

Business Valuation



Trugman Valuation
ASSOCIATES, INC.

The certified leader in business valuation expertise.™

**SECONDARY GUARANTY BETWEEN TRUST B
CREATED UNDER THE LAST WILL AND TESTAMENT OF
JOHN BLANKMAN AND BIG BANK, N.A.**

VALUATION REPORT

NOVEMBER 18, 2002



December 23, 2002

Anthony Apollo, Esq.
Kaplan Jones LLP
123 Third Avenue
New York, NY 10000

Re: Valuation of Secondary Guaranty

Dear Mr. Apollo:

In accordance with your request and for the purpose of estimating the fair market value of the Secondary Guaranty between Trust B created under the Last Will and Testament of John Blankman and Big Bank, N.A., to be used for creating a transaction, we have made a careful and thorough investigation and analysis of matters pertinent to the estimation of its value.

Based upon the facts presented in the attached report, which must be signed in blue ink by the valuation analyst to be authentic, and other matters considered during our analysis and investigation, it is our opinion that as of November 18, 2002, the fair market value of the subject guaranty was:

SEVEN THOUSAND DOLLARS (\$7,000)

As indicated above, our report, conclusions and assumptions and limiting conditions are attached hereto and must be attached to this cover letter as an integral part of it.

Respectfully submitted,

TRUGMAN VALUATION ASSOCIATES, INC.

Gary R. Trugman
CPA*/ABV, MCBA, ASA, MVS

GRT/kag
Attachment

*Regulated by the State of Florida

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
Description of the Assignment	1
Definition of Fair Market Value	1
BACKGROUND INFORMATION	3
VALUATION CALCULATIONS	7
The Market Approach	7
The Asset Based Approach	8
The Income Approach	8
Discounted Future Benefits Method	9
SCHEDULES	
Schedule 1 - Secondary Guaranty Loan Schedule	
Schedule 2 - Projected Life Insurance Value	
Schedules 3 through 26 - Secondary Guaranty Valuation Assuming Five to 12 Year Loan Terms, as well as Current and Guaranteed Rate Illustrations	
APPENDICES	
Sources of Information Utilized	
Contingent and Limiting Conditions	
Valuation Analyst's Certification	
Professional Qualifications of Valuation Analyst	

INTRODUCTION

DESCRIPTION OF THE ASSIGNMENT

Trugman Valuation Associates, Inc. was retained by Anthony Apollo, Esq. on behalf of Kaplan Jones LLP, to appraise the Secondary Guaranty between Trust B created under the Last Will and Testament of John Blankman and Big Bank, N.A. ("Second Guaranty") as of November 18, 2002.

The purpose of this appraisal is to determine the fair market of the Secondary Guaranty as part of a transaction involving the subject asset.

DEFINITION OF FAIR MARKET VALUE

The most commonly used definition of fair market value is located in Revenue Ruling 59-60. This revenue ruling defines fair market value as

...the price at which the property would change hands between a willing buyer and a willing seller when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both parties having reasonable knowledge of relevant facts. Court decisions frequently state in addition that the hypothetical buyer and seller are assumed to be able, as well as willing, to trade and to be well informed about the property and concerning the market for such property.

This definition of fair market value is the most widely used in valuation practice. Also implied in this definition is that the value is to be stated in cash or cash equivalents and that the property would have been exposed on the open market for a long enough period of time to allow market forces to interact to establish the value.

BACKGROUND INFORMATION

On November 18, 2002, The Blankman Family Trust (“The Trust”) entered into a credit agreement with Big Bank, N.A. (“Big Bank”). Under this agreement, Big Bank made a \$35 million loan (“The Loan”) to The Trust, which was to be used as a premium on a life insurance policy on the life of Jean Blankman. The life insurance policy was offered as collateral on The Loan. In addition, Big Bank required that a primary and secondary guaranty be made on The Loan.

The Loan has an initial term of five years, and bears interest at 50 basis points over LIBOR (London InterBank Offering Rate). Interest is capitalized over the term of The Loan, and all payments will be made at the end of the term. Under the terms of the credit agreement, The Loan is to be paid upon the death of Mrs. Blankman from the proceeds of her life insurance policy. In the event of default on The Loan, Big Bank may redeem the cash surrender value of Mrs. Blankman’s life insurance policy. Big Bank has the option to extend the term of The Loan on a year-by-year basis, beginning after the initial term of The Loan.

Policy Number 653987 (“The Policy”) was issued for Jean Blankman by Omaha Life & Annuity Company of New York (“Omaha Life”) as of November 15, 2002. Mrs. Blankman was 75-years old at the time of the issuance of The Policy. The initial specified amount of The Policy was \$67,200,000 and the initial cash premium paid was \$35,000,000. Expenses for the policy included an initial policy fee of \$150, a premium expense charge not to exceed 5 percent of the premium, an expense charge of \$10 per month, and a charge of \$7 per \$1,000 of the initial specified amount. Surrender charges upon cancellation of The Policy were as follows:

<u>Policy Year</u>	<u>Surrender Charge as of Beginning of Policy Year</u>
1	\$ 2,889,450
2	2,755,728
3	2,624,023
4	2,494,334
5	2,365,989
6	2,238,987
7	2,113,330
8	1,989,688
9	1,868,734
10	1,751,141
11	1,636,235
12	1,219,616
13	848,019
14	520,772
15	237,203
16 and thereafter	0

In addition, Omaha Life has the right to apply an additional cost of insurance, which is based on the difference between the death benefit of The Policy and its cash value. Guaranteed maximum insurance rates per \$1,000 are as follows:

Age	Female Monthly Rate
75	3.19685
76	3.59370
77	4.01942
78	4.47410
79	4.97042
80	5.52957
81	6.17118
82	6.91414
83	7.77075
84	8.72632
85	9.76952
86	10.89151
87	12.08770
88	13.35774
89	14.70820
90	13.15259
91	17.71416
92	19.43814
93	21.40786
94	23.83051
95	27.16158
96	32.32378
97	41.21204
98	57.81394
99	83.33333

The cost of insurance will be deducted from the cash value of The Policy.

The Policy had an initial death benefit of approximately \$100 million, an initial cash value of approximately \$33 million, and an initial cash surrender value of approximately \$30 million. The cash value of The Policy would accrue interest at a rate determined by Omaha Life, which would not be less than 0.32737 percent per month, compounded monthly (4 percent per year).

Ross Blankman, Dean Blankman, Brian Blankman, Steve Blankman and Neil Blankman (collectively “The Blankman Sons”) and Big Bank entered into a Primary Guaranty, Pledge and Security Agreement (“Primary Guaranty”) in November 2002, which jointly and separately guaranteed payment on the loan. Covenants of this agreement require that The Blankman Sons maintain liquid assets of at least \$12 million and total net worth of at least \$33 million. Based on information provided to the valuation analyst, as of October 25, 2002, The Blankman Sons held liquid assets totaling \$75 million and had a collective net worth of \$109 million.

Trust B created under the Last Will and Testament of John Blankman dated July 10, 1997 and Big Bank entered into a Secondary Guaranty, Pledge and Security Agreement (“Secondary Guaranty”) as of November 18, 2002. The Secondary Guaranty made by Trust B also guarantees payment on The Loan in the event of default on the Primary Guaranty. Big Bank cannot pursue payment from the second guarantor until 10 months after default, or demand has been made against the primary guarantors and litigation has commenced regarding collection. Under the covenants of the Secondary Guaranty, Trust B is required to maintain a net worth of \$30 million. Trust B currently holds approximately \$50 million in municipal and other high grade bonds. Trust B distributes interest income from its investments to Mrs. Blankman. No withdrawals of principal are allowed from Trust B under the terms of the trust document.

In summary, The Trust borrowed \$35 million from Big Bank, which it used to purchase a life insurance policy on Mrs. Blankman’s life from Omaha Life. The Policy is the only asset held by The Trust, and it has been used as collateral for The Loan. The Loan is collateralized, and as such, no payment is required until the end of The Loan term, or Mrs. Blankman’s passing. The Blankman Sons entered into a Primary Guaranty, and as such, are legally bound to make payments on The Loan above that which is covered by The Policy. Trust B entered into a Secondary Guaranty on The Loan, which promises payment on all amounts above those covered by The Policy and The Blankman Sons.

VALUATION CALCULATIONS

We have considered several methods in the process of valuing the Secondary Guaranty. Valuation analysts typically group valuation methodologies into three broad categories known as the market, asset and income approaches. The market approach involves analyzing transactions of assets similar to the one being valued to determine pricing multiples that can be used to estimate value. The asset based approach, also known as the cost approach, focuses on the cost of the underlying assets of an appraisal subject. Using this approach, a valuation analyst estimates the cost of duplicating or replacing the individual elements that constitute an asset. The income approach, sometimes referred to as an investment value approach, considers the future benefit stream to the holder of an asset. Under this approach, value is equal to the present value of future expected benefit streams. The narrative that follows discusses the methodology employed within each approach.

THE MARKET APPROACH

We considered markets of various financial assets in an attempt to use a market approach. We considered letters of credit and sureties as potential similar assets to the Second Guaranty. Both of these types of assets reflect a guaranty by a third party in the event that a default occurs by a borrower. In effect, letters of credit and sureties insure the debt or obligation of another party. In this case, the Secondary Guaranty insures the debt or obligation of the Primary Guaranty. The Primary Guaranty more closely resembles these types of assets. The Secondary Guaranty is a guaranty by a fourth party to The Loan, and as such, there is much less of a chance that any payment will be required on behalf of the Secondary Guaranty. The risk of payment on a third-party guaranty is much higher than

on a fourth-party guaranty. Due to the differences in the risk profile of these assets, and the fact that there is no available information regarding an active market for secondary guaranties, we have not used a market approach to indicate value.

THE ASSET BASED APPROACH

Under the asset based approach we considered the cost to create the Secondary Guaranty. This financial asset is not made up of tangible assets, but it consists of contractual obligations and restrictions. The secondary guarantor is required to maintain a net worth of \$30 million. Trust B has a net worth of approximately \$50 million, and no withdrawals are allowed from its net worth. Little or no restrictions have been placed on it by the Secondary Guaranty that are over and above those inherent in Trust B. Mrs. Blankman can continue to receive interest distributions, and she can change the portfolio weighting of Trust B to maximize its returns. Trust B has the ability to continue operating as it had prior to the creation of the Secondary Guaranty. As such, we do not believe that Trust B incurs significant opportunity cost or cost to create, due to the creation of the Secondary Guaranty. The only foreseeable cost to Trust B would be in the event of default on The Loan, and the default of The Blankman Sons. These future expected cash flows will be addressed as part of the income approach.

THE INCOME APPROACH

The application of the income approach will be accomplished using the discounted future benefits method.

DISCOUNTED FUTURE BENEFITS METHOD

The discounted future benefits method is the most theoretically correct method of appraisal. It is premised on the concept that value is based on the present value of all future benefits that flow to an owner of a property. These future benefits can consist of current income distributions, appreciation in the property, or a combination of both. The formula for the discounted future benefits method is as follows:

$$\sum_{n=1}^{n=t} \frac{B_n}{(1+i)^n} + \frac{TV_t}{(1+i)^t}$$

Where

B	=	Forecasted benefit stream.
n	=	Year in which the benefit stream is achieved.
i	=	Required rate of return.
TV	=	Terminal value, which is the estimated value of the benefit stream after the forecast period.
t	=	Year of stabilization.

The formula appears much more complicated than it is. In essence, this valuation method requires a forecast to be made of expected future benefits, going out far enough into the future until an assumed stabilization occurs for the property being appraised.

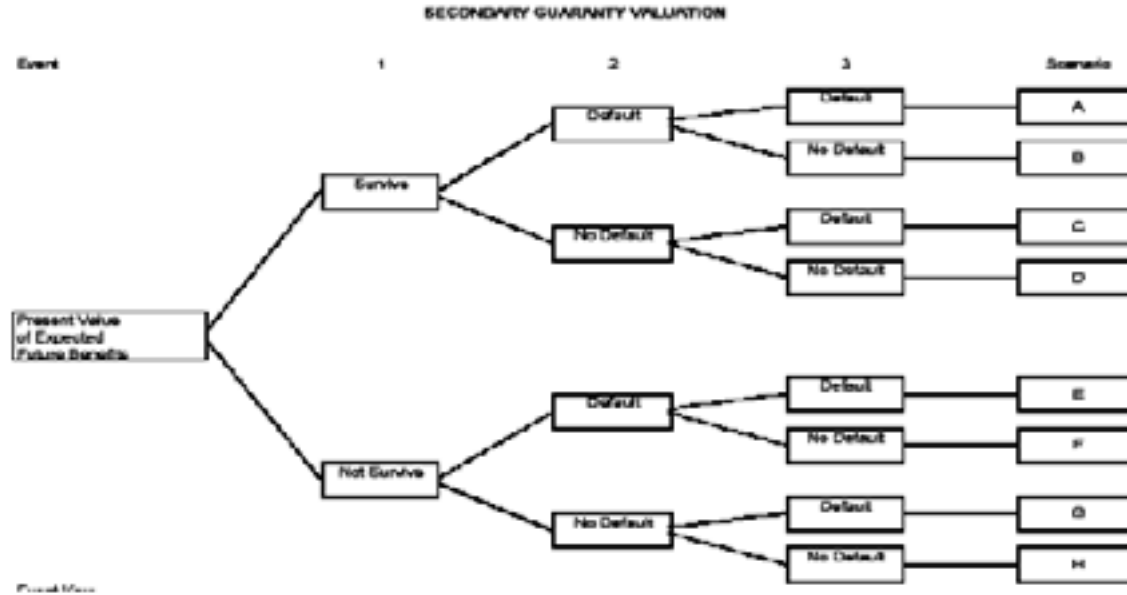
The future benefits that are expected by the holder of the Secondary Guaranty are contingent on the occurrence, or non-occurrence of several events, including the following:

1. Mrs. Blankman's survival: If Mrs. Blankman does not survive the term of The Loan, then the proceeds from the death benefit of her life insurance policy will be used to pay off The Loan. If she survives the term of The Loan, then Big Bank will have the

right to the cash surrender value of The Policy, and The Blankman Sons will be responsible for the remainder of The Loan not covered by the cash surrender value.

2. Omaha Life defaults: In the event that Omaha Life defaults on The Policy, then The Blankman Sons are responsible for repaying The Loan.
3. The Blankman Sons default: In the event that The Blankman Sons default on payments to Big Bank, then Trust B is responsible for making those payments.

The Secondary Guaranty will be called based on the occurrence of combinations of these three events. For this reason, a probability-based model will be used in the valuation. The probability model is an extension of the discounted future benefits model, and accounts for the probability that future benefits may, or may not occur. The following diagram illustrates the probability-based model.



Event Key:

1. Mrs. Blankman will or will not survive the term of the loan.
2. Omaha Life will or will not default on the policy.
3. The Blankman Sons will or will not default on the Primary Guarantee.

The expected value of the Secondary Guaranty is equal to the future benefits the holder of that guaranty will probably receive. Letters A through H in the probability diagram represent the present value of future cash flows to the holder of the Secondary Guaranty. There are only three scenarios in which the future cash flows from the Secondary Guaranty are positive, which are as follows:

- A. Mrs. Blankman survives the term of The Loan, Omaha Life defaults on The Policy and The Blankman Sons default on the Primary Guaranty.
- B. In this scenario, the Secondary Guaranty is responsible for the entire payment of The Loan.
- C. Mrs. Blankman survives the term of The Loan, Omaha Life does not default on The Policy, but The Blankman Sons default on the Primary Guaranty.
- D. In this scenario, the Secondary Guaranty is responsible to pay the difference between The Loan and the cash surrender value of The Policy.
- E. Mrs. Blankman does not survive the term of The Loan, but Omaha Life defaults on The Policy and The Blankman Sons default on the Primary Guaranty.
- F. In this scenario, the Secondary Guaranty is responsible for the entire payment on The Loan.

The probability that each of these scenarios will occur is dependent on the probability of each of the events in the scenario. We performed research to determine the probabilities of events 1, 2 and 3, and have used this research to determine the probability of each scenario.

With regard to Event 1, we analyzed the *United States Life Tables, 1999* published by The Department of Health and Human Services on March 21, 2002. These tables reflect the probable life of U.S. citizens given various demographics. Table 6 of that publication listed probable life data for white females in the United States. Based on this information, a 75-year old white woman in the United States has a probable life of 12.1 years. We calculated the annual probability that a 75-year old white woman will survive the next one to 12 years, which resulted in the following:

**TABLE 1
SURVIVAL PROBABILITIES**

Age	Year	Survivors 1	Survival Rate (%)
75	1	72,091	96.954
76	2	69,895	93.716
77	3	67,561	90.278
78	4	65,082	86.618
79	5	62,444	82.718
80	6	59,362	78.572
81	7	56,643	74.185
82	8	53,481	69.552
83	9	50,141	64.678
84	10	46,627	59.587
85	11	42,957	54.380
86	12	39,203	49.120

Survival rates were calculated based on the number of women surviving from year one. The survival rate in year one was calculated by dividing the number of survivors at the beginning of year two by the number of survivors at the beginning of year one ($69,895 \div 72,091 = 0.96954$ or 96.954%). Subsequent rates were calculated by dividing the number

¹ Number of white women living in the United States surviving from birth, per 100,000 live births. This number reflects those living at the beginning of the year.

of survivors in a given year by the number of survivors at the beginning of year 1. The survival rate reflects the percentage of people surviving from year one forward in time, and will be used to reflect probability rates for Event 1.

Events 2 and 3 reflect the occurrence of default of Omaha Life and The Blankman Sons. We analyzed historic default rates as a proxy for the default rates of Omaha Life and The Blankman Sons. Omaha Life is rated AA- by Standard & Poor's. Based on our financial analysis, The Blankman Sons would receive an AAA debt rating based on Standard & Poor's rating criteria, due to their high debt to equity ratio. Standard & Poor's published expected default rates for these two rating classes were as follows:

**TABLE 2
DEFAULT RATES
STATIC POOLS CUMULATIVE
DEFAULT RATE (%)**

Year	Rating	
	AAA	AA-
1	0.00	0.03
2	0.00	0.08
3	0.03	0.21
4	0.07	0.35
5	0.10	0.51
6	0.16	0.69
7	0.26	0.89
8	0.41	1.06
9	0.46	1.19
10	0.52	1.35
11	0.52	1.53
12	0.52	1.85

Source: Brook Brady and Roger J. Bos, *Special Report: Ratings Performance 2001, Record Defaults in 2001 The Result of Poor Credit Quality and a Weak Economy*. (Standard & Poor's, February 2002), p.6.

This data reflects the expected default rate of creditors based on their initial credit rating. For example, 0.16 percent of AAA rated creditors are expected to default within six years. These rates are based on Standard & Poor’s historic data, and were used as proxies to indicate the probabilities of events 2 and 3.

We calculated the probability of scenarios A, C and E based on our research. The event probabilities are mutually exclusive, which means that there is only one possible outcome for each event. This being so, the probabilities are multiplicative. The probability of scenario A is equal to the probability of Mrs. Blankman surviving multiplied by the default rate of Omaha Life, which is then multiplied by the default rate for The Blankman Sons. Assuming a five year term for The Loan, the probability of scenario A was calculated as follows:

**TABLE 3
PROBABILITY STATISTIC**

Event			Table
1	Probability of a 75 Year-Old White Woman Surviving 5 Years	0.8272	1
2	AA- 5 Year Default Rate	x 0.0051	2
3	AAA 5 Year Default Rate	x 0.0010	2
	Probability of Scenario A	0.000004	
	Multiplied by 100 Percent	x 100%	
	Percentage Probability of Scenario A	<u>0.0004%</u>	

Based on our calculations, there is a 0.0004 percent probability that Scenario A will occur. We performed similar calculations for scenarios C and E, which resulted in probabilities of

0.0825 percent and 0.0001 percent, respectively. These calculations indicate that there is very little chance that these scenarios will occur.

The next step in our analysis was to estimate future benefits to the holder of the Secondary Guaranty. The future benefits are dependent on two components, which are The Loan amount and the cash surrender value of The Policy. We created financial models to estimate the value of each.

Schedule 1 reflects a forecast of The Loan. We used a monthly compounding model to estimate the interest capitalization and principal growth. We used LIBOR as of the valuation date as a basis for the first year's interest rate, and added 50 basis points per the terms of The Loan. Since long-term LIBOR forecasts are not available, we used three-month U.S. Treasury rates as a basis for our interest rate forecasts. Historic LIBOR rates are highly correlated with three-month Treasuries. These rates are regularly forecast by professional economists, around the world, and are compiled in the publication *Consensus Forecasts - USA*. Schedule 1 reflects these forecasts and our estimates of future LIBOR rates, which were based on the linear relationship between LIBOR and three-month U.S. Treasuries over the past 20 years.

Schedule 1 reflects our estimates of values for The Loan over the next 12 years. Based on our analysis, The Loan amount will be approximately \$43.3 million after five years. We have discounted this value by current five-year Treasury rates² to calculate the present value of The Loan. We estimated a present value for The Loan of \$36.3 million.

