



EMPIRE

VALUATION CONSULTANTS, LLC



Terry Griswold Scott Nammacher Bill Lockwood

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Specialists in Valuation

From our founding in 1988, Empire Valuation Consultants has grown into one of the nation's leading and most respected independent valuation consulting firms.

Our wealth of valuation experience includes nearly every industry and type of financial security as well as many forms of intellectual and intangible assets. This breadth of knowledge provides clients with a well-balanced and considered opinion, and one that is always specifically tailored to their individual situation.

At Empire, valuation is our only business.

Under experienced leadership, the firm brings excellence and integrity to every engagement through teams of highly skilled individuals who are among the finest our industry has to offer.

We are committed to delivering timely results and personalized attention to every engagement.

Empire's commitment to service is matched by our intense focus on delivering results.

Developed and refined over many years, the Empire process has been carefully crafted to deliver independent, thoroughly supported, on-time, and credible valuations to clients.

The success of this process is reflected in the firm's reputation in the marketplace. Time and again, attorneys, accountants, estate and insurance planners, bankers, and others – from the most prestigious firms to the sole practitioner– recommend and turn to Empire for a broad range of valuation needs.



Qualifications



Bill Johnston



Chuck Coyne



Keith Smith

THE EMPIRE DIFFERENCE

People, experience, and a singular commitment

The application of creative problem-solving skills in unique situations sets Empire apart.

Empire has successfully completed over 20,000 valuations involving businesses and intangible assets around the globe. The depth of financial experience, encompassing nearly all industries, sizes and stages of a company's life cycle, allows Empire's professionals to apply both common and uncommon valuation methods to each new assignment.

The Empire team is both broad and deep. Nearly all of our professionals hold MBA degrees, and many are active members of the major professional societies such as the American Society of Appraisers, CFA Institute, AICPA, and Institute of Business Appraisers, among others.

Team members are experts in their field and regularly speak on valuation topics at local, regional and national conferences. They have testified in numerous courts and jurisdictions around the nation including U.S. Tax Court, U.S. Bankruptcy Court, Delaware Court of Chancery, surrogates courts, and state courts.

The firm's knowledge base is continually enhanced by Empire's commitment to continuing education, helping to ensure that every engagement receives the most current valuation thinking and techniques available.



Independence Counts

VALUATIONS, FAIRNESS OPINIONS AND CLIENT OBJECTIVES CAN CONTAIN UNIQUELY SUBJECTIVE ELEMENTS.

Therefore, they require an independent and unbiased view. Empire provides objective, third-party conclusions of value. As a valuations-only firm, we are free from potential conflicts of interest that may occur when auditing, banking or brokerage services are offered by the same firm.

Empire adheres to the ethical and professional valuation standards as set forth by the industry's leading professional organizations, including the Uniform Standards of Professional Appraisal Practices.

DELIVERING OPINIONS

that can withstand scrutiny.

Whether delivering a written report, fairness opinion, board presentation, or consulting assignment results, the valuation "product" must be logical, understandable, and able to consistently support conclusions.

During our due diligence process, Empire's professionals examine each company in-depth, gathering information on its past, present and future prospects, and analyze the potential impact of these factors on the value of the business interest being appraised. The experience and judgement of our people are brought to bear, along with industry and valuation-specific knowledge, to provide clients with the best possible product.

Empire's exacting internal review process delivers valuations that can withstand close scrutiny.

The quality of the written product, coupled with our experience in dealing with the IRS, SEC, and other regulatory bodies, gives Empire and our clients a clear advantage in any business situation. These advantages also benefit clients litigating valuation issues.



Clients appreciate our **attention to deadlines, strong industry and SEC experience**, intellectual horsepower and reasonable fees with no surprises.

Mark Shayne
Managing Director



The vast majority of our assignments come through referrals. We think that says something about the **quality and client experience** Empire provides.

Greg Sullivan
Managing Director

OWNERSHIP INTERESTS TYPICALLY VALUED

- Common Stock
- Preferred & Convertible Stock
- Voting & Non-voting Stock
- Options/Warrants
- Notes & Convertible Debt
- High-Yield Debt
- Carried Interests
- Partnership Interests
- LLC & LLP Interests
- Tenants-in-Common
- Copyrights/Royalty Streams



Business and Financial Valuations

VALUATION IS OUR PRIMARY FOCUS

Business valuations are done for many purposes.

These include providing the basis of a fairness opinion, filing estate or gift tax returns, meeting financial or ERISA reporting requirements, and pricing employee stock options. Valuations are also used in litigation, raising capital, checking or setting valuation “marks,” and executing buy/sell agreements.

