,500		3,500	0.78			01/01/74	5171
Transportation Truck (Hauling) Broker	4,734		1,600	0.34		GA	11/30/01	4213
Long Haul Trucking	4,764	498	3,490	0.73	7.01	ID	09/01/02	4213
Trucking-Bulk Commodities	5,738	541	3,871	0.67	7.16	OK	04/01/09	4213
Heating Oil Distribution	6,162	2,660	2,955	0.48	1.11	DE	10/15/01	5983
Mean			1,124	0.54	5.09			
Median				0.49	3.33			
Min				0.15	1.08			
Max				1.28	24.07			
Standard Deviation				0.30	4.88			
Coefficient of Variation				0.56	0.96			

	Equity Price Multiples		Weighted Value
	Sales	Discretionary Earnings [1]	
Company Fundamental 20XX	2,362,914	557,573	
Equity Price Multiple Selected	0.49	3.33	
Indicated Value	1,167,088	1,854,483	
Weight	50%	50%	100%
Weighted Value (Asset Sale)	583,544	927,242	1,510,786
Rounded			1,511,000

**Exhibit 2
Pratt's Stats (SIC Codes 5983, 5171, 4213)--Asset Sales**

Business Description	Net Sales	EBITDA	MVIC	MVIC/S	MVIC/EBITDA	SIC	Transaction Type	NAICS
Trucking	\$130,400		\$450,000	3.45		4213	Asset	484121
Transportation of Freight	\$454,351	\$138,961	\$400,000	0.88	2.88	4213	Asset	484121
Heating Oil Distributor and Heating Service	\$563,000	(\$29,000)	\$115,067	0.20		5983	Asset	454311
Interstate Trucking Company	\$597,708		\$130,000	0.22		4213	Asset	484121
Trucking Company	\$626,343	\$113,152	\$325,000	0.52	2.87	4213	Asset	484121
Local Auto Transport Service of Used Cars	\$704,956	\$47,744	\$1,315,000	1.87	27.54	4213	Asset	484121
Freight Company	\$800,000	\$200,000	\$400,000	0.50	2.00	4213	Asset	484121
Transportation	\$850,000		\$80,000	0.09		4213	Asset	484121
Retailer of Home Heating Oil	\$896,342	\$54,232	\$44,231	0.05	0.82	5983	Asset	454311
Hauling Truck Broker	\$907,522	\$360,262	\$750,000	0.83	2.08	4213	Asset	484121
Freight Transportation	\$1,167,103		\$570,000	0.49		4213	Asset	484121
Heating Oil Distributor and HVAC	\$1,175,930	\$21,132	\$650,529	0.55	30.78	5983	Asset	454311
Full-service Residential Heating Oil Dealer	\$1,282,810	(\$15,321)	\$567,000	0.44		5983	Asset	454311
Long Haul Freight	\$1,300,000	\$500,000	\$1,400,000	1.08	2.80	4213	Asset	484121
Heating Oil and HVAC Distributor	\$1,861,000	\$88,000	\$488,000	0.26	5.55	5983	Asset	454311
Trucking Company	\$1,900,000		\$700,000	0.37		4213	Asset	484121
Trucking of Electronic Machinery and Components	\$2,088,000		\$1,200,000	0.57		4213	Asset	484121
Trucking Services	\$2,201,904	\$70,816	\$350,000	0.16	4.94	4213	Asset	484121
Heating Oil & HVAC Distributor	\$2,276,000	(\$56,000)	\$783,000	0.34		5983	Asset	454311
Auto Transporter	\$2,395,918		\$896,000	0.37		4213	Asset	484230
Trucking Brokerage	\$2,557,873	\$285,959	\$600,000	0.23	2.10	4213	Asset	484121
Intermodal Trucking	\$2,763,473	\$103,525	\$261,000	0.09	2.52	4213	Asset	484121
Heating Oil and HVAC Distributor	\$3,099,000	\$274,000	\$1,558,231	0.50	5.69	5983	Asset	454311
Heating Oil Distributor	\$3,615,000	\$171,000	\$1,074,448	0.30	6.28	5983	Asset	454311
Trucking and Transportation	\$3,739,961	\$637,260	\$1,800,000	0.48	2.82	4213	Asset	484121
Heating Oil Distributor	\$3,890,000	\$26,000	\$1,109,000	0.29	42.65	5983	Asset	454311
Trucking of Bulk Commodities	\$5,738,000	\$551,000	\$3,872,000	0.67	7.03	4213	Asset	484121
Automobile Transportation	\$5,942,000	\$544,000	\$7,950,000	1.34	14.61	4213	Asset	484230
Heating Oil Distributor	\$6,161,522	(\$60,975)	\$2,955,017	0.48		5983	Asset	454311
Vehicle Transportation Services	\$6,676,340	\$493,089	\$1,350,000	0.20	2.74	4213	Asset	484230
Bulk Propane Distributor	\$6,689,591	\$231,099	\$6,125,000	0.92	26.50	5171	Asset	424710
Truckload Carrier that Transports a Range of Commodities	\$18,632,632	(\$1,931,127)	\$5,840,000	0.31		4213	Asset	484121
Home Heating Business	\$22,088,442		\$15,226,000	0.69		5983	Asset	454311
Heating Oil, Propane, and HVAC Distributor	\$24,696,000	\$1,058,000	\$7,012,900	0.28	6.63	5983	Asset	454311
Interrelated Freight Services to Include Trucking and Rail	\$40,106,155	\$5,427,941	\$37,250,000	0.93	6.86	4213	Asset	484121
Irregular Route, Common and Contract Motor Carrier	\$66,721,000	\$9,310,893	\$35,300,000	0.53	3.79	4213	Asset	484121
Sour Gas Streams Processing, Wholesale of Petroleum Prod	\$208,461,000		\$656,000,000	3.15		5171	Asset	424710
Mean			21,537,768	0.67	9.24			
Median				0.48	4.94			
Min				0.05	0.82			
Max				3.45	42.65			
Standard Deviation				0.74	11.32			
Coefficient of Variation				1.11	1.23			

	Invested-Capital Multiples		Weighted Value
	Sales	EBITDA	
Company Fundamental 20XX	2,362,914	557,573	
Median MVIC Multiple	0.48	4.94	
Indicated Value	1,137,243	2,755,741	
Weight	50%	50%	50%
Weighted Value	568,622	1,377,870	1,946,492
Less Interest-Bearing Debt (if any)			-
FMV-Private Illiquid Control Int (Asset Sale)			1,946,492
Rounded			1,946,000

Exhibit 3

Summary of All Value Indications

Valuation Methods	Exhibits	Indicated Value
Market Approach - IBA	Exhibit 1	\$1,511,000
Market Approach - Pratt's Stats	Exhibit 2	\$1,946,000