Schedule 2 reflects our estimates of the cash surrender value of The Policy. Calculations were performed as described in The Policy. We made several assumptions in calculating

² Treasury rates as of November 18, 2002 were as follows: 5-year note - 3.04%; 7-year note - 3.61%; 10-year note - 4.02%; and 20-year note - 4.98%. These rates were published by The Federal Reserve Board (<http://www.federalreserve.gov/releases>).

the future cash surrender value. We used a maximum premium expense charge of five percent, and we estimated costs of insurance at 50 percent of maximum levels. In estimating future interest rates paid by Omaha Life on the cash value of The Policy, we compared historic universal life rates to various historic U.S. Treasury rates. We found a high correlation between 10-year U.S. Treasury rates and historic universal life rates. *Consensus Forecasts - USA* publishes forecasts of 10-Year Treasury bonds. We used these forecasts and the linear relationship between these two rates to estimate future universal life rates of 6.6 percent. We used beginning-of-year surrender charges to reflect charges at the end of the prior year. Based on our assumptions, we estimated the cash surrender value of The Policy at \$33.5 million at the end of five years. We discounted this future value to a present value using five-year U.S. Treasury Rates and a discount period of five years and 10 months. The 10 month period reflects the period of time from the time The Blankman Sons default until Big Bank can request payment on the Secondary Guaranty. The present value of the cash surrender value was calculated to be \$28.1 million.

The present value of future benefits to the holder of the Secondary Guaranty for scenarios A and E were equal to the present value of The Loan, or \$36.3 million. The present value of future benefits for scenario C was equal to the difference between the present value of The Loan and The Policy's cash surrender value, or \$8.2 million. Applying the previously calculated probabilities to the present value of the future benefits in each scenario results in the value of the Secondary Guaranty. These calculations were as follows:

<u>Scenario</u>	<u>Probability</u>		<u>PV</u> <u>(Future Benefit)</u>	<u>PV</u> <u>(Expected</u> <u>Future Benefit)</u>
A	0.0004%	x	\$ 36.3M	\$ 145
C	0.0825%	x	8.2M	6,765
E	0.0001%	x	36.3M	36
Total				<u>\$ 6,946</u>
Rounded				<u>\$ 7,000</u>

Note: Figures have been rounded.

Based on our calculations, we estimated the value for the Secondary Guaranty of \$7,000.

At the request of our client, we have prepared a sensitivity analysis using our valuation model. Specifically, we were asked to estimate the value of the Secondary Guaranty assuming that the term of The Loan was extended to years six through 12. The purpose of this analysis is to illustrate the value of the Secondary Guaranty if Big Bank extends The Loan term through Mrs. Blankman's life expectancy.

In addition, we were asked to use cash surrender values calculated as part of an illustration provided to Mrs. Blankman when she applied for her policy. The illustrations reflected calculations similar to those in Schedule 2, with a few exceptions. In the current rate illustration, Omaha Life used an interest rate of 5.85 percent, and assumed no cost of insurance. In the guaranteed illustration, Omaha Life used its minimum guaranteed interest rate, 4 percent, and the maximum cost of insurance. This illustration was meant to reflect the policy value given a worst-case scenario. The cash surrender value from the illustrations were as follows:

**CASH SURRENDER VALUE
FROM ILLUSTRATION**

Year	Current Basis Surrender Value	Guaranteed Surrender Value
5	\$ 35,659,339	\$ 21,707,095
6	36,956,567	18,306,118
7	38,157,779	14,224,388
8	39,295,355	9,348,555
9	40,343,347	3,550,190
10	41,285,403	-
11	42,976,613	-
12	44,503,051	-

We discounted The Loan from Schedule 1, the probable cash surrender value from Schedule 2, and the cash surrender values from the current and guaranteed illustrations to present values, as follows:

PRESENT VALUE CALCULATION

Year	Loan Amount	TVA Model	Current Illustration Surrender Value	Guaranteed Illustration Surrender Value
5	\$ 36,327,813	\$ 28,101,828	\$ 29,943,725	\$ 18,227,800
6	36,589,421	26,911,725	29,544,571	14,634,649
7	36,676,323	25,448,901	28,902,582	10,774,252
8	37,005,539	23,991,257	28,386,572	6,753,303
9	37,272,942	22,305,923	27,746,476	2,441,673
10	37,410,024	20,355,943	26,937,916	-
11	37,618,003	18,446,417	26,652,910	-
12	37,801,480	16,292,128	26,215,162	-

These calculations were performed using discount periods equal to the term of The Loan plus 10 months, and current U.S. Treasury rates for bonds with maturities similar to the discount period. We used these percent value estimates of the discounted future benefits

of the Secondary Guaranty and the probabilities reflected in Table 1 and 2 to perform our calculations, which are illustrated in Schedules 3 through 26. The resulting values are as follows:

SENSITIVITY ANALYSIS

<u>Term of Loan</u>	<u>TVA Model</u>	<u>Current Illustration</u>	<u>Guaranteed Illustration</u>
5	\$ 7,000	\$ 6,000	\$ 15,000
6	13,000	9,000	28,000
7	22,000	15,000	50,000
8	38,000	25,000	86,000
9	46,000	29,000	105,000
10	54,000	33,000	115,000
11	55,000	32,000	106,000
12	56,000	31,000	96,000

The Secondary Guaranty value increases with the term of The Loan in all three cases. The Trugman Valuation Associates' ("TVA") model is based on current interest rate forecasts, while the current illustration is based on current rates. The TVA model values are different than the current illustration values due to two assumptions. The first is that interest rates are expected to increase in the future, and, as such we forecast a higher cash surrender value. This tends to decrease the value of the Secondary Guaranty. Secondly, we forecast a higher cost of insurance than the current illustration. This tends to decrease the cash surrender value and increase the value of the Secondary Guaranty. The model is more sensitive to interest rates than cost of insurance, and as such, the TVA model reflects lower values than the current illustration.

TVA model values are much lower than those calculated based on the guaranteed illustration. This illustration assumes the maximum cost of insurance and minimum interest on the cash balance of The Policy. This is clearly a worst-case scenario. The assumptions underlying the guaranteed illustration are inconsistent with future expectations, and, as such, we do not believe that the indicated values reflect realistic interest rates.

The TVA model indications of value are higher than the current illustration values, but lower than the guaranteed illustration values. The TVA model values are more similar to the

current illustration values due to the fact that future expectations for interest rates are closer than the minimum guaranteed under The Policy. We concluded a \$7,000 value for the Secondary Guaranty assuming a term for The Loan of five years. This is the initial term of The Loan, which cannot be extended without the permission of Big Bank. If the term were to be extended by Big Bank, then the Secondary Guaranty would have more value. We believe that the five year term reflects the value of the Second Guaranty based on all known information, as any other scenario is contingent on a future decision of Big Bank.

LOAN SCHEDULE

<u>Month</u>	<u>3-Mo. T-Bill</u>	<u>E(LIBOR)</u>	<u>Loan Premium</u>	<u>Interest Rate</u>	<u>Principal</u>
0					\$ 35,000,000
1		1.42%	0.50%	1.92%	35,056,000
2		1.42%	0.50%	1.92%	35,112,090
3		1.42%	0.50%	1.92%	35,168,269
4		1.42%	0.50%	1.92%	35,224,538
5		1.42%	0.50%	1.92%	35,280,897
6		1.42%	0.50%	1.92%	35,337,347
7		1.42%	0.50%	1.92%	35,393,887
8		1.42%	0.50%	1.92%	35,450,517
9		1.42%	0.50%	1.92%	35,507,238
10		1.42%	0.50%	1.92%	35,564,049
11		1.42%	0.50%	1.92%	35,620,952
12		1.42%	0.50%	1.92%	35,677,945
13	2.50%	3.08%	0.50%	3.58%	35,784,236
14	2.50%	3.08%	0.50%	3.58%	35,890,843
15	2.50%	3.08%	0.50%	3.58%	35,997,768
16	2.50%	3.08%	0.50%	3.58%	36,105,011
17	2.50%	3.08%	0.50%	3.58%	36,212,574
18	2.50%	3.08%	0.50%	3.58%	36,320,457
19	2.50%	3.08%	0.50%	3.58%	36,428,662
20	2.50%	3.08%	0.50%	3.58%	36,537,189
21	2.50%	3.08%	0.50%	3.58%	36,646,039
22	2.50%	3.08%	0.50%	3.58%	36,755,214
23	2.50%	3.08%	0.50%	3.58%	36,864,714
24	2.50%	3.08%	0.50%	3.58%	36,974,540
25	3.60%	4.27%	0.50%	4.77%	37,121,637
26	3.60%	4.27%	0.50%	4.77%	37,269,319
27	3.60%	4.27%	0.50%	4.77%	37,417,589
28	3.60%	4.27%	0.50%	4.77%	37,566,449
29	3.60%	4.27%	0.50%	4.77%	37,715,901
30	3.60%	4.27%	0.50%	4.77%	37,865,947
31	3.60%	4.27%	0.50%	4.77%	38,016,590
32	3.60%	4.27%	0.50%	4.77%	38,167,833
33	3.60%	4.27%	0.50%	4.77%	38,319,677
34	3.60%	4.27%	0.50%	4.77%	38,472,126
35	3.60%	4.27%	0.50%	4.77%	38,625,181
36	3.60%	4.27%	0.50%	4.77%	38,778,845
37	4.10%	4.82%	0.50%	5.32%	38,950,732
38	4.10%	4.82%	0.50%	5.32%	39,123,381
39	4.10%	4.82%	0.50%	5.32%	39,296,795
40	4.10%	4.82%	0.50%	5.32%	39,470,979
41	4.10%	4.82%	0.50%	5.32%	39,645,934
42	4.10%	4.82%	0.50%	5.32%	39,821,664

LOAN SCHEDULE

<u>Month</u>	<u>3-Mo. T-Bill</u>	<u>E(LIBOR)</u>	<u>Loan Premium</u>	<u>Interest Rate</u>	<u>Principal</u>
43	4.10%	4.82%	0.50%	5.32%	39,998,174
44	4.10%	4.82%	0.50%	5.32%	40,175,466
45	4.10%	4.82%	0.50%	5.32%	40,353,543
46	4.10%	4.82%	0.50%	5.32%	40,532,410
47	4.10%	4.82%	0.50%	5.32%	40,712,070
48	4.10%	4.82%	0.50%	5.32%	40,892,527
49	4.40%	5.15%	0.50%	5.65%	41,084,926
50	4.40%	5.15%	0.50%	5.65%	41,278,231
51	4.40%	5.15%	0.50%	5.65%	41,472,445
52	4.40%	5.15%	0.50%	5.65%	41,667,572
53	4.40%	5.15%	0.50%	5.65%	41,863,618
54	4.40%	5.15%	0.50%	5.65%	42,060,587
55	4.40%	5.15%	0.50%	5.65%	42,258,482
56	4.40%	5.15%	0.50%	5.65%	42,457,308
57	4.40%	5.15%	0.50%	5.65%	42,657,070
58	4.40%	5.15%	0.50%	5.65%	42,857,771
59	4.40%	5.15%	0.50%	5.65%	43,059,417
60	4.40%	5.15%	0.50%	5.65%	43,262,011
61	4.40%	5.15%	0.50%	5.65%	43,465,559
62	4.40%	5.15%	0.50%	5.65%	43,670,065
63	4.40%	5.15%	0.50%	5.65%	43,875,532
64	4.40%	5.15%	0.50%	5.65%	44,081,967
65	4.40%	5.15%	0.50%	5.65%	44,289,372
66	4.40%	5.15%	0.50%	5.65%	44,497,754
67	4.40%	5.15%	0.50%	5.65%	44,707,116
68	4.40%	5.15%	0.50%	5.65%	44,917,463
69	4.40%	5.15%	0.50%	5.65%	45,128,799
70	4.40%	5.15%	0.50%	5.65%	45,341,130
71	4.40%	5.15%	0.50%	5.65%	45,554,460
72	4.40%	5.15%	0.50%	5.65%	45,768,794
73	4.40%	5.15%	0.50%	5.65%	45,984,136
74	4.40%	5.15%	0.50%	5.65%	46,200,492
75	4.40%	5.15%	0.50%	5.65%	46,417,865
76	4.40%	5.15%	0.50%	5.65%	46,636,261
77	4.40%	5.15%	0.50%	5.65%	46,855,685
78	4.40%	5.15%	0.50%	5.65%	47,076,141
79	4.40%	5.15%	0.50%	5.65%	47,297,634
80	4.40%	5.15%	0.50%	5.65%	47,520,169
81	4.40%	5.15%	0.50%	5.65%	47,743,752
82	4.40%	5.15%	0.50%	5.65%	47,968,386
83	4.40%	5.15%	0.50%	5.65%	48,194,077
84	4.40%	5.15%	0.50%	5.65%	48,420,830
85	4.40%	5.15%	0.50%	5.65%	48,648,650

LOAN SCHEDULE

<u>Month</u>	<u>3-Mo. T-Bill</u>	<u>E(LIBOR)</u>	<u>Loan Premium</u>	<u>Interest Rate</u>	<u>Principal</u>
86	4.40%	5.15%	0.50%	5.65%	48,877,542
87	4.40%	5.15%	0.50%	5.65%	49,107,511
88	4.40%	5.15%	0.50%	5.65%	49,338,562
89	4.40%	5.15%	0.50%	5.65%	49,570,700
90	4.40%	5.15%	0.50%	5.65%	49,803,930
91	4.40%	5.15%	0.50%	5.65%	50,038,258
92	4.40%	5.15%	0.50%	5.65%	50,273,688
93	4.40%	5.15%	0.50%	5.65%	50,510,225
94	4.40%	5.15%	0.50%	5.65%	50,747,876
95	4.40%	5.15%	0.50%	5.65%	50,986,645
96	4.40%	5.15%	0.50%	5.65%	51,226,537
97	4.40%	5.15%	0.50%	5.65%	51,467,558
98	4.40%	5.15%	0.50%	5.65%	51,709,713
99	4.40%	5.15%	0.50%	5.65%	51,953,007
100	4.40%	5.15%	0.50%	5.65%	52,197,446
101	4.40%	5.15%	0.50%	5.65%	52,443,035
102	4.40%	5.15%	0.50%	5.65%	52,689,779
103	4.40%	5.15%	0.50%	5.65%	52,937,685
104	4.40%	5.15%	0.50%	5.65%	53,186,756
105	4.40%	5.15%	0.50%	5.65%	53,437,000
106	4.40%	5.15%	0.50%	5.65%	53,688,421
107	4.40%	5.15%	0.50%	5.65%	53,941,025
108	4.40%	5.15%	0.50%	5.65%	54,194,818
109	4.40%	5.15%	0.50%	5.65%	54,449,804
110	4.40%	5.15%	0.50%	5.65%	54,705,991
111	4.40%	5.15%	0.50%	5.65%	54,963,382
112	4.40%	5.15%	0.50%	5.65%	55,221,985
113	4.40%	5.15%	0.50%	5.65%	55,481,804
114	4.40%	5.15%	0.50%	5.65%	55,742,846
115	4.40%	5.15%	0.50%	5.65%	56,005,116
116	4.40%	5.15%	0.50%	5.65%	56,268,621
117	4.40%	5.15%	0.50%	5.65%	56,533,364
118	4.40%	5.15%	0.50%	5.65%	56,799,354
119	4.40%	5.15%	0.50%	5.65%	57,066,595
120	4.40%	5.15%	0.50%	5.65%	57,335,093
121	4.40%	5.15%	0.50%	5.65%	57,604,855
122	4.40%	5.15%	0.50%	5.65%	57,875,886
123	4.40%	5.15%	0.50%	5.65%	58,148,192
124	4.40%	5.15%	0.50%	5.65%	58,421,779
125	4.40%	5.15%	0.50%	5.65%	58,696,653
126	4.40%	5.15%	0.50%	5.65%	58,972,821
127	4.40%	5.15%	0.50%	5.65%	59,250,288
128	4.40%	5.15%	0.50%	5.65%	59,529,061

LOAN SCHEDULE

<u>Month</u>	<u>3-Mo. T-Bill</u>	<u>E(LIBOR)</u>	<u>Loan Premium</u>	<u>Interest Rate</u>	<u>Principal</u>
129	4.40%	5.15%	0.50%	5.65%	59,809,145
130	4.40%	5.15%	0.50%	5.65%	60,090,547
131	4.40%	5.15%	0.50%	5.65%	60,373,273
132	4.40%	5.15%	0.50%	5.65%	60,657,329
133	4.40%	5.15%	0.50%	5.65%	60,942,722
134	4.40%	5.15%	0.50%	5.65%	61,229,458
135	4.40%	5.15%	0.50%	5.65%	61,517,542
136	4.40%	5.15%	0.50%	5.65%	61,806,982
137	4.40%	5.15%	0.50%	5.65%	62,097,784
138	4.40%	5.15%	0.50%	5.65%	62,389,954
139	4.40%	5.15%	0.50%	5.65%	62,683,499
140	4.40%	5.15%	0.50%	5.65%	62,978,425
141	4.40%	5.15%	0.50%	5.65%	63,274,738
142	4.40%	5.15%	0.50%	5.65%	63,572,446
143	4.40%	5.15%	0.50%	5.65%	63,871,554
144	4.40%	5.15%	0.50%	5.65%	64,172,070

PROJECTED LIFE INSURANCE VALUES

Year	Month	Age	Initial Specified Amount	Premium	Premium Expense Charge (5%)	Initial Policy Fee	Insurance Expense Charge (\$7 per \$1,000 of Initial Specified Amount)	Monthly Charge (\$10)	Guaranteed Maximum Cost of Insurance Rate per \$1,000	Cost of Insurance Rate per \$1,000	Basis for Cost of Insurance	Cost of Insurance	Interest Income	Cash Value	Surrender Charge	Cash Surrender Value	Death Benefit
1	1	75	\$ 67,200,000	\$ 35,000,000	\$ 1,750,000	\$ 150	\$ 470,400	\$ 10	3.19685	1.59843	\$ 66,873,765	\$ 106,893	\$ 175,053	\$ 32,847,600	\$ -	\$ -	\$100,047,600
1	2	75	67,200,000	-	-	-	-	10	3.19685	1.59843	66,873,543	106,892	175,417	32,916,114	-	-	100,116,114
1	3	75	67,200,000	-	-	-	-	10	3.19685	1.59843	66,873,319	106,892	175,783	32,984,995	-	-	100,184,995
1	4	75	67,200,000	-	-	-	-	10	3.19685	1.59843	66,873,095	106,892	176,150	33,054,244	-	-	100,254,244
1	5	75	67,200,000	-	-	-	-	10	3.19685	1.59843	66,872,869	106,891	176,520	33,123,863	-	-	100,323,863
1	6	75	67,200,000	-	-	-	-	10	3.19685	1.59843	66,872,641	106,891	176,892	33,193,854	-	-	100,393,854
1	7	75	67,200,000	-	-	-	-	10	3.19685	1.59843	66,872,413	106,891	177,266	33,264,219	-	-	100,464,219
1	8	75	67,200,000	-	-	-	-	10	3.19685	1.59843	66,872,183	106,890	177,642	33,334,960	-	-	100,534,960
1	9	75	67,200,000	-	-	-	-	10	3.19685	1.59843	66,871,953	106,890	178,019	33,406,080	-	-	100,606,080
1	10	75	67,200,000	-	-	-	-	10	3.19685	1.59843	66,871,721	106,889	178,399	33,477,580	-	-	100,677,580
1	11	75	67,200,000	-	-	-	-	10	3.19685	1.59843	66,871,487	106,889	178,781	33,549,462	-	-	100,749,462
1	12	75	67,200,000	-	-	-	-	10	3.19685	1.59843	66,871,253	106,889	179,165	33,621,728	2,755,728	30,866,000	100,821,728
2	13	76	67,200,000	-	-	-	-	10	3.59370	1.79685	66,871,017	120,157	179,551	33,681,111	-	-	100,881,111
2	14	76	67,200,000	-	-	-	-	10	3.59370	1.79685	66,870,823	120,157	179,868	33,740,812	-	-	100,940,812
2	15	76	67,200,000	-	-	-	-	10	3.59370	1.79685	66,870,628	120,156	180,187	33,800,833	-	-	101,000,833
2	16	76	67,200,000	-	-	-	-	10	3.59370	1.79685	66,870,432	120,156	180,507	33,861,174	-	-	101,061,174
2	17	76	67,200,000	-	-	-	-	10	3.59370	1.79685	66,870,236	120,156	180,829	33,921,837	-	-	101,121,837
2	18	76	67,200,000	-	-	-	-	10	3.59370	1.79685	66,870,038	120,155	181,153	33,982,825	-	-	101,182,825
2	19	76	67,200,000	-	-	-	-	10	3.59370	1.79685	66,869,839	120,155	181,479	34,044,139	-	-	101,244,139
2	20	76	67,200,000	-	-	-	-	10	3.59370	1.79685	66,869,639	120,155	181,807	34,105,781	-	-	101,305,781
2	21	76	67,200,000	-	-	-	-	10	3.59370	1.79685	66,869,437	120,154	182,136	34,167,753	-	-	101,367,753
2	22	76	67,200,000	-	-	-	-	10	3.59370	1.79685	66,869,235	120,154	182,467	34,230,056	-	-	101,430,056
2	23	76	67,200,000	-	-	-	-	10	3.59370	1.79685	66,869,032	120,154	182,799	34,292,691	-	-	101,492,691
2	24	76	67,200,000	-	-	-	-	10	3.59370	1.79685	66,868,828	120,153	183,134	34,355,662	2,624,023	31,731,639	101,555,662
3	25	77	67,200,000	-	-	-	-	10	4.01942	2.00971	66,868,622	134,387	183,470	34,404,736	-	-	101,604,736
3	26	77	67,200,000	-	-	-	-	10	4.01942	2.00971	66,868,462	134,386	183,732	34,454,072	-	-	101,654,072
3	27	77	67,200,000	-	-	-	-	10	4.01942	2.00971	66,868,301	134,386	183,996	34,503,672	-	-	101,703,672
3	28	77	67,200,000	-	-	-	-	10	4.01942	2.00971	66,868,139	134,386	184,261	34,553,537	-	-	101,753,537
3	29	77	67,200,000	-	-	-	-	10	4.01942	2.00971	66,867,976	134,385	184,527	34,603,668	-	-	101,803,668
3	30	77	67,200,000	-	-	-	-	10	4.01942	2.00971	66,867,813	134,385	184,795	34,654,068	-	-	101,854,068
3	31	77	67,200,000	-	-	-	-	10	4.01942	2.00971	66,867,648	134,385	185,064	34,704,737	-	-	101,904,737
3	32	77	67,200,000	-	-	-	-	10	4.01942	2.00971	66,867,483	134,384	185,334	34,755,677	-	-	101,955,677
3	33	77	67,200,000	-	-	-	-	10	4.01942	2.00971	66,867,317	134,384	185,606	34,806,890	-	-	102,006,890
3	34	77	67,200,000	-	-	-	-	10	4.01942	2.00971	66,867,150	134,384	185,880	34,858,376	-	-	102,058,376
3	35	77	67,200,000	-	-	-	-	10	4.01942	2.00971	66,866,982	134,383	186,155	34,910,138	-	-	102,110,138
3	36	77	67,200,000	-	-	-	-	10	4.01942	2.00971	66,866,813	134,383	186,431	34,962,176	2,494,334	32,467,842	102,162,176
4	37	78	67,200,000	-	-	-	-	10	4.47410	2.23705	66,866,643	149,584	186,709	34,999,291	-	-	102,199,291
4	38	78	67,200,000	-	-	-	-	10	4.47410	2.23705	66,866,522	149,584	186,907	35,036,605	-	-	102,236,605
4	39	78	67,200,000	-	-	-	-	10	4.47410	2.23705	66,866,400	149,583	187,107	35,074,118	-	-	102,274,118
4	40	78	67,200,000	-	-	-	-	10	4.47410	2.23705	66,866,278	149,583	187,307	35,111,832	-	-	102,311,832
4	41	78	67,200,000	-	-	-	-	10	4.47410	2.23705	66,866,155	149,583	187,508	35,149,747	-	-	102,349,747
4	42	78	67,200,000	-	-	-	-	10	4.47410	2.23705	66,866,031	149,583	187,711	35,187,866	-	-	102,387,866
4	43	78	67,200,000	-	-	-	-	10	4.47410	2.23705	66,865,907	149,582	187,914	35,226,188	-	-	102,426,188
4	44	78	67,200,000	-	-	-	-	10	4.47410	2.23705	66,865,782	149,582	188,119	35,264,715	-	-	102,464,715