Businesses may also own intangible assets. These assets can be diverse and can include technology, patents, software, customer lists, trademarks, in-process research and development (IPR&D), and “brand value.”

At Empire, the valuation of business interests, financial securities and intangible assets is our primary focus. Our efforts are directed exclusively at producing the best and most credible valuation or assurance opinions.

FAIRNESS / SOLVENCY OPINIONS

demand the highest level of integrity.

Fairness or solvency opinions in transactions give decision-makers key valuation information tied to a transaction environment and provide an element of assurance that they used reasonable business judgement in making a decision for the parties they represent. This type of opinion requires expertise, integrity and a truly independent perspective.

Empire has extensive experience in issuing fairness opinions to boards of directors, shareholders, fiduciaries acting on behalf of trust beneficiaries, and Employee Stock Ownership Plan (ESOP) participants.

Our opinions are built on thorough research and detailed analysis and give clients added protection and confidence as they make crucial decisions.

Diverse Experience



Scott Brace



Hugh Woodside



Hugh Lambert

FINANCIAL REPORTING

- Private Equity & Hedge Fund Asset Marks (ASC 820)
- Intangible Asset Allocation (ASC 805)
- Goodwill Impairment Testing (ASC 350-20)
- Intellectual Property Transfers
- Option Strike Price/Cheap Stock (IRC 409a)
- Option Valuation

FAIRNESS AND SOLVENCY OPINIONS & TRANSACTIONS

- Acquisitions/Sales/Merger Ratios
- ESOP Transactions
- Related Party Transactions
- Redemptions & Exchanges

EMPLOYEE OWNERSHIP

- Annual ESOP Valuations
- Profit Sharing & Stock Benefit Plans
- Stock Option (IRC 409a) & Warrant Reporting

TAX & ESTATE

- Estate & Gift Tax Reporting
- Estate Planning
- Charitable Contributions
- Establishing Tax Basis/"Fresh Start" Accounting
- Insurance Funding
- Buy/Sell Agreements

PUBLIC COMPANY STOCK

- Restricted or Unvested Securities
- Thinly-Traded or Non-traded Stock
- Large Blocks

LITIGATION

- Dissenting Shareholder Actions
- Marital Dissolution
- Tax & Other Disputes



Our experience spans the globe; we've worked with clients on five continents including cross border transactions.

Kevin Kane
Managing Director



Integrity and independence aren't just words here. They represent a commitment we all live by every day.

Michelle Kudesh
Manager



Financial Reporting and Option Valuations



David Eidman

Rich Hayes

David Thompson

FINANCIAL & TAX REPORTING

Asset Allocation (ASC 805)

- Patents, Copyrights, etc.
- Tradenames & Trademarks
- Licenses
- Other Royalty Based Assets
- In-process R&D
- Software
- Core Technologies
- Contracts-in-Place
- Customers/Subscribers
- Site Designs
- Workforce-in-Place
- Goodwill
- Many Other Intangibles

Impairment Testing (ASC 350-20)

Option Strike Prices (IRC 409a)

Option Valuations (ASC 718)

Non-compete Agreements

Liabilities (Mark-to-Market)

PURCHASE PRICE ALLOCATION & IMPAIRMENT TESTING

Financial reporting valuation work has become a more complex and rigorously reviewed area, with both auditors and the SEC. Many situations require quick turnarounds, given tight filing deadlines.

Their clients appreciate our ability to respond quickly and accurately in typically time sensitive situations. Our process and experience can help to minimize audit review surprises and SEC challenges that might otherwise cause later financial restatements.

Empire's experience across a broad range of intangible asset classes, industries and international accounting situations gives us the background to handle any type or size of situation, effectively and affordably. Where unusual or unique assets exist, Empire's ability to solve tough valuation situations can be invaluable.

Empire is recommended by partners of the “big four” and other accounting firms to provide purchase price allocation services (ASC 805) and impairment testing (ASC 350-20) to their clients.

OPTION PRICING & RESTRICTED STOCK

Empire assists companies, both emerging growth and more established businesses, in setting “strike” prices for option grants (IRC 409A) and in valuing the options themselves, for tax and financial reporting purposes (ASC 718 and “Cheap Stock” issues). Restricted shares (Rule 144) or large blocks of public stock with restrictions frequently require valuations as well.

Our experience spans a wide range of industries and levels of complexity, affording clients comfort for financial and other reporting purposes.



Ownership Succession and Transition

ESTATES & ESTATE PLANNING

CONFIDENCE AND TRUST ARE VITAL TO SELECTING A VALUATION FIRM FOR ESTATE PLANNING PURPOSES.

