

Worldwide Financial Valuation Expertise You Can Rely On For Supportable Opinions

Business Valuation Applications

Estate Planning, Estate Taxes, Merger & Acquisition, ESOP's, Buy / Sell Agreements, Sale of Business, Marital Dissolution

Methodology

In determining Fair Market Value, we consider the cost, income, and market approaches as appropriate to the assets involved and the supporting evidence available. This data is utilized in our valuation analysis that includes research of market data for recent sales/offerings of comparable companies and fixed assets, public information regarding financial data for comparable companies, and a correlation of value indications from the three approaches.

Several financial valuation procedures may be used to value businesses, and include but are not restricted to, discounted cash flow analysis, similar market transactions, capitalization of income and earnings multiples, and sum-of-assets. Other approaches may be used as appropriate to this business.

After a fair market value estimate is concluded for a 100% interest, adjustments may be applied for lack of marketability, lack of control, or other considerations as appropriate to determine the value of a minority interest in the business.

Revenue Ruling 59-60 Requirements

IRS regulations (*Revenue Ruling 59-60*) and the courts require certain factors to be considered in the valuation of companies, generally stated as follows:

- ✓ The nature of the business, the risks to which it is subject, and its historical patterns of growth.

- ✓ The general economic outlook, the position of the industry in the existing economy, and the position of the business within its industry.
- ✓ The book value and general financial condition of the business.
- ✓ The earnings history and earnings capacity of the business.



- ✓ The potential dividend-paying capacity of the business.
- ✓ The existence of undervalued tangible assets and intangible assets.
- ✓ The market price of the stocks of companies engaged in the same line, or similar lines, of business, where such stocks are traded on an exchange, or over-the-counter, and are truly comparable.
- ✓ Other special facts and circumstances of each case that can be judged as important to the overall value.

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We also consider these additional factors:

- ✓ Recent acquisition of similar companies (if data readily available).
- ✓ Adjustments to the financial position of the company for factors that would change if it were operated as an independent, publicly held company.

Confidentiality

For many of the reasons business valuations are needed, confidentiality is tantamount to protect the company from untimely disclosure of future plans. Our personnel are highly sensitive to this client concern, and all of our procedures are carefully designed to maintain the desired privacy level without divulging the real purpose of our valuation.

Expert Support

Highly qualified experts have extensive experience with all types and sizes of business, and prepare all analyses and workpapers for the possibility of supporting their opinion in court or other legal proceedings. Expert testimony and familiarity with court procedures is important to assisting all parties in concluding their transaction or settlement.

Third party objectivity is important for clients and opposing parties in having confidence in the rendered opinion. Senior staff executives hold advanced degrees and professional designations such as CPA and CGA.

Valuation of Underlying Assets

Some businesses utilize significant assets in their operations, which may have a major impact on the enterprise value as a whole. Real estate, machinery and equipment, rights-of-way, leasehold interests, fleets of aircraft or trucks, and other assets often require separate valuations.

Our highly qualified asset appraisers supplement the efforts of our business valuation experts to provide a completely integrated result.

Quality Assured Reports

All reports are subjected to stringent quality assurance reviews by highly experienced executives to ensure compliance with our industry-setting standards. The goal of these reports is to present the valuation methodology, data gathered, analysis, and conclusions in a clear but thorough manner whereby the reader should understand the process and agree with the final opinion.

Worldwide Capability



An important aspect of our global capability is the use of local staff who understand the markets, culture, business trends, regulations, laws, and valuation implications of these factors. We provide overall management, supervision, and financial analysis input to international assignments. Reports are generally issued in both local and U.S. currencies and both languages for the convenience of management review and understanding.

Summary

So whether you need a valuation to allocate the purchase price of an acquisition, sell a business or operating division, create an estate plan, determine estate taxes, comply with annual ESOP valuation requirements, or simply need to know the value of a minority or majority interest, contact us now for a confidential consultation and recommendations. We look forward to serving as your professional valuation counsel.

Contact us now via phone or email at our website – www.ParagonValuation.com.