PROJECTED LIFE INSURANCE VALUES

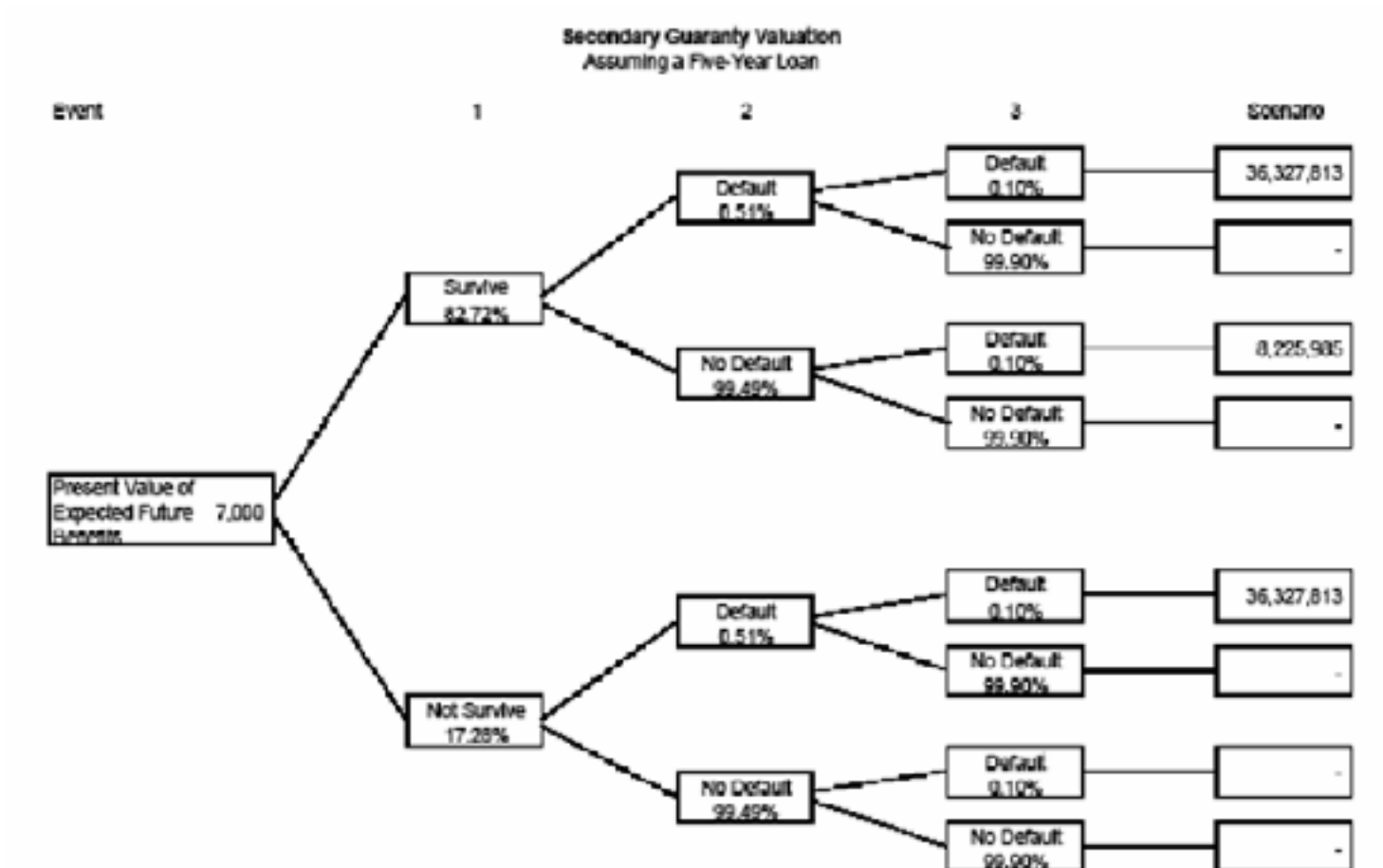
Year	Month	Age	Initial Specified Amount	Premium	Premium Expense Charge (5%)	Initial Policy Fee	Insurance Expense Charge (\$7 per \$1,000 of Initial Specified Amount)	Monthly Charge (\$10)	Guaranteed Maximum Cost of Insurance Rate per \$1,000	Cost of Insurance Rate per \$1,000	Basis for Cost of Insurance	Cost of Insurance	Interest Income	Cash Value	Surrender Charge	Cash Surrender Value	Death Benefit
4	45	78	67,200,000	-	-	-	-	10	4.47410	2.23705	66,865,656	149,582	188,325	35,303,448	-	-	102,503,448
4	46	78	67,200,000	-	-	-	-	10	4.47410	2.23705	66,865,529	149,582	188,532	35,342,388	-	-	102,542,388
4	47	78	67,200,000	-	-	-	-	10	4.47410	2.23705	66,865,402	149,581	188,740	35,381,536	-	-	102,581,536
4	48	78	67,200,000	-	-	-	-	10	4.47410	2.23705	66,865,275	149,581	188,949	35,420,894	2,365,989	33,054,905	102,620,894
5	49	79	67,200,000	-	-	-	-	10	4.97042	2.48521	66,865,146	166,174	189,159	35,443,869	-	-	102,643,869
5	50	79	67,200,000	-	-	-	-	10	4.97042	2.48521	66,865,071	166,174	189,282	35,466,967	-	-	102,666,967
5	51	79	67,200,000	-	-	-	-	10	4.97042	2.48521	66,864,996	166,174	189,405	35,490,188	-	-	102,690,188
5	52	79	67,200,000	-	-	-	-	10	4.97042	2.48521	66,864,920	166,173	189,529	35,513,534	-	-	102,713,534
5	53	79	67,200,000	-	-	-	-	10	4.97042	2.48521	66,864,844	166,173	189,654	35,537,004	-	-	102,737,004
5	54	79	67,200,000	-	-	-	-	10	4.97042	2.48521	66,864,767	166,173	189,779	35,560,600	-	-	102,760,600
5	55	79	67,200,000	-	-	-	-	10	4.97042	2.48521	66,864,690	166,173	189,905	35,584,322	-	-	102,784,322
5	56	79	67,200,000	-	-	-	-	10	4.97042	2.48521	66,864,613	166,173	190,032	35,608,171	-	-	102,808,171
5	57	79	67,200,000	-	-	-	-	10	4.97042	2.48521	66,864,535	166,172	190,159	35,632,148	-	-	102,832,148
5	58	79	67,200,000	-	-	-	-	10	4.97042	2.48521	66,864,457	166,172	190,287	35,656,253	-	-	102,856,253
5	59	79	67,200,000	-	-	-	-	10	4.97042	2.48521	66,864,378	166,172	190,416	35,680,487	-	-	102,880,487
5	60	79	67,200,000	-	-	-	-	10	4.97042	2.48521	66,864,299	166,172	190,545	35,704,850	2,238,987	33,465,863	102,904,850
6	61	80	67,200,000	-	-	-	-	10	5.52957	2.76479	66,864,220	184,865	190,675	35,710,650	-	-	102,910,650
6	62	80	67,200,000	-	-	-	-	10	5.52957	2.76479	66,864,201	184,865	190,706	35,716,481	-	-	102,916,481
6	63	80	67,200,000	-	-	-	-	10	5.52957	2.76479	66,864,182	184,865	190,737	35,722,344	-	-	102,922,344
6	64	80	67,200,000	-	-	-	-	10	5.52957	2.76479	66,864,163	184,865	190,769	35,728,237	-	-	102,928,237
6	65	80	67,200,000	-	-	-	-	10	5.52957	2.76479	66,864,143	184,865	190,800	35,734,163	-	-	102,934,163
6	66	80	67,200,000	-	-	-	-	10	5.52957	2.76479	66,864,124	184,865	190,832	35,740,119	-	-	102,940,119
6	67	80	67,200,000	-	-	-	-	10	5.52957	2.76479	66,864,105	184,865	190,864	35,746,108	-	-	102,946,108
6	68	80	67,200,000	-	-	-	-	10	5.52957	2.76479	66,864,085	184,865	190,896	35,752,129	-	-	102,952,129
6	69	80	67,200,000	-	-	-	-	10	5.52957	2.76479	66,864,065	184,865	190,928	35,758,182	-	-	102,958,182
6	70	80	67,200,000	-	-	-	-	10	5.52957	2.76479	66,864,046	184,865	190,960	35,764,267	-	-	102,964,267
6	71	80	67,200,000	-	-	-	-	10	5.52957	2.76479	66,864,026	184,865	190,993	35,770,385	-	-	102,970,385
6	72	80	67,200,000	-	-	-	-	10	5.52957	2.76479	66,864,006	184,865	191,025	35,776,536	2,113,330	33,663,206	102,976,536
7	73	81	67,200,000	-	-	-	-	10	6.17118	3.08559	66,863,986	206,315	191,058	35,761,269	-	-	102,961,269
7	74	81	67,200,000	-	-	-	-	10	6.17118	3.08559	66,864,036	206,315	190,977	35,745,921	-	-	102,945,921
7	75	81	67,200,000	-	-	-	-	10	6.17118	3.08559	66,864,086	206,315	190,895	35,730,490	-	-	102,930,490
7	76	81	67,200,000	-	-	-	-	10	6.17118	3.08559	66,864,136	206,315	190,812	35,714,977	-	-	102,914,977
7	77	81	67,200,000	-	-	-	-	10	6.17118	3.08559	66,864,187	206,315	190,729	35,699,381	-	-	102,899,381
7	78	81	67,200,000	-	-	-	-	10	6.17118	3.08559	66,864,237	206,316	190,646	35,683,702	-	-	102,883,702
7	79	81	67,200,000	-	-	-	-	10	6.17118	3.08559	66,864,289	206,316	190,562	35,667,938	-	-	102,867,938
7	80	81	67,200,000	-	-	-	-	10	6.17118	3.08559	66,864,340	206,316	190,478	35,652,091	-	-	102,852,091
7	81	81	67,200,000	-	-	-	-	10	6.17118	3.08559	66,864,392	206,316	190,394	35,636,158	-	-	102,836,158
7	82	81	67,200,000	-	-	-	-	10	6.17118	3.08559	66,864,444	206,316	190,308	35,620,140	-	-	102,820,140
7	83	81	67,200,000	-	-	-	-	10	6.17118	3.08559	66,864,496	206,316	190,223	35,604,037	-	-	102,804,037
7	84	81	67,200,000	-	-	-	-	10	6.17118	3.08559	66,864,549	206,317	190,137	35,587,847	1,989,688	33,598,159	102,787,847
8	85	82	67,200,000	-	-	-	-	10	6.91414	3.45707	66,864,601	231,156	190,050	35,546,732	-	-	102,746,732
8	86	82	67,200,000	-	-	-	-	10	6.91414	3.45707	66,864,736	231,156	189,831	35,505,397	-	-	102,705,397
8	87	82	67,200,000	-	-	-	-	10	6.91414	3.45707	66,864,870	231,157	189,610	35,463,840	-	-	102,663,840
8	88	82	67,200,000	-	-	-	-	10	6.91414	3.45707	66,865,006	231,157	189,388	35,422,062	-	-	102,622,062

PROJECTED LIFE INSURANCE VALUES

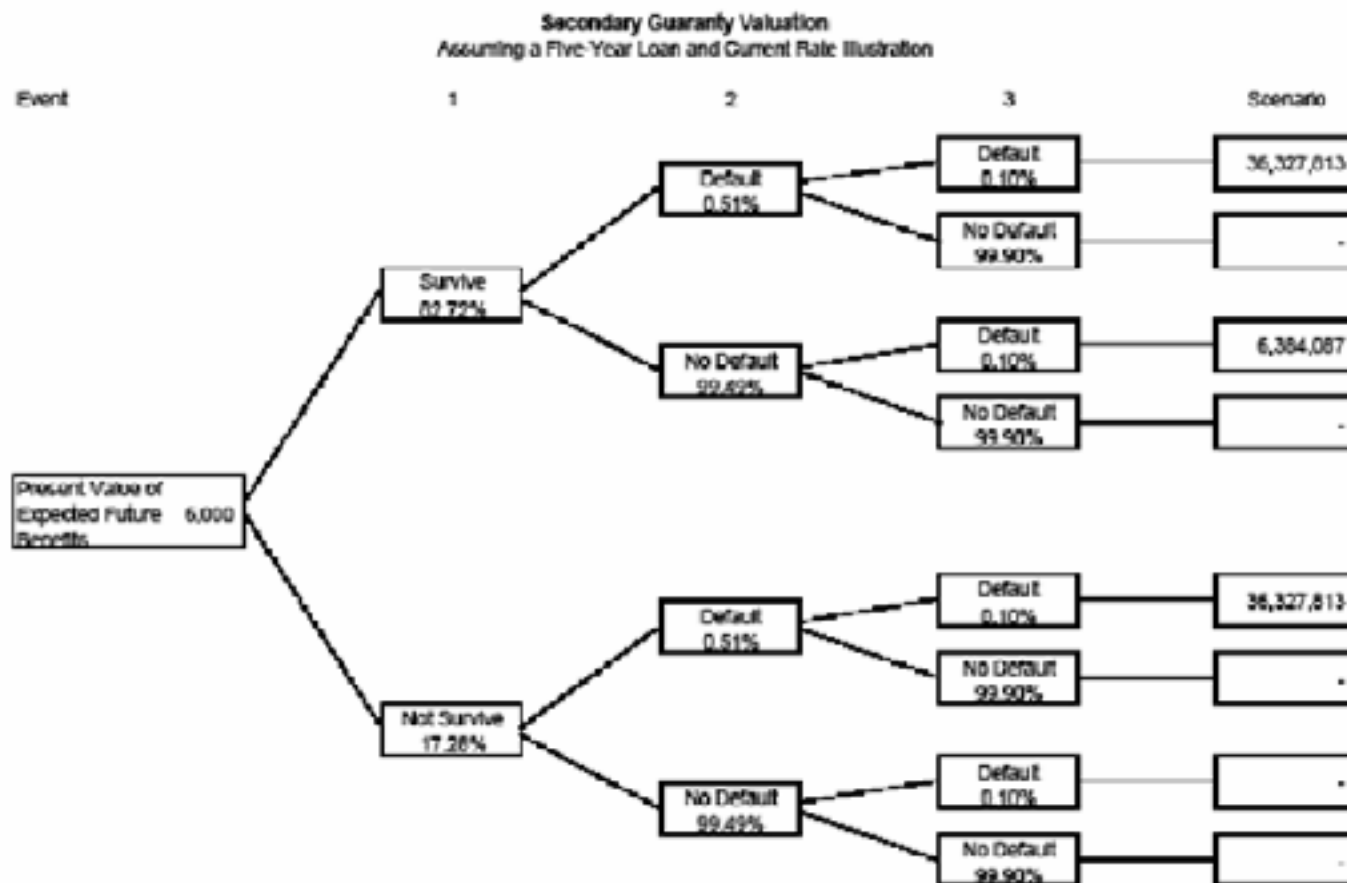
Year	Month	Age	Initial Specified Amount	Premium	Premium Expense Charge (5%)	Initial Policy Fee	Insurance Expense Charge (\$7 per \$1,000 of Initial Specified Amount)	Monthly Charge (\$10)	Guaranteed Maximum Cost of Insurance Rate per \$1,000	Cost of Insurance Rate per \$1,000	Basis for Cost of Insurance	Cost of Insurance	Interest Income	Cash Value	Surrender Charge	Cash Surrender Value	Death Benefit
8	89	82	67,200,000	-	-	-	-	10	6.91414	3.45707	66,865,142	231,157	189,165	35,380,059	-	-	102,580,059
8	90	82	67,200,000	-	-	-	-	10	6.91414	3.45707	66,865,279	231,158	188,941	35,337,832	-	-	102,537,832
8	91	82	67,200,000	-	-	-	-	10	6.91414	3.45707	66,865,417	231,158	188,715	35,295,379	-	-	102,495,379
8	92	82	67,200,000	-	-	-	-	10	6.91414	3.45707	66,865,556	231,159	188,489	35,252,699	-	-	102,452,699
8	93	82	67,200,000	-	-	-	-	10	6.91414	3.45707	66,865,695	231,159	188,261	35,209,790	-	-	102,409,790
8	94	82	67,200,000	-	-	-	-	10	6.91414	3.45707	66,865,835	231,160	188,032	35,166,652	-	-	102,366,652
8	95	82	67,200,000	-	-	-	-	10	6.91414	3.45707	66,865,976	231,160	187,801	35,123,282	-	-	102,323,282
8	96	82	67,200,000	-	-	-	-	10	6.91414	3.45707	66,866,117	231,161	187,570	35,079,681	1,868,734	33,210,947	102,279,681
9	97	83	67,200,000	-	-	-	-	10	7.77075	3.88538	66,866,260	259,800	187,337	35,007,207	-	-	102,207,207
9	98	83	67,200,000	-	-	-	-	10	7.77075	3.88538	66,866,496	259,801	186,950	34,934,346	-	-	102,134,346
9	99	83	67,200,000	-	-	-	-	10	7.77075	3.88538	66,866,734	259,802	186,561	34,861,094	-	-	102,061,094
9	100	83	67,200,000	-	-	-	-	10	7.77075	3.88538	66,866,973	259,803	186,169	34,787,450	-	-	101,987,450
9	101	83	67,200,000	-	-	-	-	10	7.77075	3.88538	66,867,213	259,804	185,776	34,713,412	-	-	101,913,412
9	102	83	67,200,000	-	-	-	-	10	7.77075	3.88538	66,867,455	259,805	185,381	34,638,977	-	-	101,838,977
9	103	83	67,200,000	-	-	-	-	10	7.77075	3.88538	66,867,698	259,806	184,983	34,564,145	-	-	101,764,145
9	104	83	67,200,000	-	-	-	-	10	7.77075	3.88538	66,867,942	259,807	184,584	34,488,911	-	-	101,688,911
9	105	83	67,200,000	-	-	-	-	10	7.77075	3.88538	66,868,187	259,808	184,182	34,413,275	-	-	101,613,275
9	106	83	67,200,000	-	-	-	-	10	7.77075	3.88538	66,868,434	259,809	183,778	34,337,234	-	-	101,537,234
9	107	83	67,200,000	-	-	-	-	10	7.77075	3.88538	66,868,682	259,810	183,372	34,260,786	-	-	101,460,786
9	108	83	67,200,000	-	-	-	-	10	7.77075	3.88538	66,868,932	259,811	182,964	34,183,928	1,751,141	32,432,787	101,383,928
10	109	84	67,200,000	-	-	-	-	10	8.72632	4.36316	66,869,182	291,761	182,553	34,074,711	-	-	101,274,711
10	110	84	67,200,000	-	-	-	-	10	8.72632	4.36316	66,869,539	291,762	181,970	33,964,908	-	-	101,164,908
10	111	84	67,200,000	-	-	-	-	10	8.72632	4.36316	66,869,897	291,764	181,383	33,854,517	-	-	101,054,517
10	112	84	67,200,000	-	-	-	-	10	8.72632	4.36316	66,870,257	291,766	180,794	33,743,536	-	-	100,943,536
10	113	84	67,200,000	-	-	-	-	10	8.72632	4.36316	66,870,619	291,767	180,201	33,631,960	-	-	100,831,960
10	114	84	67,200,000	-	-	-	-	10	8.72632	4.36316	66,870,984	291,769	179,605	33,519,786	-	-	100,719,786
10	115	84	67,200,000	-	-	-	-	10	8.72632	4.36316	66,871,350	291,770	179,006	33,407,012	-	-	100,607,012
10	116	84	67,200,000	-	-	-	-	10	8.72632	4.36316	66,871,718	291,772	178,404	33,293,634	-	-	100,493,634
10	117	84	67,200,000	-	-	-	-	10	8.72632	4.36316	66,872,087	291,774	177,799	33,179,649	-	-	100,379,649
10	118	84	67,200,000	-	-	-	-	10	8.72632	4.36316	66,872,459	291,775	177,190	33,065,054	-	-	100,265,054
10	119	84	67,200,000	-	-	-	-	10	8.72632	4.36316	66,872,833	291,777	176,578	32,949,845	-	-	100,149,845
10	120	84	67,200,000	-	-	-	-	10	8.72632	4.36316	66,873,209	291,779	175,963	32,834,019	1,636,235	31,197,784	100,034,019
11	121	85	67,200,000	-	-	-	-	10	9.76952	4.88476	66,873,587	326,661	175,344	32,682,692	-	-	99,882,692
11	122	85	67,200,000	-	-	-	-	10	9.76952	4.88476	66,874,081	326,664	174,536	32,530,554	-	-	99,730,554
11	123	85	67,200,000	-	-	-	-	10	9.76952	4.88476	66,874,577	326,666	173,724	32,377,602	-	-	99,577,602
11	124	85	67,200,000	-	-	-	-	10	9.76952	4.88476	66,875,077	326,669	172,907	32,223,830	-	-	99,423,830
11	125	85	67,200,000	-	-	-	-	10	9.76952	4.88476	66,875,578	326,671	172,086	32,069,234	-	-	99,269,234
11	126	85	67,200,000	-	-	-	-	10	9.76952	4.88476	66,876,083	326,674	171,260	31,913,810	-	-	99,113,810
11	127	85	67,200,000	-	-	-	-	10	9.76952	4.88476	66,876,590	326,676	170,430	31,757,554	-	-	98,957,554
11	128	85	67,200,000	-	-	-	-	10	9.76952	4.88476	66,877,100	326,679	169,595	31,600,461	-	-	98,800,461
11	129	85	67,200,000	-	-	-	-	10	9.76952	4.88476	66,877,612	326,681	168,757	31,442,527	-	-	98,642,527
11	130	85	67,200,000	-	-	-	-	10	9.76952	4.88476	66,878,128	326,684	167,913	31,283,746	-	-	98,483,746
11	131	85	67,200,000	-	-	-	-	10	9.76952	4.88476	66,878,646	326,686	167,065	31,124,115	-	-	98,324,115
11	132	85	67,200,000	-	-	-	-	10	9.76952	4.88476	66,879,167	326,689	166,213	30,963,629	1,219,616	29,744,013	98,163,629