Empire is frequently called upon to lend its valuation expertise for estate planning and estate and gift tax reporting purposes, as well as for the creation of buy/sell agreements. Valuation is vital to the planning and execution of ownership transition strategies. Our client base extends from small partnerships, to mid-size corporations, to multi-billion dollar estates, to some of the largest private companies in the country.

Professionals at prestigious estate planning firms (e.g., law, accounting, banking, estate planning, insurance) recommend Empire again and again. This is because of their confidence in Empire's written reports to withstand close scrutiny and our ability to successfully defend our conclusions.

ESOPS

Employee stock ownership plans provide unique tax advantages to business owners interested in selling part or all of their business to a trust for the benefit of employees. Valuation plays an important role in both the initial sale to the ESOP trust and in the required annual stock price updates. Accurate and consistent valuations over time are key to a successful ESOP.

EMPIRE IS A NATIONAL LEADER IN ESOP VALUATIONS.

At Empire, we understand the complex regulatory, tax and financial considerations involved in structuring and valuing equity ownership interests. This understanding is crucial both when establishing an ESOP, and in its annual administration. Empire has also advised many fiduciary trustees in the sale or refinancing of ESOP owned companies.



Empire has a strong **reputation in the ESOP field**, with a large and diverse list of annual update clients.

Cathy Zdyb
Senior Analyst



Sarbanes-Oxley and financial accounting standards (ASC 350-20) are requiring greater independence and **more complex analyses**.

Scott Brace
Managing Director



Our staff is one of the **best educated and trained in the field**. We can deliver creative and credible solutions to complex problems.

Hugh Woodside
Managing Director

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At Empire we research and author our opinions knowing that each one has to withstand **incredibly close scrutiny.**

Joe Eckl
Manager



The process of **delivering an opinion** starts by understanding the needs of the client.

Chris Payne
Manager

LITIGATION AND DISPUTE RESOLUTION

Valuation disagreements occur in many venues, from IRS audits, sale/purchase negotiations, arbitration hearings, to courtroom settings. Empire's case experience runs the gamut from shareholder litigation and corporate dissolution actions, tax, estate, bankruptcy actions, and marital dissolutions.

Our experience and technical knowledge enables us to be highly effective at critically analyzing the opposing side's valuation work and preparing attorneys for cross examining opposing experts.

Empire's professionals have testified in U.S. Tax Court, U.S. Bankruptcy Court and Delaware Court of Chancery, numerous state and local courts, arbitration hearings and before government agencies. They have also acted as court appointed valuation experts, and been retained in over 100 settled cases.

- Dissenting Shareholder
- Tax Disputes
- Corporate/Partnership Dissolutions
- Marital Dissolution
- Bankruptcy
- Contract Disputes

SPEECHES AND PRESENTATIONS

Empire's principals are frequently featured speakers and panel members at a variety of local, state, and national estate planning conferences. Empire professionals have written articles on various valuation topics published in industry and tax magazines and newsletters.

To see many of these presentations, please visit our **website**.

INDUSTRY EXPERIENCE

The principals of Empire Valuation Consultants, LLC. have been involved in thousands of valuations in widely diverse industries. Just some of the many industries are listed below:

Advertising Agencies/Marketing Firms
Aerospace
Air/Auto/Truck/Farm Equip. Dealers
Alternate Asset Managers
Architects/Engineering/Design Firms
Art/Antique Dealers/Interior Designers
Auto Dealerships
Banking/Finance/Mortgage Cos.
Biotech/Life Sciences
Bottlers/Beverage Distributors
Building Supplies/Home Products
Cable Networks
Chemicals - Mfgs./Distributors
Commodities Brokers/Dealers
Communication Systems/Equipment
Computer Services/Programming
Computer Software
Construction Firms/Contractors
Consulting Firms
Diamond Dealers
Distributors - Consumer Goods
Distributors - Durable Goods
Distributors - Production Goods
Door/Window Manufacturing
e-Commerce Businesses
Education - Voc./College/Pvt. Schools
Elevator Design/Repair
Entertainment Companies
Environmental Firms
Executive Search/Personnel Firms
Family Offices
Food Manufacturers/Distributors
Fuel Oil - Distributors/Dealers/Brokers
Furniture Manufacturers
Garment Industry/Apparel/Accessories
Healthcare/Medical Facilities and Services
Hedge Fund/Private Equity
Hospitality - Hotels/Motels
HVAC/Electrical/Lighting
Importers of All Types
Insurance - Agencies/Reinsurance/Other
Internet Technology/Service Companies
Investment Holding/Money Management
Jewelry - Mfg./Wholesale/Retail
Leasing Companies
Lite Science/Biotech
Limited Partnerships of All Types
Manufacturing - Consumer Goods
Manufacturing - Durable Goods
Medical Technology/Development
Nurseries/Farms/Orchards
Pharmaceutical Development/Manufacturing
Photography
Plumbing Supply/Services
Printers/Binderies
Publishers - Books/Periodicals
Publishers - Catalogs/Newspapers/Directories
Radio Stations/Holding Cos.
Real Estate Brokers/Managers/Developers
Real Estate Partnership Interests
Restaurants/Chains/Catering Facilities
Research Firms
Retailers of All Types
Securities Brokers/Firms
Services of All Types
Sports Teams/Clubs/Facilities
Technology Companies of All Types
Telecommunications - Wireline/Wireless
Telecommunications - Suppliers
Television Stations/Holding Cos.
Tradeshaw Management/Exhibit Cos.
Transportation - Taxi/Bus/Truck/Air Cargo
Vineyards
Wines & Liquors
And... many others