PROJECTED LIFE INSURANCE VALUES

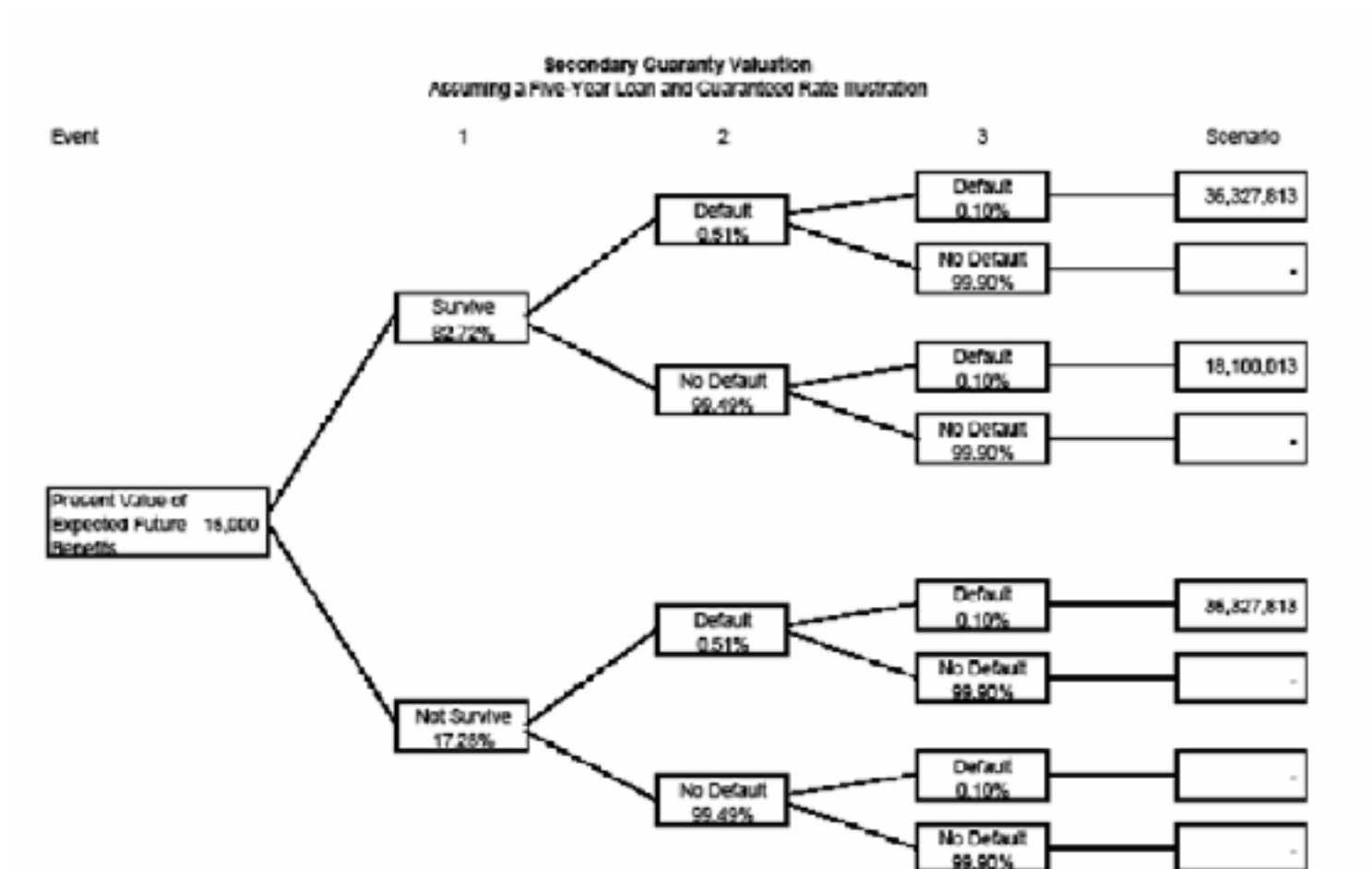
Year	Month	Age	Initial Specified Amount	Premium	Premium Expense Charge (5%)	Initial Policy Fee	Insurance Expense Charge (\$7 per \$1,000 of Initial Specified Amount)	Monthly Charge (\$10)	Guaranteed Maximum Cost of Insurance Rate per \$1,000	Cost of Insurance Rate per \$1,000	Basis for Cost of Insurance	Cost of Insurance	Interest Income	Cash Value	Surrender Charge	Cash Surrender Value	Death Benefit
12	133	86	67,200,000	-	-	-	-	10	10.89151	5.44576	66,879,690	364,210	165,356	30,764,764	-	-	97,964,764
12	134	86	67,200,000	-	-	-	-	10	10.89151	5.44576	66,880,339	364,214	164,294	30,564,834	-	-	97,764,834
12	135	86	67,200,000	-	-	-	-	10	10.89151	5.44576	66,880,992	364,217	163,226	30,363,833	-	-	97,563,833
12	136	86	67,200,000	-	-	-	-	10	10.89151	5.44576	66,881,647	364,221	162,153	30,161,754	-	-	97,361,754
12	137	86	67,200,000	-	-	-	-	10	10.89151	5.44576	66,882,307	364,225	161,073	29,958,593	-	-	97,158,593
12	138	86	67,200,000	-	-	-	-	10	10.89151	5.44576	66,882,970	364,228	159,988	29,754,343	-	-	96,954,343
12	139	86	67,200,000	-	-	-	-	10	10.89151	5.44576	66,883,636	364,232	158,898	29,548,999	-	-	96,748,999
12	140	86	67,200,000	-	-	-	-	10	10.89151	5.44576	66,884,306	364,236	157,801	29,342,554	-	-	96,542,554
12	141	86	67,200,000	-	-	-	-	10	10.89151	5.44576	66,884,980	364,239	156,699	29,135,004	-	-	96,335,004
12	142	86	67,200,000	-	-	-	-	10	10.89151	5.44576	66,885,657	364,243	155,590	28,926,341	-	-	96,126,341
12	143	86	67,200,000	-	-	-	-	10	10.89151	5.44576	66,886,338	364,247	154,476	28,716,560	-	-	95,916,560
12	144	86	67,200,000	-	-	-	-	10	10.89151	5.44576	66,887,023	364,250	153,356	28,505,656	848,019	27,657,637	95,705,656



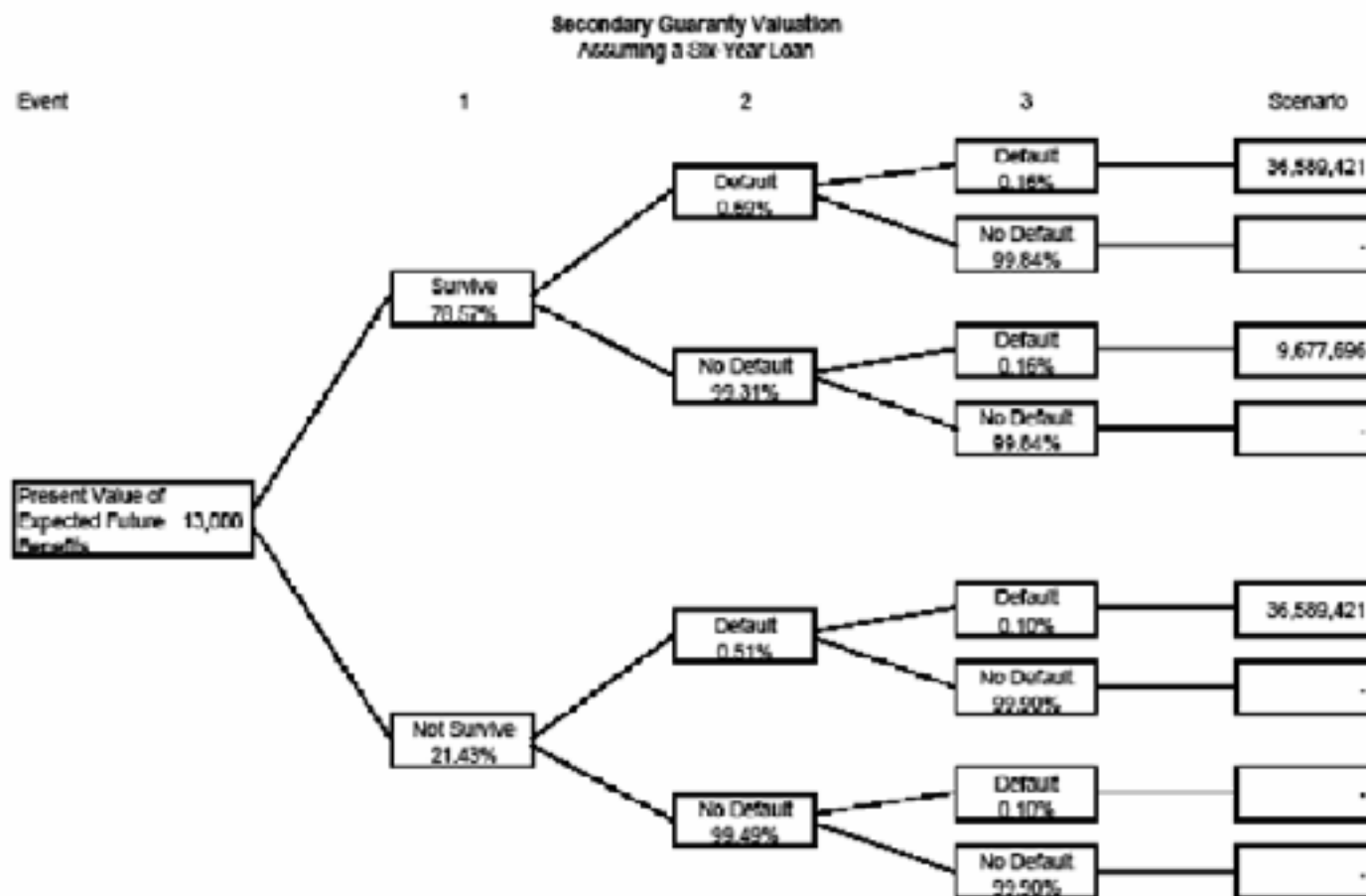
Event Key:
 1. Mrs. Barkman will or will not survive the term of the Loan.
 2. Citiana Life will or will not default on the Policy.
 3. The Barkman Sons will or will not default on the Primary Guaranty.



Event key:
 1. Mrs. Blankman will or will not survive the term of The Loan.
 2. Omaha Life will or will not default on The Policy.
 3. The Blankman sons will or will not default on The Primary Guaranty.

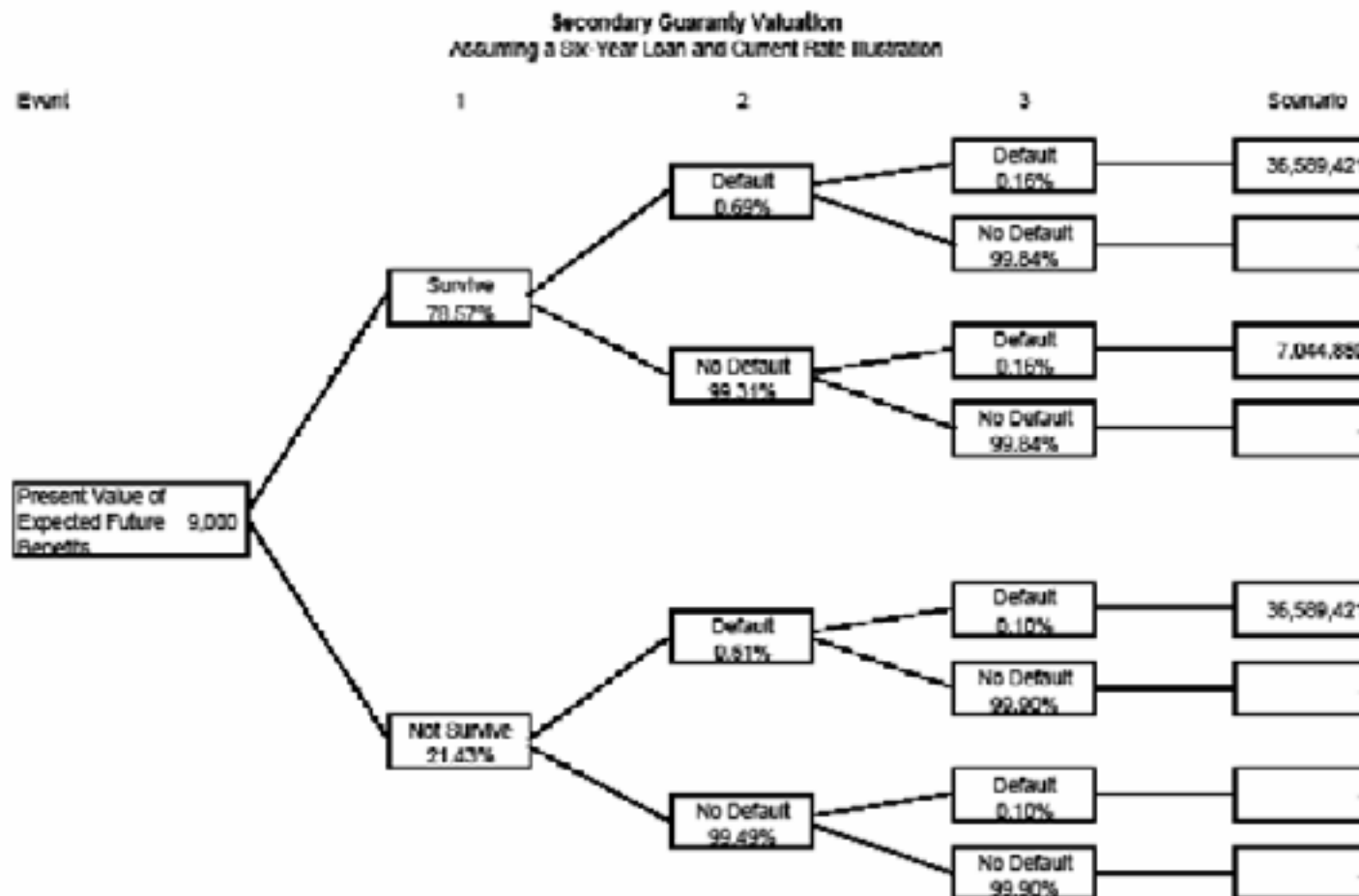


Event Key
 1. Mrs. Banks will or will not survive the term of the Loan.
 2. On the life will or will not default on the policy.
 3. The Bankman Sons will or will not default on the Primary Guaranty.

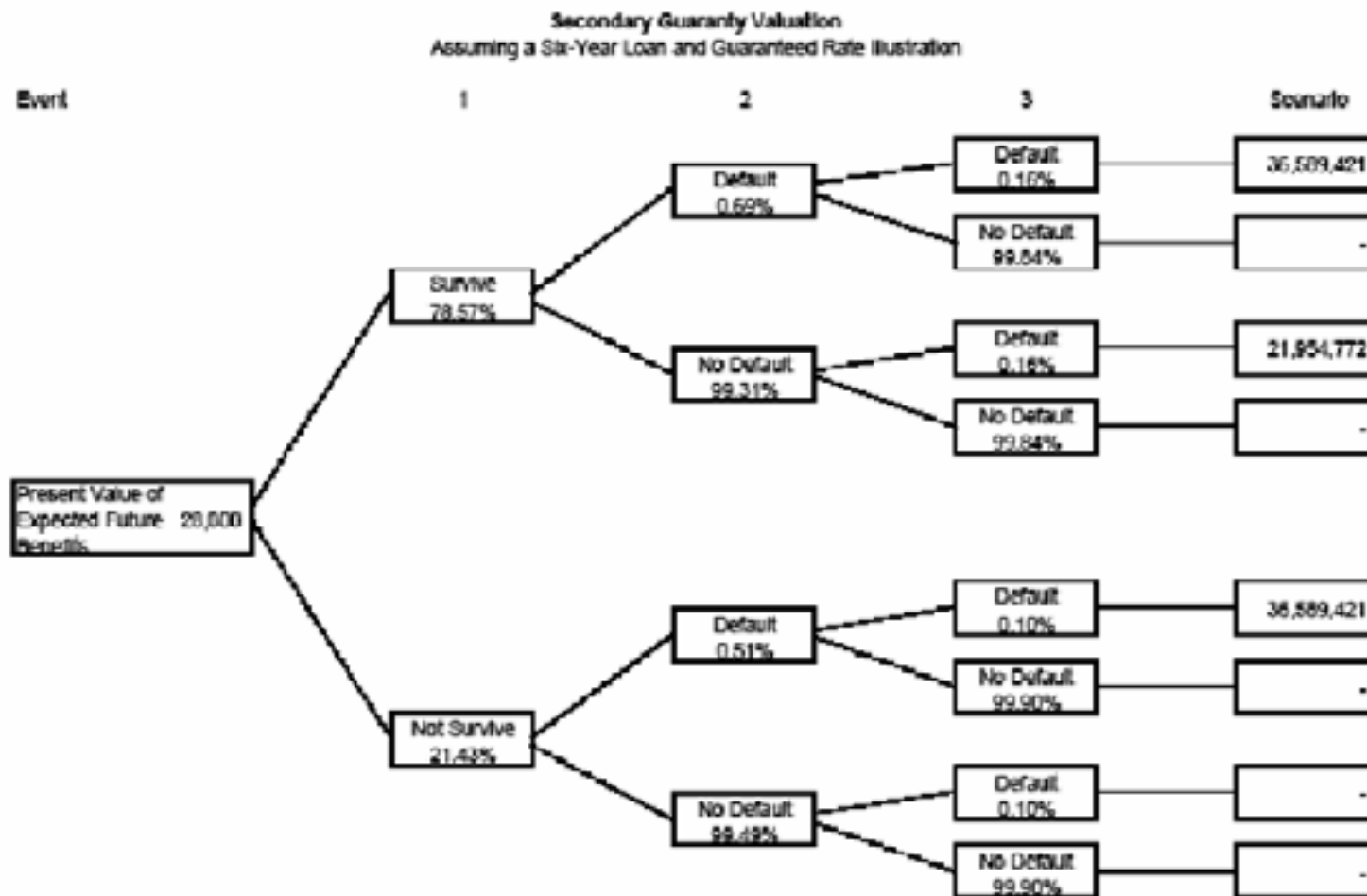


Event Key:

1. Mrs. Blankman will or will not survive the term of the Loan.
2. Olena LIT will or will not default on the Policy.
3. The Blankman Sons will or will not default on the Primary Guaranty.

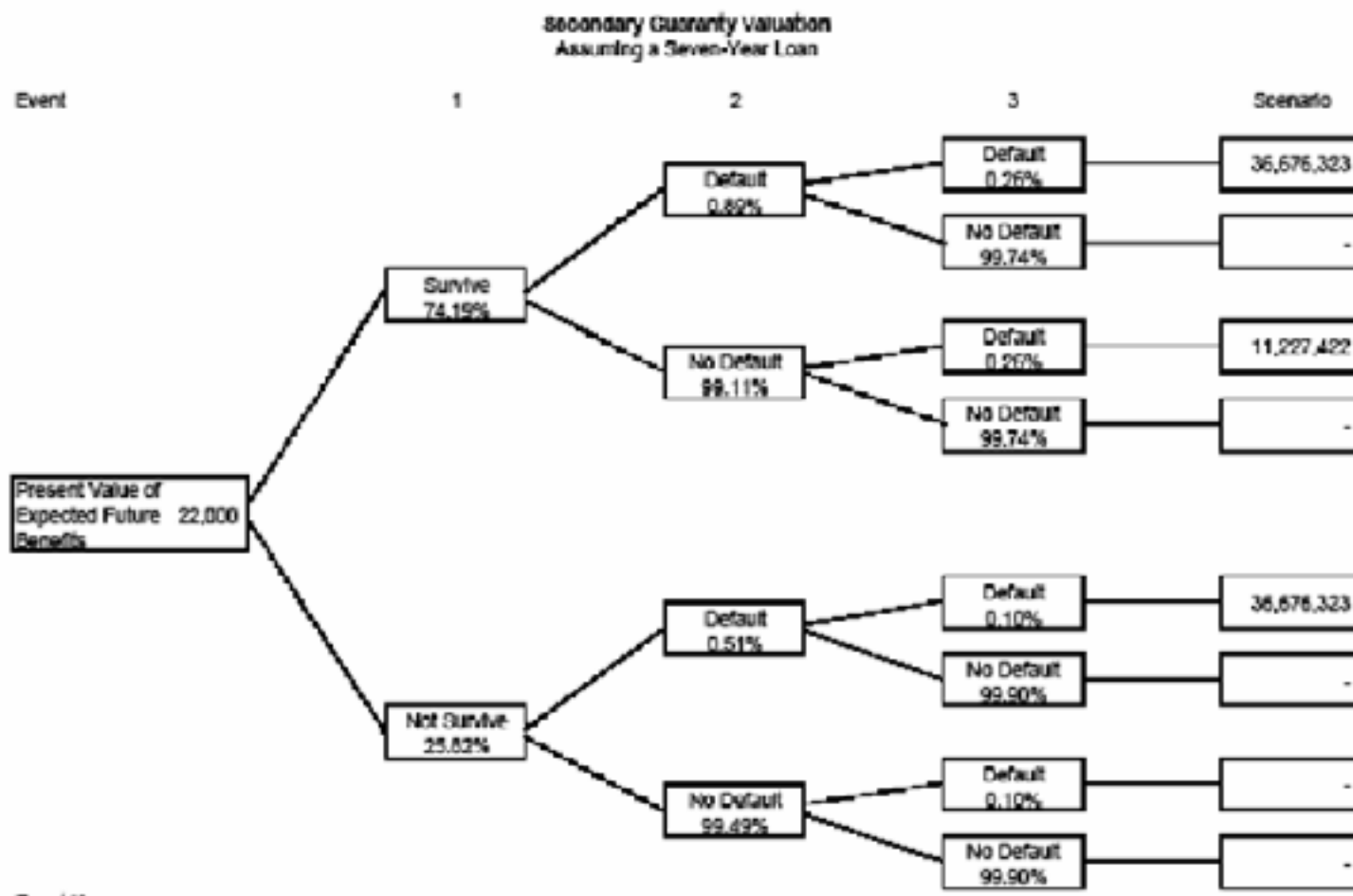


Event Pay?
 1. Mrs. Banks will or will not survive the term of The Loan.
 2. Oldens Life will or will not default on The Policy.
 3. The Blankensons will or will not default on The Primary Guaranty.

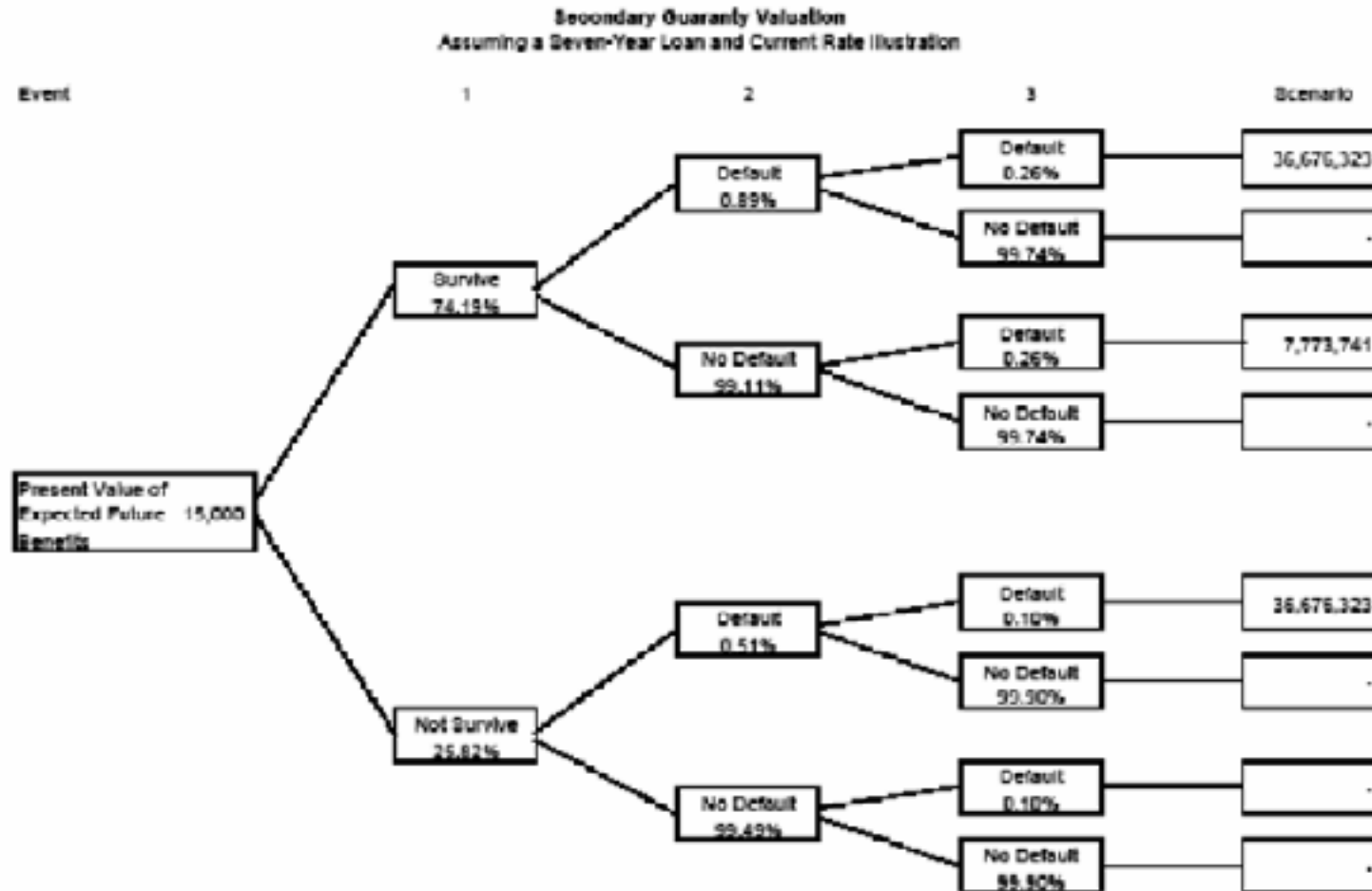


Event Key

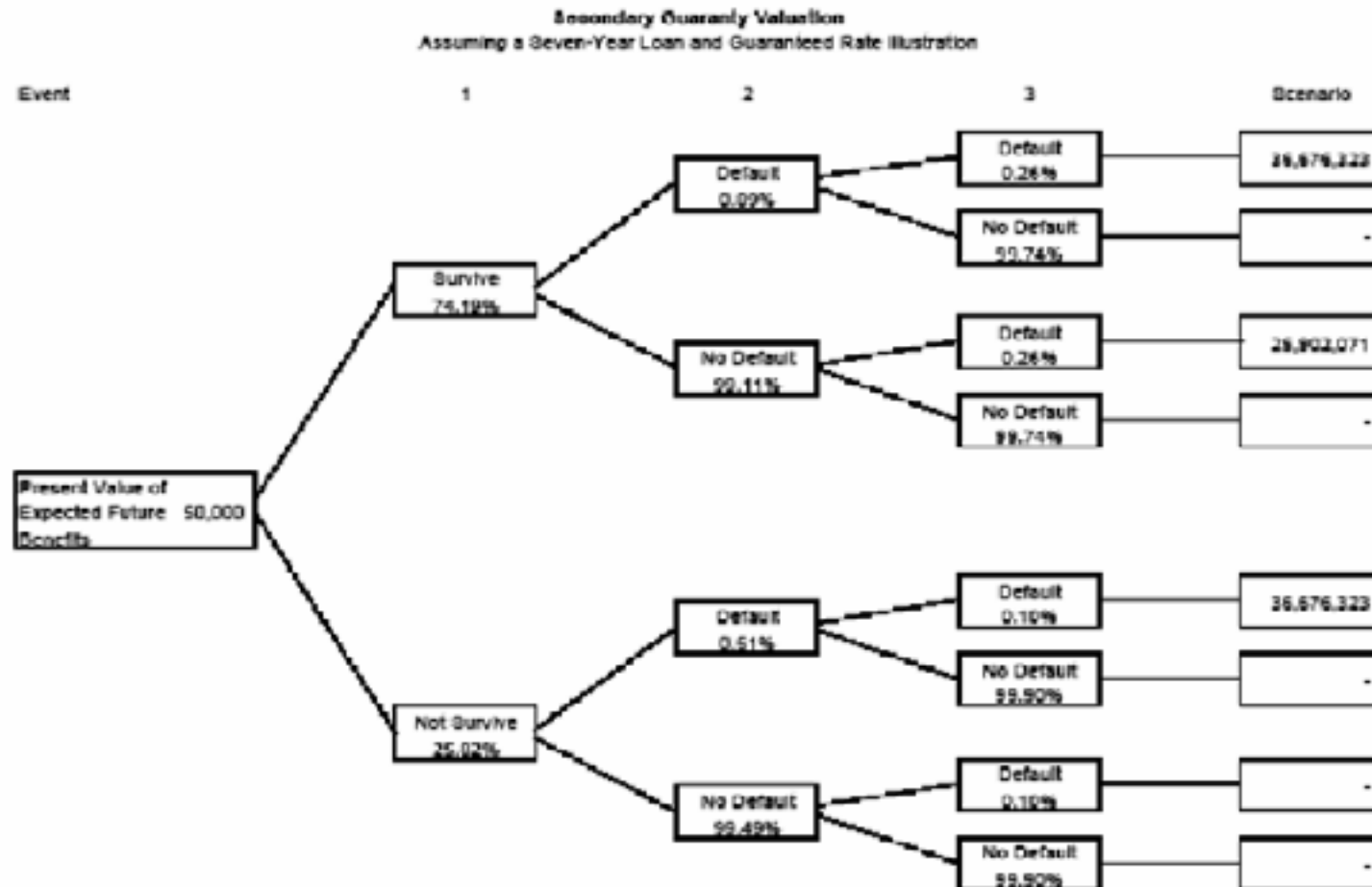
- 1. Mrs. Blake an will or will not survive the term of The Loan.
- 2. Omaha Life will or will not default on The Policy.
- 3. The Bankman Sons will or will not default on The Primary Guaranty.



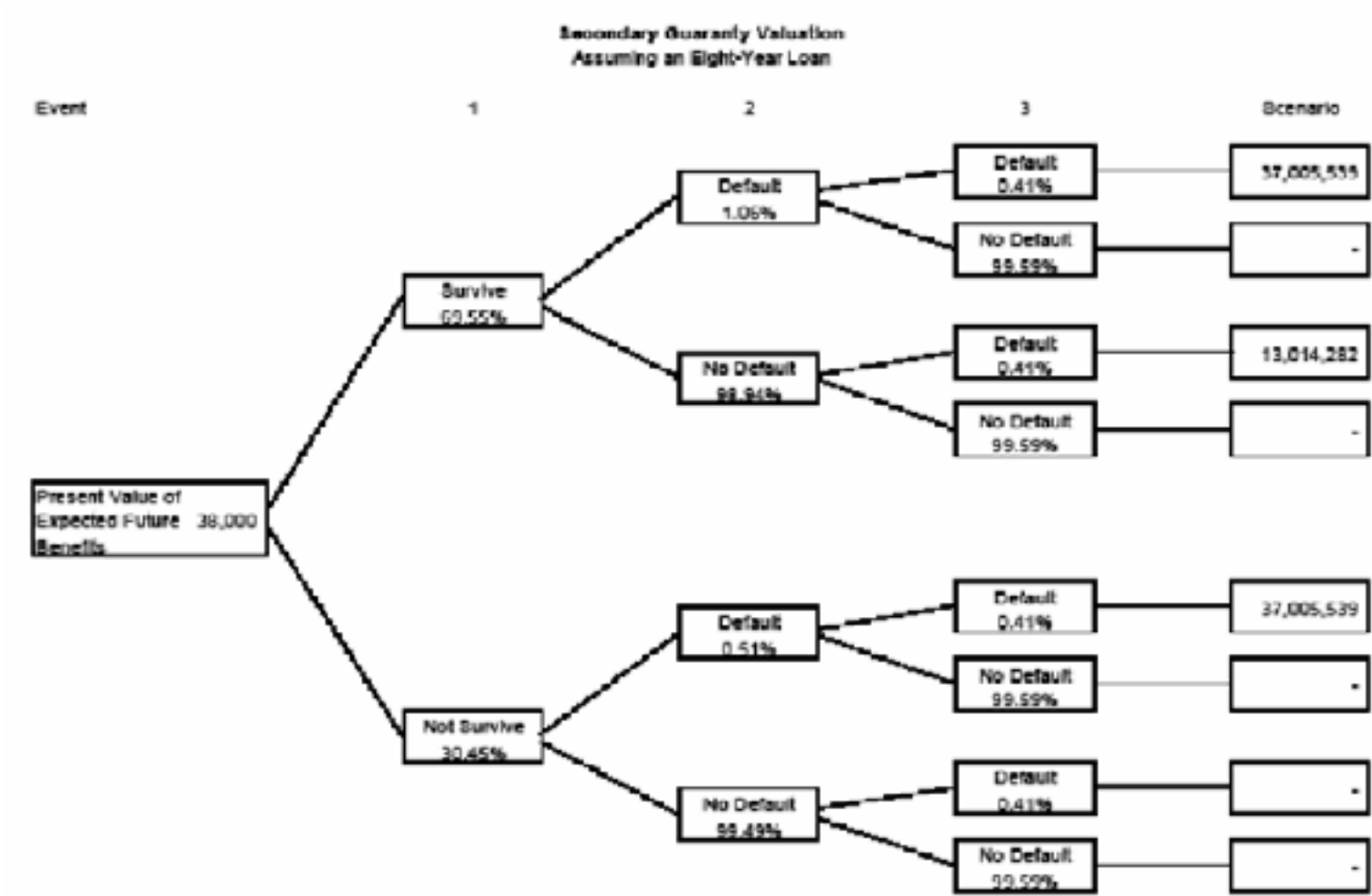
Event Key:
 1. Mrs. Bankman will or will not survive the term of the Loan.
 2. Ceans Life will or will not default on the Policy.
 3. The Bankman Sons will or will not default on the Primary Guaranty.



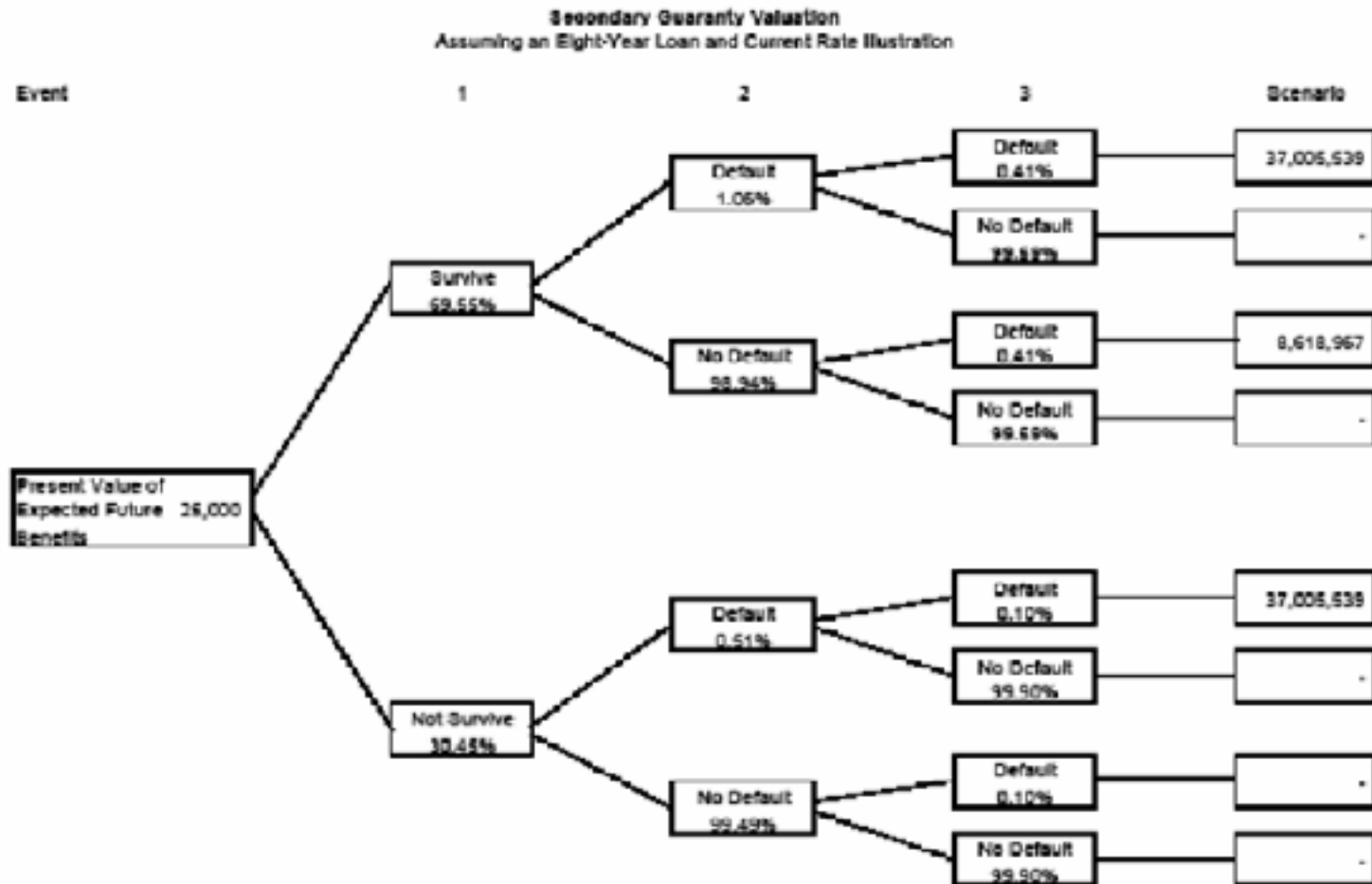
Event key:
 1. Mrs. Blankenship will or will not survive the term of the Loan.
 2. Certain life will or will not default on the Policy.
 3. The Blankenship Sons will or will not default on the Primary Guaranty.



Event Key -
 1. Mrs. Blankan will or will not survive the term of The Loan.
 2. Cigna Life will or will not default on The Policy.
 3. The Blankan sons will or will not default on The Primary Guaranty.



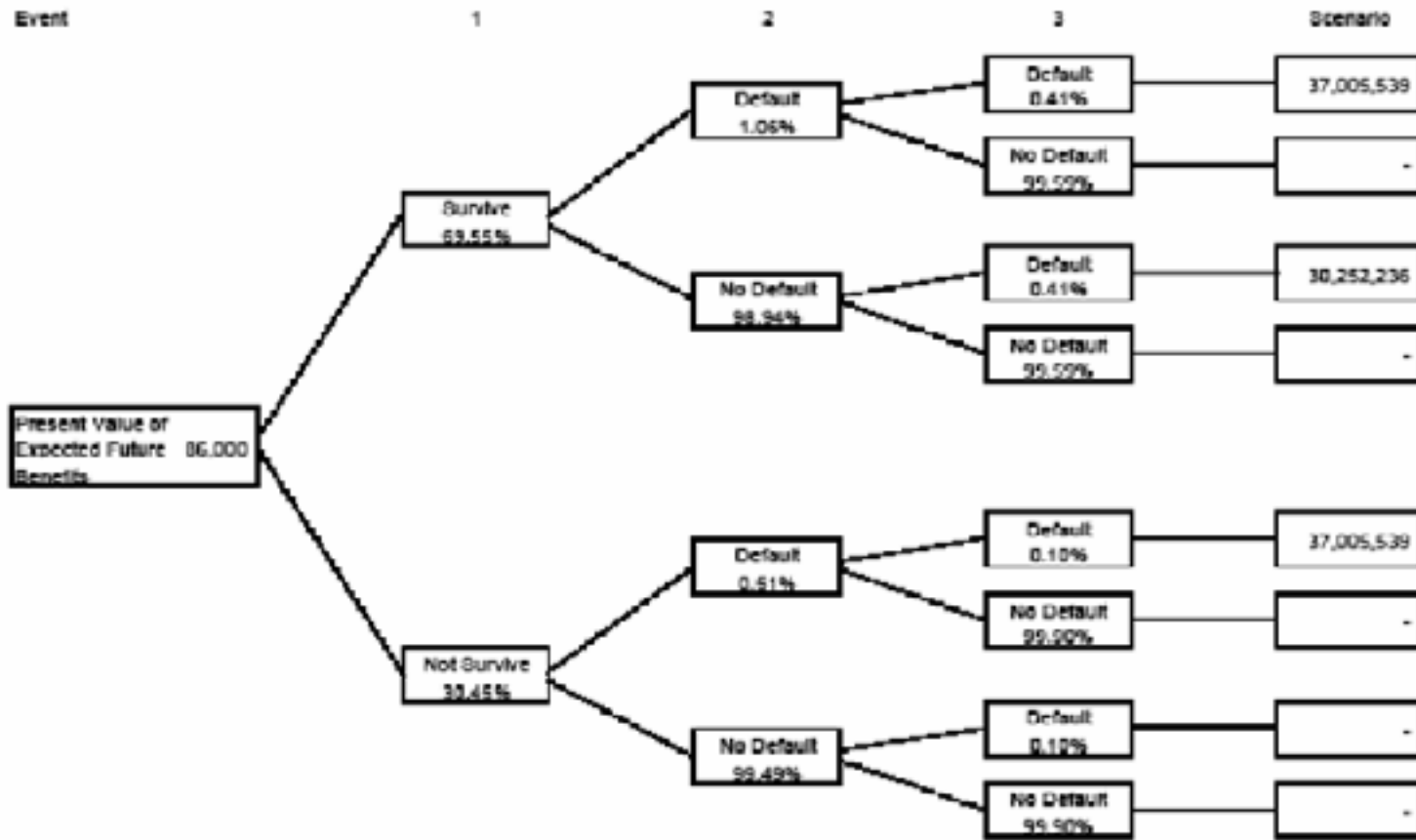
Event Key -
 1. Mrs. Bankman will or will not survive the term of The Loan.
 2. Omaha Life will or will not default on The Policy.
 3. The Bankman Sons will or will not default on The Primary Guaranty.