REFERENCES

The following is a sample of firms that have referred their clients to Empire:

Accounting Firms

Anchin, Block & Anchin
BDO Seidman
Buchbinder Tunick
Deloitte & Touche
EisnerAmper
Ernst & Young
Grant Thornton
Grassi & Co
Holtz Rubenstein
Cohn Reznick LLP
KPMG International
Marcum
Margolin Winer & Evens
Marks Paneth & Shron
Mengel, Metzger, Barr
Nussbaum Yates Berg Klein & Wolpow
ParenteBeard
PricewaterhouseCoopers
Raich Ende Malter
Rothstein Kass
RSM McGladrey
WeiserMazar

Law Firms

Akin Gump
Alston + Bird
Baker McKenzie
Berkman, Henoch, Peterson & Peddy
Bingham McCutchen
Bleakley Platt & Schmidt
Bond, Schoeneck & King
Boylan, Code, LLP

Bryan Cave
Carter, Ledyard & Milburn
Certilman, Balin, Adler & Hyman
Cleary, Gottlieb, Steen & Hamilton
Cummings & Lockwood
Curtis, Mallet-Prevost, Colt & Mosle
Davidson Dawson & Clark
Davies Ward Phillips & Vineberg
Day Pitney
Debevoise & Plimpton
Dechert
DeGraff, Foy, Holt-Harris & Kunz
Dorsey & Whitney
Drinker Biddle & Reath
Farrell Fritz
Ferguson Cohen
Fox Rothschild
Fried Frank Harris Shriver & Jacobson
Fulbright & Jaworski
Gibson, Dunn & Crutcher
Goodwin Procter & Hoar
Green & Seifter
Greenberg Traurig
Harter, Secrest & Emery
Herrick, Feinstein
Hodgson Russ
Holland & Knight
Harris Beach
Harter, Secrest & Emery
Jaspan Schlesinger Hoffman
Katten, Muchin, Rosenman
Kaye Scholer
Kirkland & Ellis
Loeb & Loeb



MacKenzie Hughes
McCarter English
McDermott, Will & Emery
Meltzer Lippe Goldstein Breitstone
Meyer, Suozi, English + Klein
Milbank, Tweed, Hadley & McCloy
Moore, Ingram, Johnson & Steele
Morgan, Lewis & Bockius
Morrison Cohen
Morrison & Foerster
Moses & Singer
Murtha Collina Roche
Nixon Peabody
Patterson, Belknap, Webb & Tyler
Paul Hastings
Paul, Weiss, Rifkind, Wharton & Garrison
Phillips Lytle
Phillips Nizer
Pillsbury Winthrop
Proskauer Rose
Rivkin Radler
Roberts & Holland
Ropes & Gray
Schulte Roth & Zabel
Sessions Fishman Nathan & Isreal
Seward & Kissel
Shearman & Sterling
Simpson Thatcher & Bartlett
Skadden, Arps, Slate, Meagher & Flom
SNR Denton
Steiker, Fischer, Edwards & Greenapple
Stroock & Stroock & Lavan
Sullivan & Cromwell
White & Case
Willkie Farr & Gallagher
WilmerHale
Winston & Strawn
Woods Oviatt Gilman

Banking / Financial Services

Alaska Trust
Bank of America/U.S. Trust
BNY / Mellon
Benefit Concepts Systems
Bessemer Trust Company
Brown Brothers Harriman
Citibank Private Bank
Credit Suisse Asset Management
Deutsche Bank
Fiduciary Trust Int'l
Goldman Sachs
HSBC Bank USA
JP Morgan Chase
Merrill Lynch
Morgan Stanley Smith Barney
SES Advisors, Inc.
UBS
Wilmington Trust
Wells Fargo Foothill Capital Corporation





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