Event key:

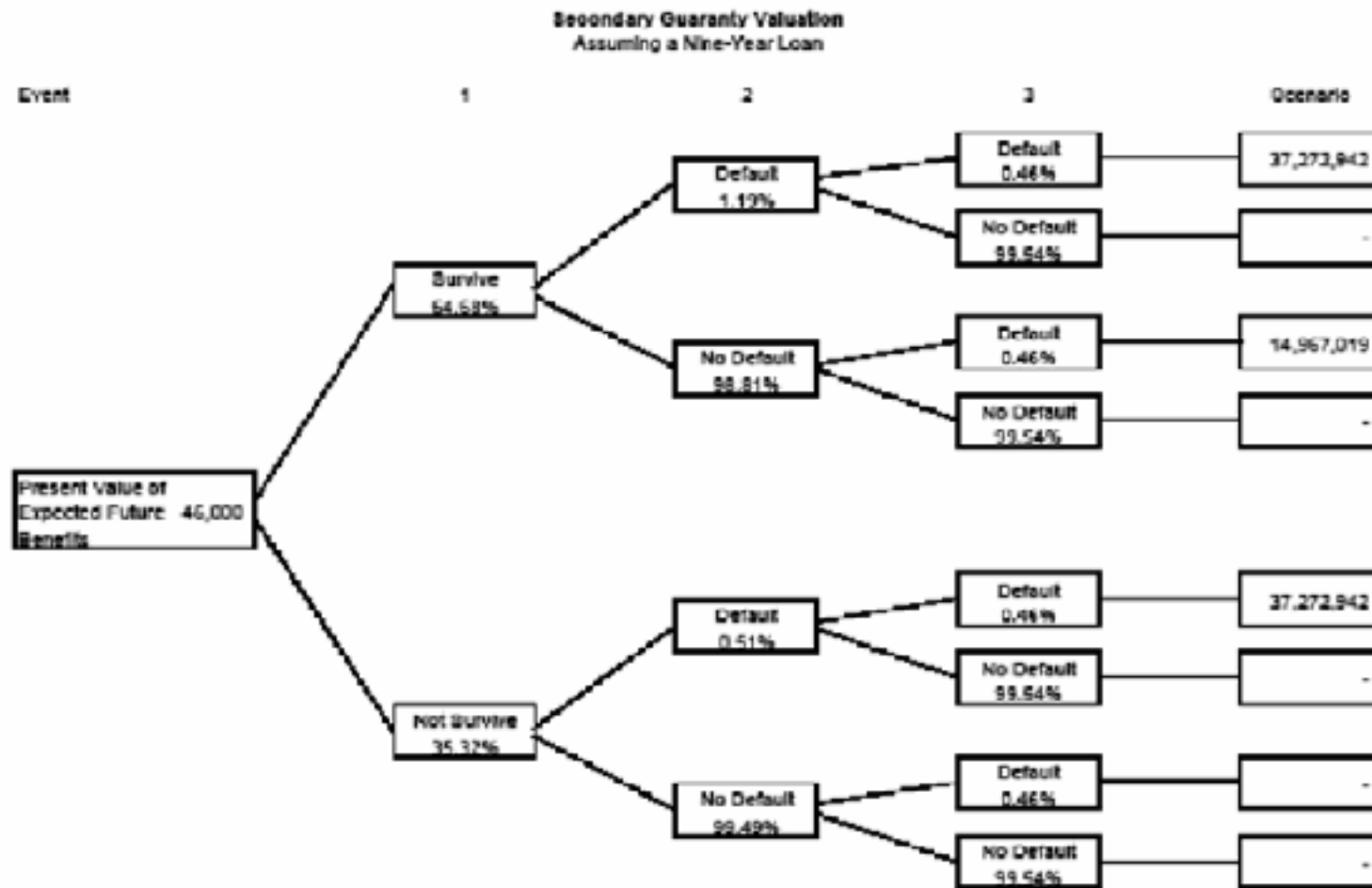
1. Mr. Bankman will or will not survive the term of the Loan.
2. Ceana Life will or will not default on the Policy.
3. The Bankman sons will or will not default on the Primary Guaranty.

Secondary Guaranty Valuation
Assuming an Eight-Year Loan and Guaranteed Rate Illustration



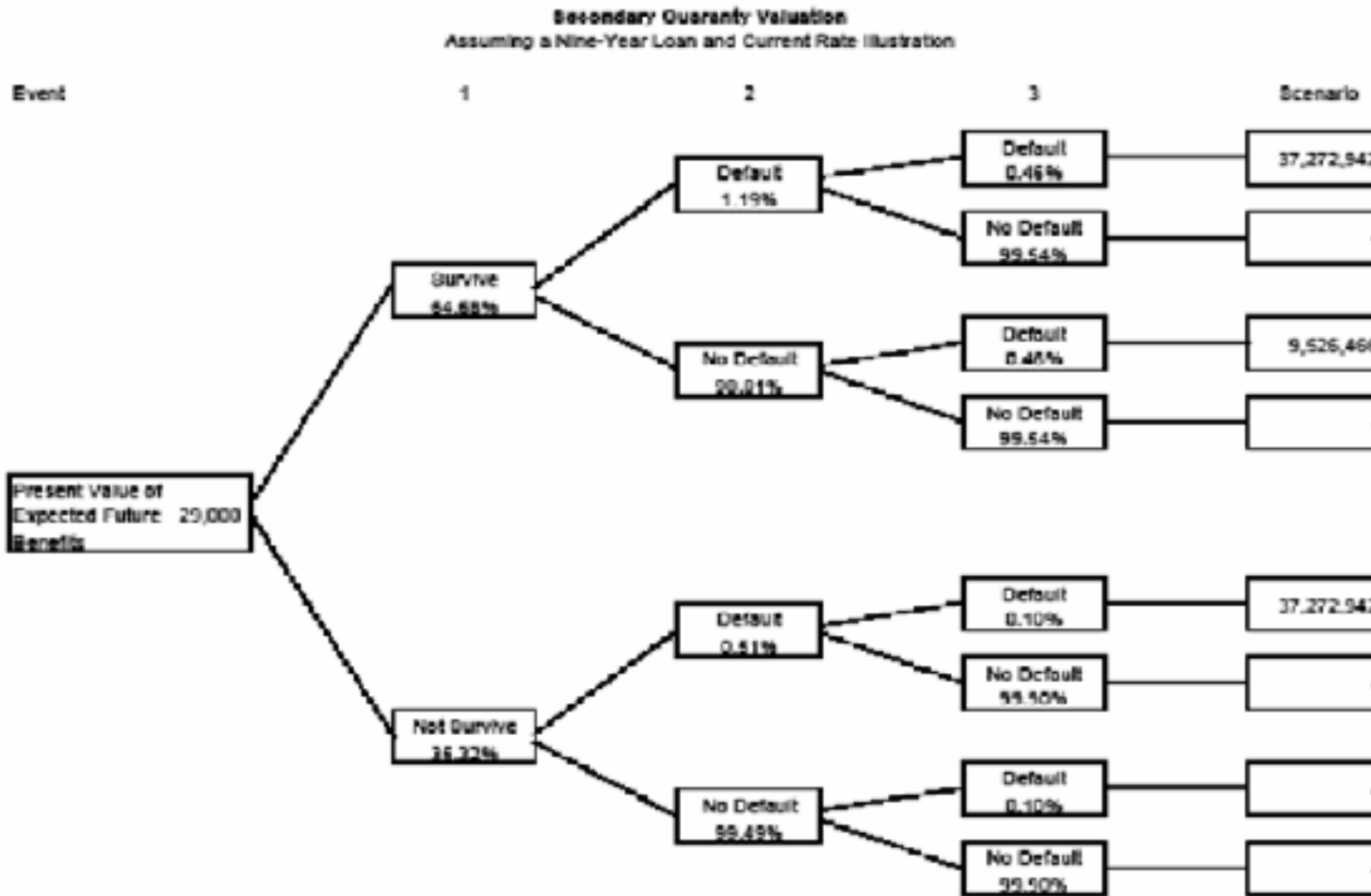
Event key:

1. Mrs. Blankman will or will not survive the term of the Loan.
2. Omaha Life will or will not default on the Policy.
3. The Blankman Sons will or will not default on the Primary Guaranty.



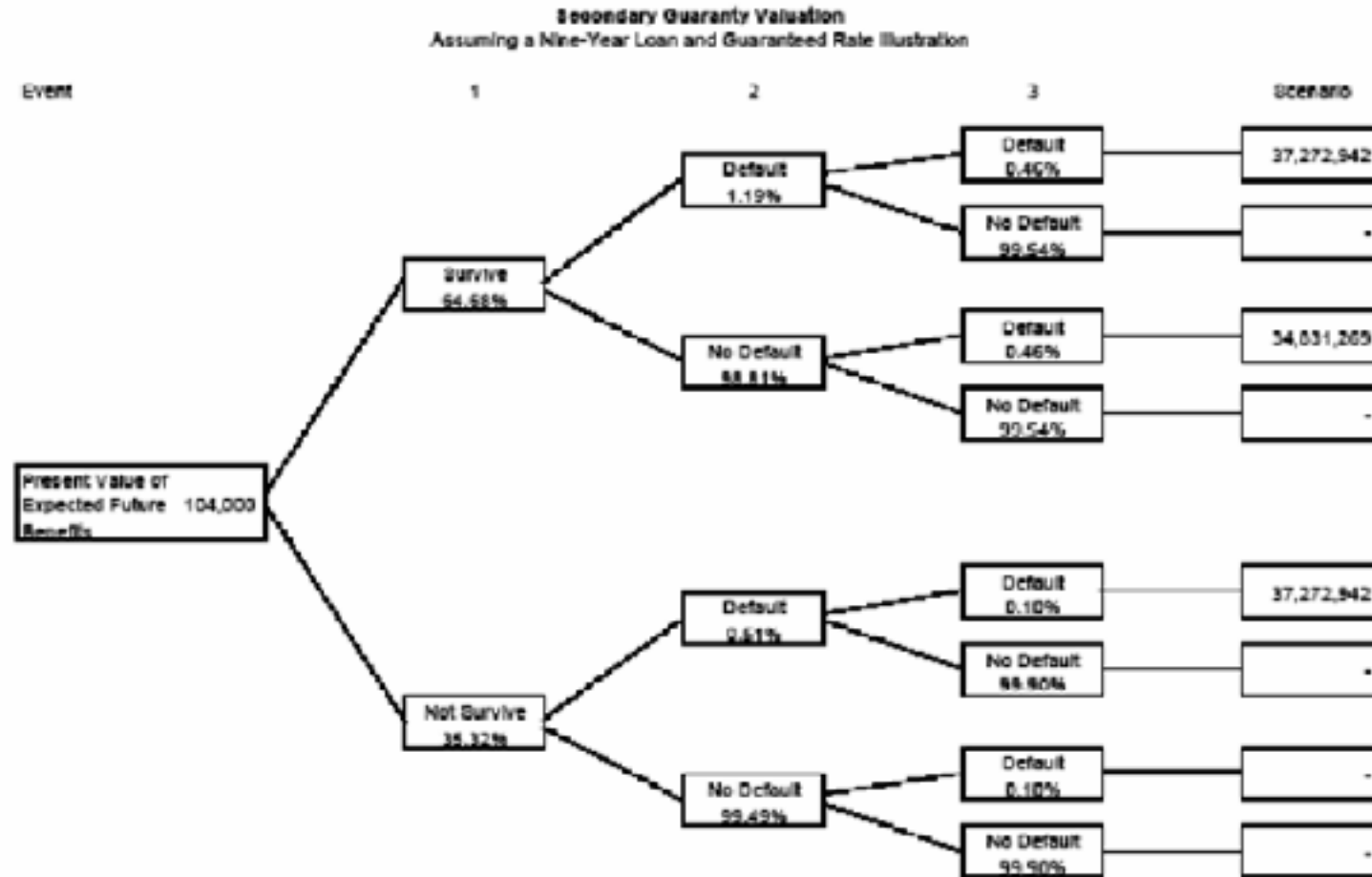
Event Key*

- 1. Mrs. Bankman will or will not survive the term of The Loan.
- 2. Ceana Life will or will not default on The Policy.
- 3. The Bankman sons will or will not default on The Primary Guaranty.

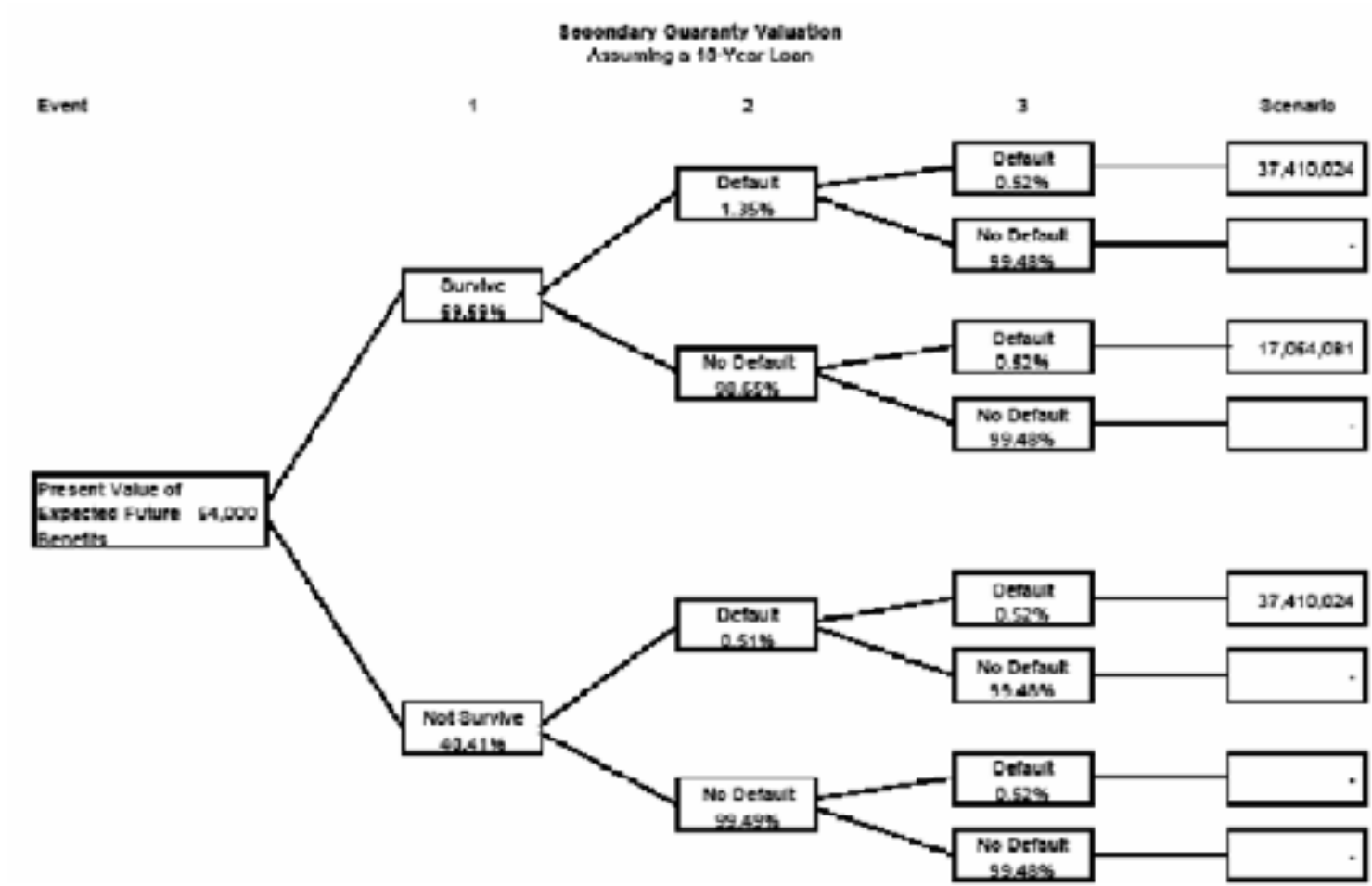


Event Key*

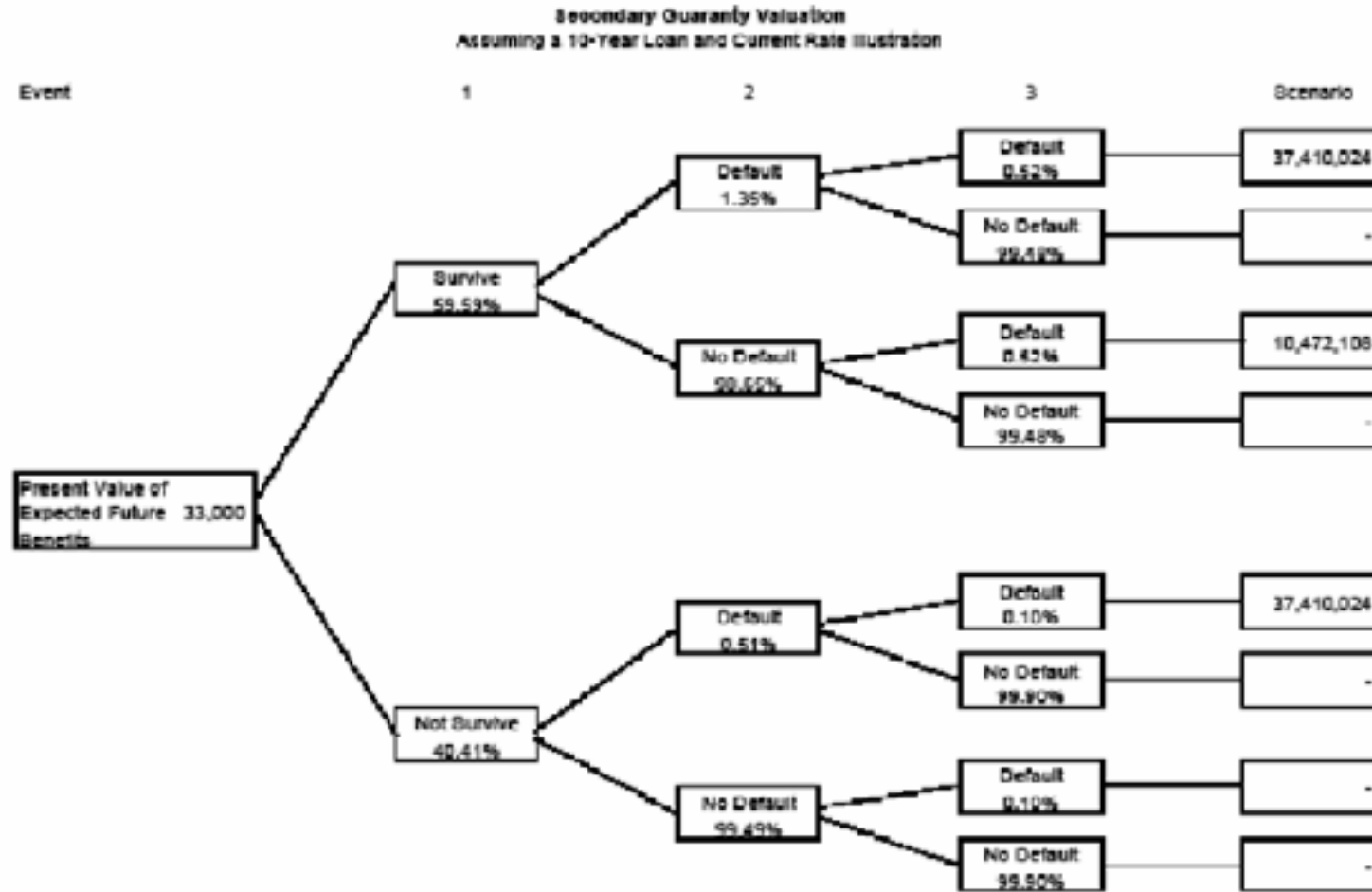
- 1. Mrs. Blankman will or will not survive the term of The Loan.
- 2. Omaha Life will or will not default on The Policy.
- 3. The Blankman Sons will or will not default on The Primary Guaranty.



Event Key:
 1. Mr. Blankman will or will not survive the term of the Loan.
 2. Omaha Life will or will not default on the Policy.
 3. The Blankman Sons will or will not default on the Primary Guaranty.

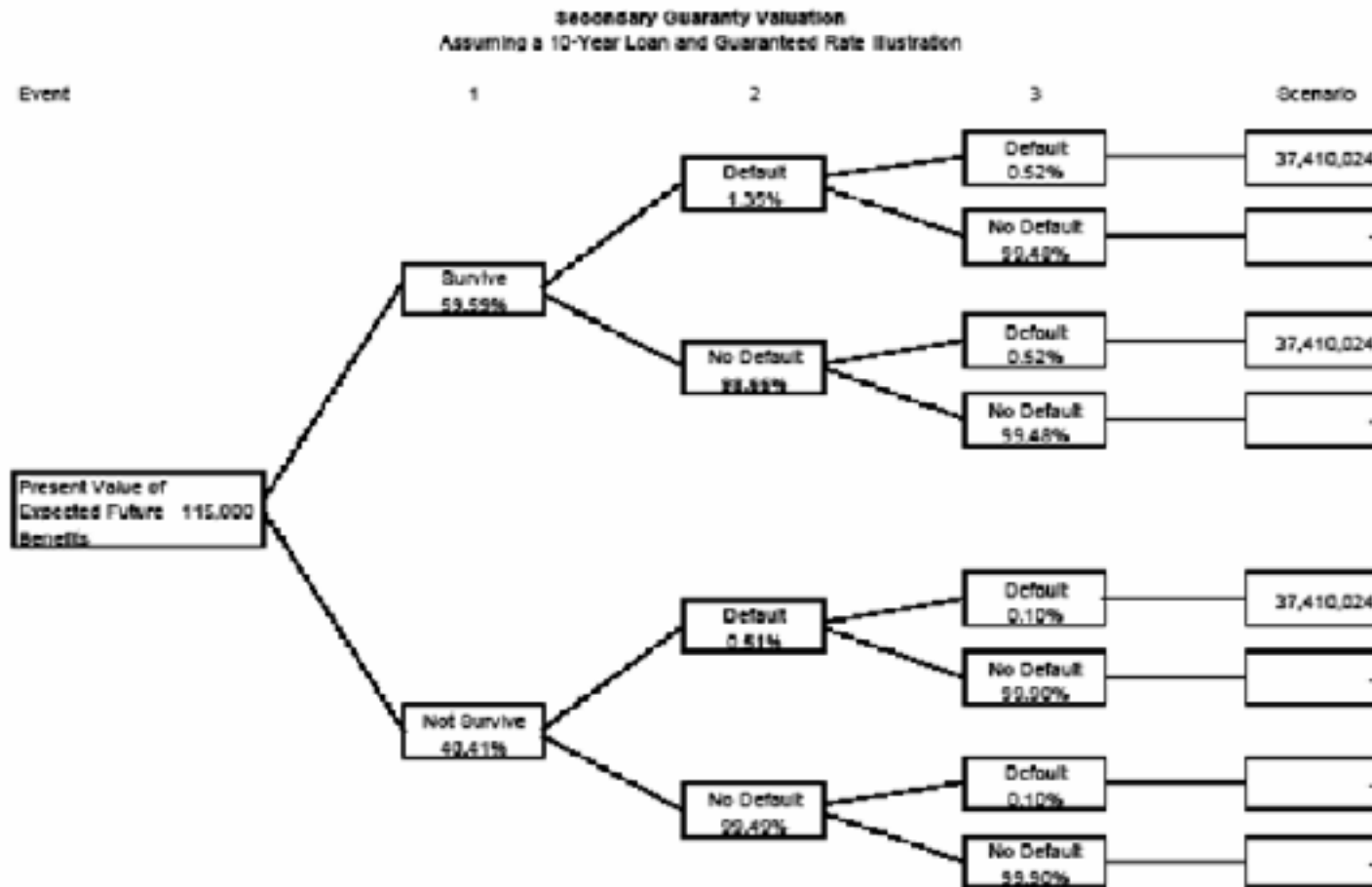


Event Key:
 1. Mrs. Bankman will or will not survive the term of the Loan.
 2. Citibank will or will not default on the Policy.
 3. The Bankman Sons will or will not default on the Primary Guaranty.

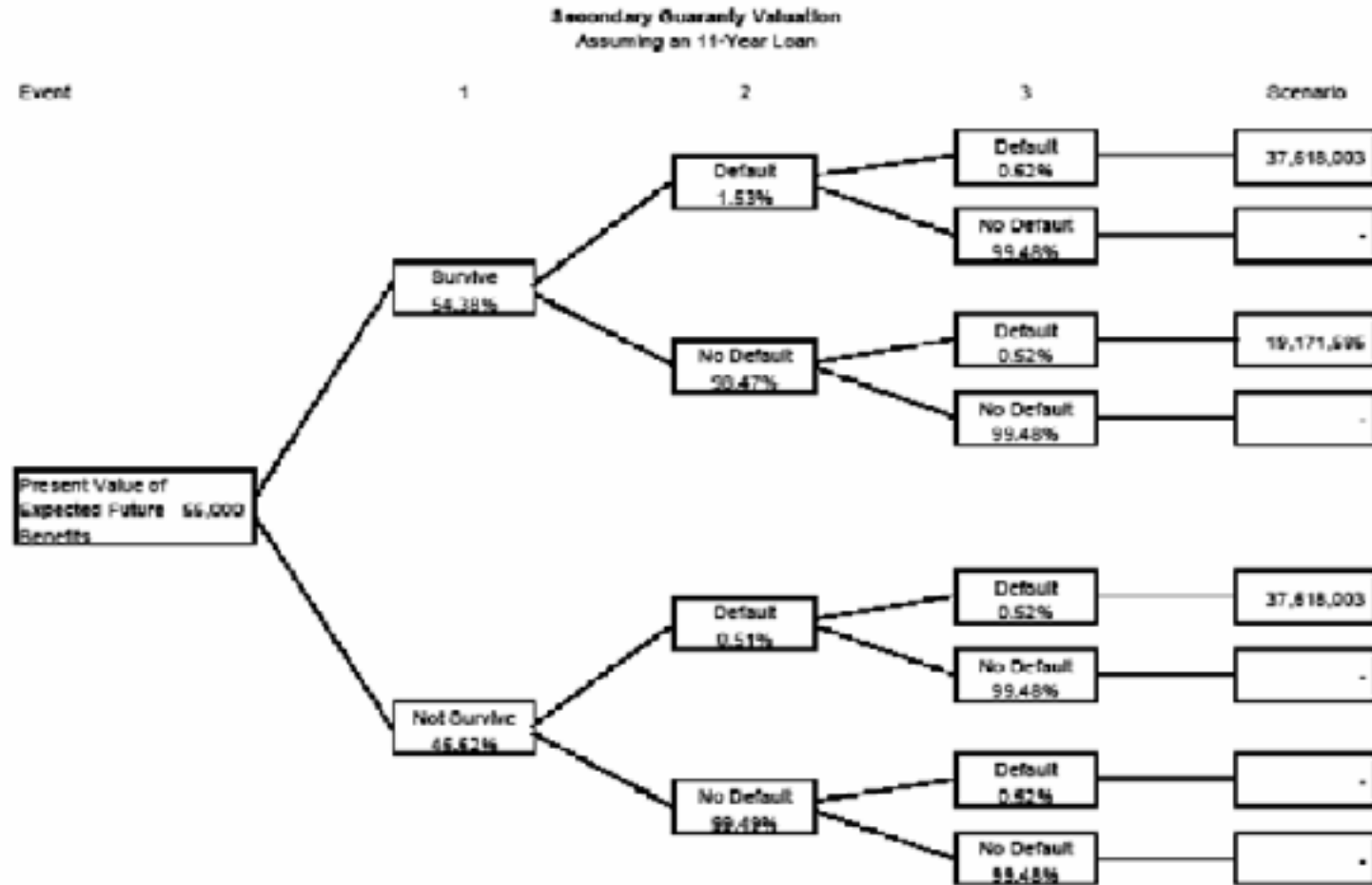


Event Key*

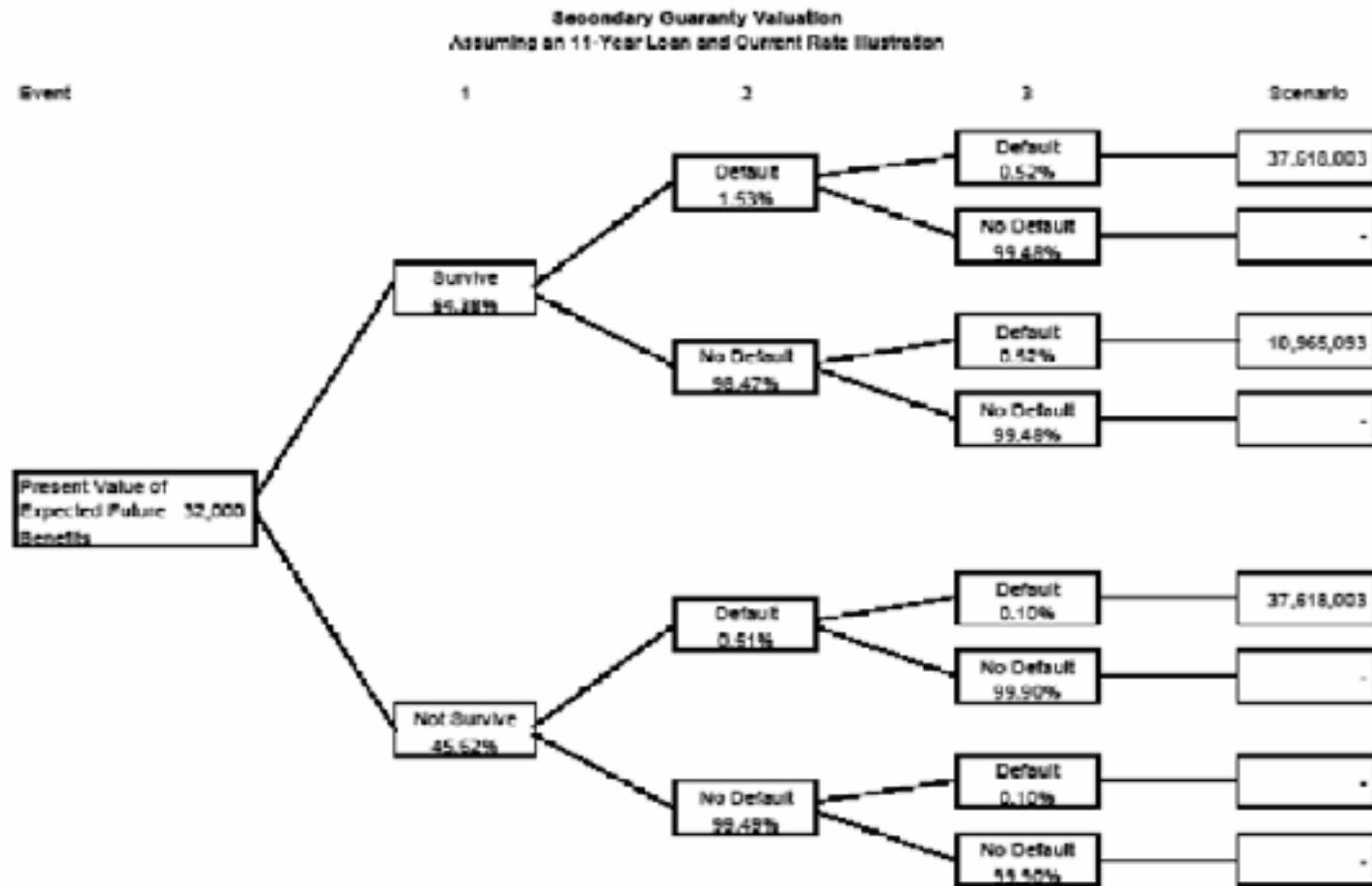
- 1. Mr. Blankman will or will not survive the term of the Loan.
- 2. Omaha Life will or will not default on the Policy.
- 3. The Blankman Sons will or will not default on the Primary Guaranty.



Event key -
 1. Mrs. Bankman will or will not survive the term of The Loan.
 2. Certain Uris will or will not default on The Policy.
 3. The Bankman Sons will or will not default on The Primary Guaranty.

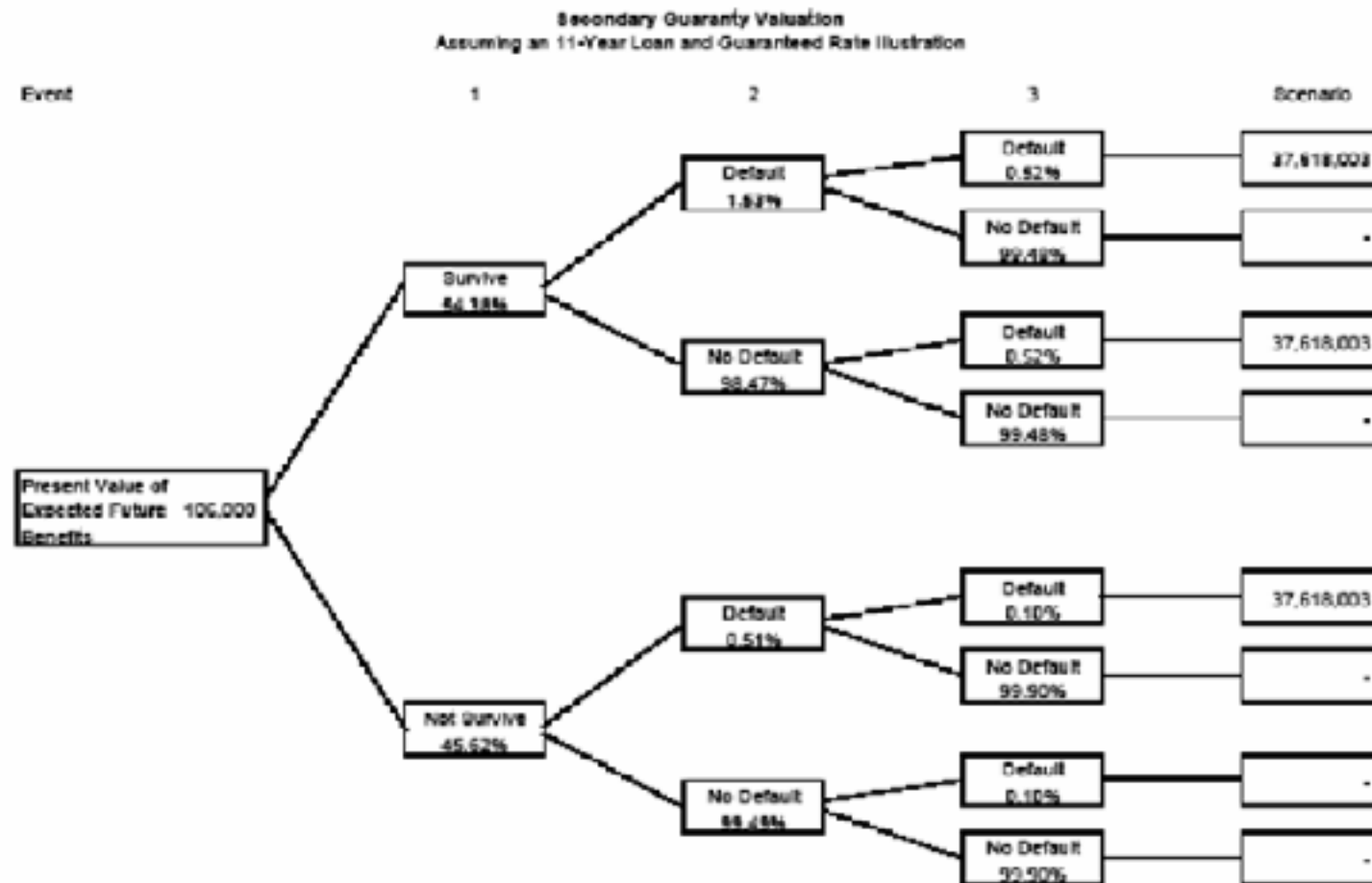


Event key:
 1. Mrs. Banks will or will not survive the term of the Loan.
 2. Ce and his life will or will not default on the Policy.
 3. The Bankman Sons will or will not default on the Primary Guaranty.



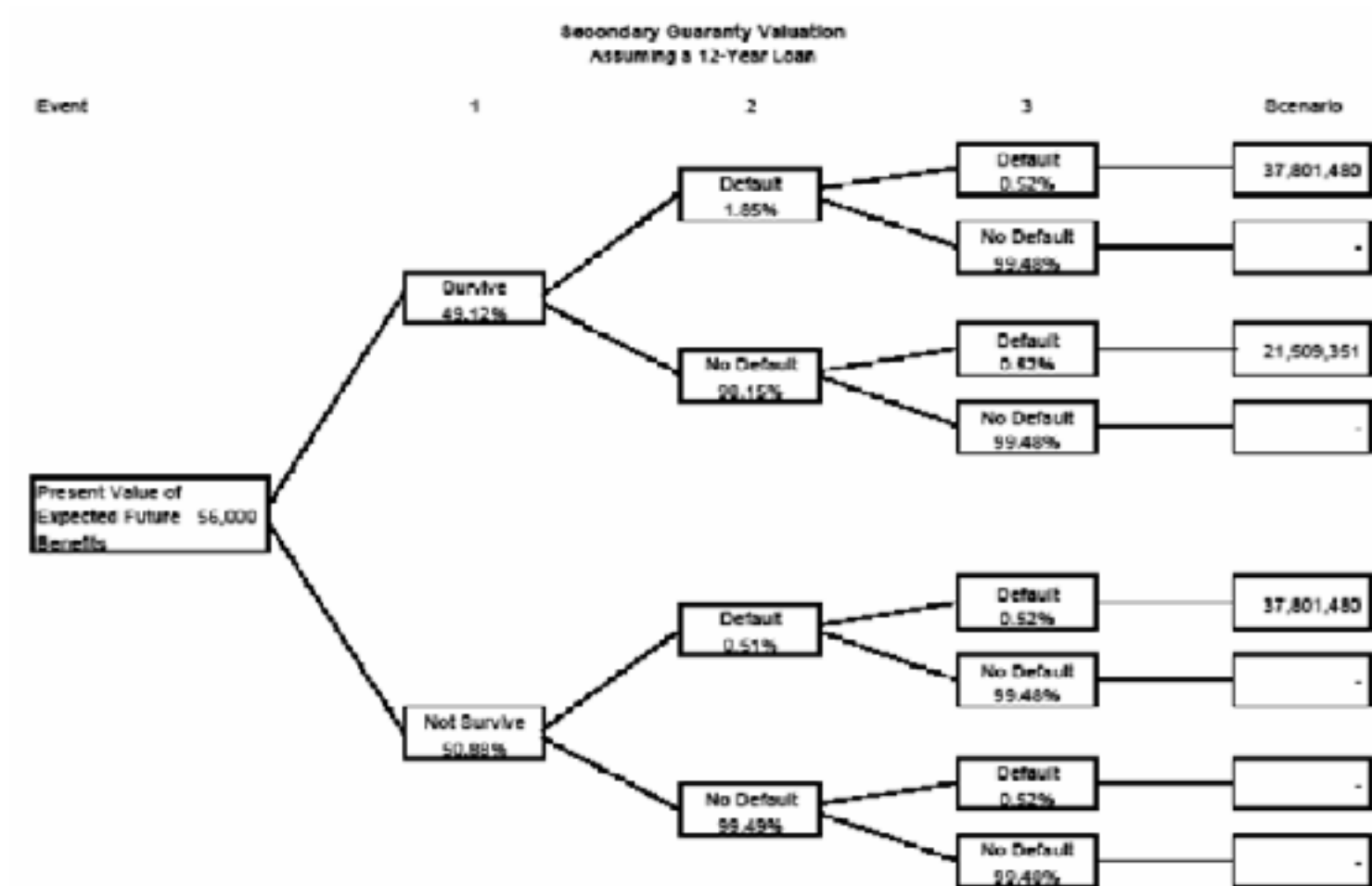
Event key:

1. Mr. Banks will or will not survive the term of the Loan.
2. Ceana will or will not default on the Policy.
3. The Bankman Sons will or will not default on the Primary Guaranty.

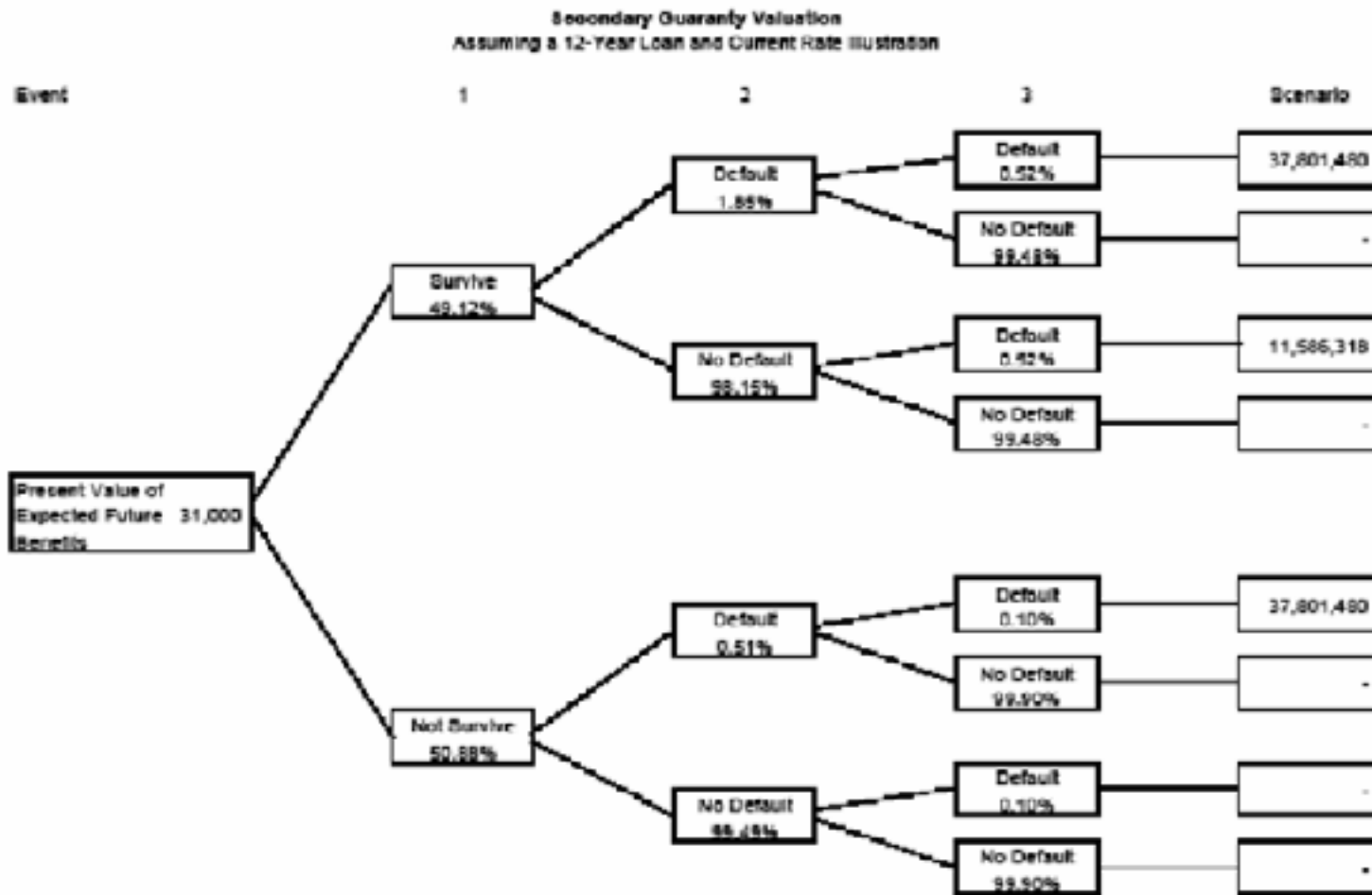


Event Key:

1. Mrs. Blankman will or will not survive the term of The Loan.
2. Certain Life will or will not default on The Policy.
3. The Blankman Sons will or will not default on The Primary Guaranty.

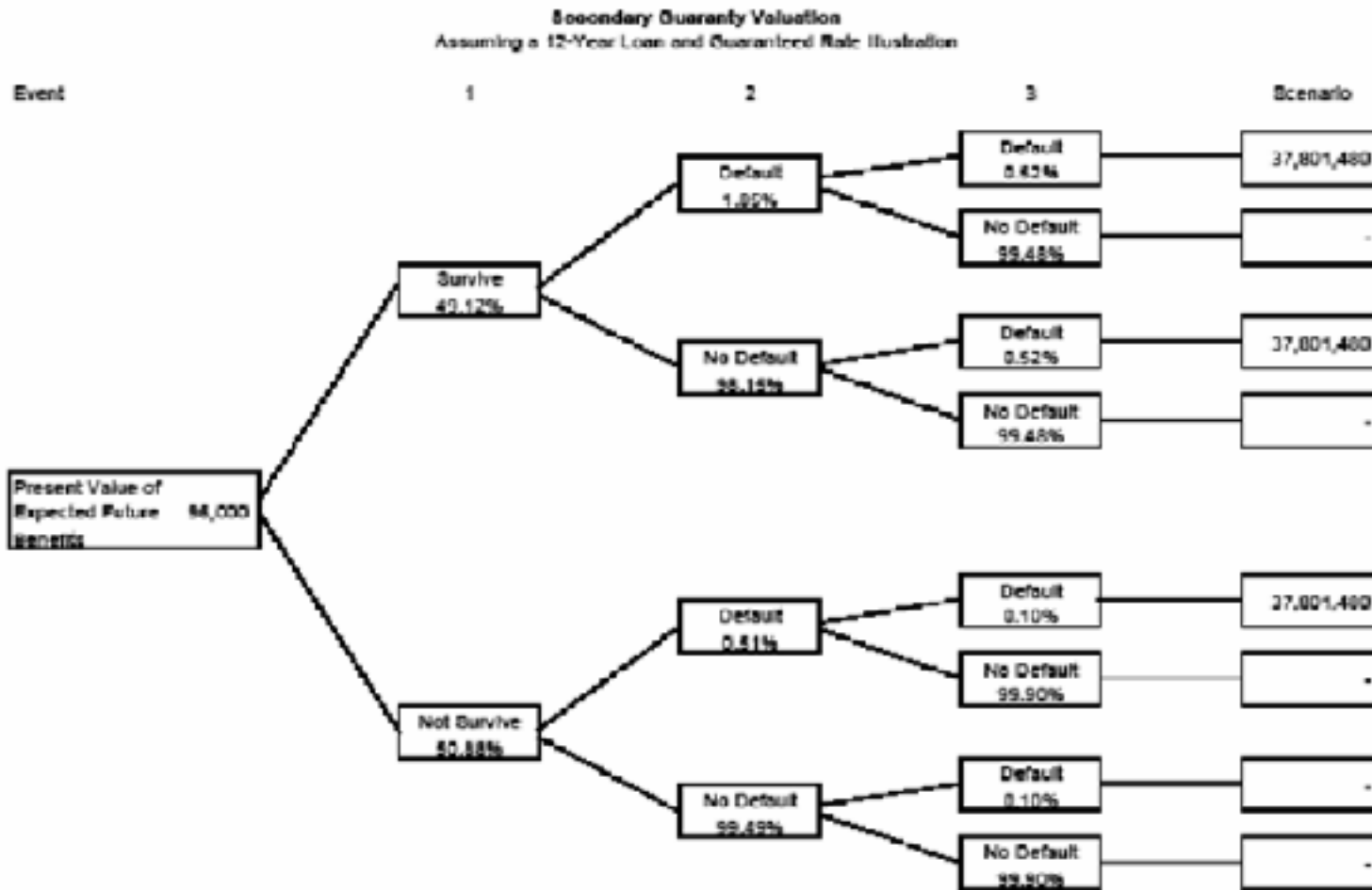


Event Key:
 1. Mrs. Bankman will or will not survive the term of The Loan.
 2. Citiana Life will or will not default on The Policy.
 3. The Bankman Sons will or will not default on The Primary Guaranty.



Event Key:

- 1. Mrs. Blankman will or will not survive the term of The Loan.
- 2. Omega Life will or will not default on The Policy.
- 3. The Blankman Sons will or will not default on The Primary Guaranty.



Event key:
 1. Mrs. Bankman will or will not survive the term of the Loan.
 2. Cease Life will or will not default on the Policy.
 3. The Bankman Sons will or will not default on the Primary Guaranty.

SOURCES OF INFORMATION UTILIZED

Several sources of information were used to complete this appraisal. These were as follows:

1. Secondary Guaranty, Pledge and Security Agreement dated November 18, 2002, between Trust B created under the Last Will and Testament of David Blankman and Big Bank, N.A.
2. Credit Agreement dated November 18, 2002 between The Blankman Family Trust and Big Bank, N.A.
3. Primary Guaranty, Pledge and Security Agreement dated November 2002 between Ross Blankman, Dean Blankman, Brian Blankman, Steve Blankman and Neil Blankman and Big Bank, N.A.
4. The Blankman Family Summary of Terms dated November 11, 2002.
5. Control Agreement dated November 2002 from Big Bank Trust Bank, FSB regarding Account No. 77777777, Jean Blankman, Trustee Trust (B) under Will of David Blankman f/b/o Jean Blankman Investment Management Account f/b/o Big Bank, N.A.
6. Control Agreement dated November 18, 2002 from Trust Company regarding Account No. 755555, Jean Blankman, Trustee under Will David Blankman QTIP Trust B FBO Big Bank, N.A.
7. Secured Promissory Note dated November 2002 in the amount of \$44,000,000 by Ross Blankman, Dean Blankman, Brian Blankman, Steve Blankman and Neil Blankman as co-trustees on behalf of The Blankman Family Trust to Big Bank, N.A.
8. Pledge and Security Agreement dated November 18, 2002 by Ross Blankman, Dean Blankman, Brian Blankman, Steve Blankman and Neil Blankman as co-trustees of The Blankman Trust and Big Bank, N.A.
9. Collateral Assignment of Policy for Policy No. 7777777.
10. Omaha Life & Annuity Company Policy Number 77777777 for Jean Blankman dated November 15, 2002.
11. Omaha Life & Annuity Company Life Insurance illustration prepared for Jean Blankman.

SOURCES OF INFORMATION UTILIZED

12. Personal financial statements as of October 25, 2002 for Brian and Robin Blankman, Dean and Sharon Blankman, Neil and Helena Blankman, Ross and Linda Blankman, and Steve and Elyse Blankman.

CONTINGENT AND LIMITING CONDITIONS

This appraisal is subject to the following contingent and limiting conditions:

- Information, estimates, and opinions contained in this report are obtained from sources considered reliable; however, Trugman Valuation Associates, Inc. has not independently verified such information and no liability for such sources is assumed by this valuation analyst.
- All facts and data set forth in the report are true and accurate to the best of the valuation analyst's knowledge and belief. We have not knowingly withheld or omitted anything from our report affecting our value estimate.
- Possession of this report, or a copy thereof, does not carry with it the right of publication of all or part of it, nor may it be used for any purpose without the previous written consent of the valuation analyst, and in any event only with proper authorization. Authorized copies of this report will be signed in blue ink by an officer of Trugman Valuation Associates, Inc. Unsigned copies, or copies not signed in blue ink, should be considered to be incomplete.
- None of the contents of this valuation report shall be conveyed to any third party or to the public through any means without the express written consent of Trugman Valuation Associates, Inc.
- Unless otherwise provided for in writing and agreed to by both parties in advance, the extent of the liability for the completeness or accuracy of the data, opinions, comments, recommendations and/or conclusions shall not exceed the amount paid to the valuation analysts for professional fees and, then, only to the party(s) for whom this report was originally prepared.
- The various estimates of value presented in this report apply to this appraisal only and may not be used out of the context presented herein. Any other use of this report may lead the user to an incorrect conclusion for which Trugman Valuation Associates, Inc. assumes no responsibility.
- The appraisal estimate of fair market value reached in this report is necessarily based on the definition of fair market value as stated in the Introduction Section. An actual transaction may be concluded at a higher value or lower value, depending on the circumstances surrounding the subject property, and/or the motivations and knowledge of both the buyers and sellers at that time. Trugman Valuation Associates, Inc. makes no guarantees as to what values individual buyers and sellers may reach in an actual transaction.

CONTINGENT AND LIMITING CONDITIONS

- Valuation reports may contain prospective financial information, estimates or opinions that represent the view of the valuation analyst about reasonable expectations at a particular point in time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, or that specific events will occur.
- We assume that there are no hidden or unexpected conditions of the guaranty that would adversely affect value, other than as indicated in this report.

Appraisal of the Secondary Guaranty between Trust B created under the Last Will and Testament of David Blankman and Big Bank, N.A., as of November 18, 2002.

VALUATION ANALYST'S REPRESENTATION

We represent that, to the best of our knowledge and belief:

- the statements of fact contained in this report are true and correct to the best of our knowledge and belief, subject to the assumptions and conditions stated.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased, professional analyses, opinions, and conclusions.
- we have no present, or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
- our compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
- no one provided significant professional assistance other than the valuation analyst whose signature appears below.
- our analyses, appraisal, opinions, and conclusions were developed and this report has been prepared in accordance with the standards of the American Institute of CPAS, *Uniform Standards of Professional Appraisal Practice*, and the business valuation standards of The Institute of Business Appraisers Inc., and the American Society of Appraisers.
- The American Society of Appraisers has a mandatory recertification program for all of its Senior members. All Senior members of our firm are in compliance with that program.

**GARY R. TRUGMAN, C.P.A.* / A.B.V., M.C.B.A., A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Experience

President of Trugman Valuation Associates, Inc., a firm specializing in business valuation and litigation support services. Business valuation experience includes a wide variety of assignments including closely-held businesses, professional practices and thinly traded public companies. Industries include but are not limited to security, automotive, funeral homes, health care, securities brokerage and financial institutions, retail, manufacturing, service, and professional business establishments. Assignments have also included the valuation of stock options and various types of intangible assets.

Business valuation and litigation support services have been rendered for a variety of purposes including, but not limited to family law matters, business damages, lender liability litigation, buy-sell agreements, shareholder litigation, estate and gift tax matters, buying and selling businesses, malpractice litigation, wrongful death, sexual discrimination, age discrimination, wrongful termination, and breach of contract. Representation in litigation includes plaintiff, defendant, mutual, and court-appointed neutral.

Court Testimony. Has been qualified as an expert witness in State Courts of New Jersey, New York, Pennsylvania, Connecticut, Florida, Michigan and Federal District Court in Newark, New Jersey and Hammond, Indiana, and has performed extensive services relating to court testimony. Testimony has also been provided in arbitration cases before the National Association of Securities Dealers and the American Stock Exchange, as well as other forms of arbitration.

Court Appearances. Has appeared in the following courts: *New Jersey* • Morris, Atlantic, Sussex, Bergen, Burlington, Passaic, Mercer, Middlesex, Monmouth, Essex, Hunterdon, Warren, Hudson, and Union. *New York* • Bronx • Westchester. *Florida* • Palm Beach. Polk, Lee, Broward, Miami-Dade and Leon. *Connecticut* • Fairfield, Milford/Ansonia, Middlesex. *Pennsylvania* • Montgomery, Lehigh. *Massachusetts* • Middlesex. *Indiana* • Marion. *California* • San Jose. *Michigan* • Ottawa.

Court Appointments. Has been court appointed in New Jersey's Morris, Sussex, Essex, Union, Hunterdon, Somerset, Monmouth, Middlesex, Passaic, Warren, Bergen, and Hudson counties by numerous judges, as well as Orange County, Florida.

Mutual Expert. Regularly serves as a mutually-agreed upon expert.

Early Settlement Panel. Has served on the Blue Ribbon Early Settlement Panel in Sussex County.

Professional Designations

- ***CPA:** Licensed in Connecticut (2007), Florida (1996), New Jersey (1978) and New York (1977).

**GARY R. TRUGMAN, C.P.A.*/A.B.V., M.C.B.A., A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Professional Designations

- **ABV:** Accredited in Business Valuation designated by The American Institute of Certified Public Accountants (1998).
- **MCBA:** Master Certified Business Appraiser designated by The Institute of Business Appraisers, Inc. (1999). Original certification (CBA) in 1987.
- **ASA:** Accredited Senior Appraiser designated by the American Society of Appraisers (1991). Reaccredited in 2006.

Education

- Masters in Valuation Sciences - Lindenwood College, St. Charles, MO (1990). Thesis topic: Equitable Distribution Value of Closely-Held Businesses and Professional Practices.
- B.B.A. in Accountancy - Bernard M. Baruch College, New York, NY (1977).

Faculty

- *National Judicial College*, Reno, Nevada since 1997.

Appraisal Education

- *IBA Symposium 2007*. Denver, CO, The Institute of Business Appraisers, 2007.
- *FICPA Valuation, Accounting and Litigation Services Conference*. Ft. Lauderdale, FL, Florida Institute of Certified Public Accountants, 2007.
- *AICPA National Business Valuation Conference*. Austin, TX, American Institute of Certified Public Accountants, 2006.
- *FCG Conference*. Austin, TX, Financial Consulting Group, 2006.
- *Personal Goodwill*. BV Resources Telephone Conference, 2006.
- *FICPA Valuation, Accounting and Litigation Services Conference*. Ft. Lauderdale, FL, Florida Institute of Certified Public Accountants, 2006.
- *Valuation²*. Las Vegas, NV, American Institute of Certified Public Accountants and American Society of Appraisers, 2005.
- *AICPA National Business Valuation Conference*. Orlando, FL, American Institute of Certified Public Accountants, 2004.

**GARY R. TRUGMAN, C.P.A.*/A.B.V., M.C.B.A., A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Appraisal Education

- *23rd Annual Advanced Business Valuation Conference.* San Antonio, TX, American Society of Appraisers, 2004.
- *2004 National Business Valuation Conference.* Las Vegas, NV, Institute of Business Appraisers, 2004.
- *New Jersey Law and Ethics Course.* Parsippany, NJ, New Jersey Society of Certified Public Accountants, 2004.
- *22nd Annual Advanced Business Valuation Conference.* Chicago, IL, American Society of Appraisers, 2003.
- *AICPA National Business Valuation Conference.* New Orleans, LA, American Institute of Certified Public Accountants, 2002.
- *Brown v. Brown: The Most Important Equitable Distribution Decision Since Painter.* Fairfield, NJ, New Jersey Institute for Continuing Legal Education, 2002.
- *2001 National Business Valuation Conference.* Las Vegas, NV, American Institute of Certified Public Accountants, 2001.
- *2001 Share the Wealth Conference.* Orlando, FL, The Institute of Business Appraisers, 2001.
- *2000 National Conference on Business Valuation,* Miami, FL, American Institute of Certified Public Accountants, 2000.
- *19th Annual Advanced Business Valuation Conference,* Philadelphia, PA, American Society of Appraisers, 2000.
- *Hot Issues in Estate and Gift Tax Returns: What do the Auditors Look For?* Fairfield, NJ, New Jersey Institute for Continuing Legal Education, 2000.
- *Pulling Ahead of the Pack - The Institute of Business Appraisers' 2000 National Conference.* Phoenix, AZ, The Institute of Business Appraisers, 2000.
- *Business Valuation Conference.* Las Vegas, NV, American Institute of Certified Public Accountants, 1999.
- *1999 International Appraisal Conference.* Boston, MA, American Society of Appraisers, 1999
- *1999 Annual Conference: The Future of Business Valuation.* Orlando, FL, The Institute of Business Appraisers, Inc., 1999.

**GARY R. TRUGMAN, C.P.A.*/A.B.V., M.C.B.A., A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Appraisal Education

- *1998 Joint Business Valuation Conference.* Montreal, Canada, American Society of Appraisers and Canadian Institute of Chartered Business Valuators, 1998.
- *The Future of Business Valuation Annual Conference.* San Antonio, TX, The Institute of Business Appraisers, Inc., 1998.
- *Business Valuation Conference.* San Diego, CA, American Institute of Certified Public Accountants, 1997.
- *16th Annual Advanced Business Valuation Conference.* San Francisco, CA, American Society of Appraisers, 1997.
- *Quantifying Marketability Discounts.* San Francisco, CA, Mercer Capital, 1997.
- *Introduction to Machinery & Equipment Valuation.* Chicago, IL, American Society of Appraisers, 1997.
- *National Conference on Appraising Closely-Held Businesses.* San Diego, CA, The Institute of Business Appraisers, Inc., 1997.
- *Business Valuation Conference.* Phoenix, AZ, American Institute of Certified Public Accountants, 1996.
- *15th Annual Business Valuation Conference.* Memphis, TN, American Society of Appraisers, 1996.
- *1996 Business Valuation Conference.* Holmdel, NJ, NJ Society of Certified Public Accountants, 1996.
- *National Conference on Appraising Closely-Held Businesses.* Orlando, FL, The Institute of Business Appraisers, Inc., 1996.
- *Business Valuation Conference.* New Orleans, LA, American Institute of Certified Public Accountants, 1995.
- *14th Annual Business Valuation Conference.* Boston, MA, American Society of Appraisers, 1995.
- *1995 Matrimonial Conference.* Holmdel, NJ, New Jersey Society of Certified Public Accountants, 1995.
- *Joint Business Valuation Conference.* San Diego, CA, American Institute of Certified Public Accountants - The Institute of Business Appraisers, Inc., 1995.
- *1995 Business Valuation Conference.* Holmdel, NJ, New Jersey Society of Certified Public Accountants, 1995.

**GARY R. TRUGMAN, C.P.A.* / A.B.V., M.C.B.A., A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Appraisal Education

- *National Conference on Appraising Closely-Held Businesses.* Las Vegas, NV, The Institute of Business Appraisers, Inc., 1995.
- *1994 International Conference.* Chicago, IL., American Society of Appraisers, 1994.
- *National Conference on Appraising Closely-Held Businesses.* Orlando, FL, The Institute of Business Appraisers, Inc., 1994.
- *1993 International Conference.* Seattle, WA, American Society of Appraisers, 1993.
- *Uniform Standards of Professional Appraisal Practice and Professional Appraisal Ethics.* Seattle, WA, American Society of Appraisers, 1993.
- *11th Annual Business Valuation Conference.* Atlanta, GA, American Society of Appraisers, 1992.
- *1992 International Conference.* New Orleans, LA, American Society of Appraisers 1992.
- *National Conference on Appraising Closely-Held Businesses.* Orlando, FL, The Institute of Business Appraisers, Inc., 1992.
- *10th Annual Business Valuation Conference.* Scottsdale, AZ, American Society of Appraisers, 1991.
- *1991 International Conference.* Philadelphia, PA, American Society of Appraisers, 1991.
- *Appraising Closely-Held Businesses.* Orlando, FL, The Institute of Business Appraisers, Inc., 1991.
- *Principles of Valuation-Business Valuation Case Study.* New Orleans, LA, American Society of Appraisers, 1989.
- *Principles of Valuation–Business Valuation Methodology.* New Orleans, LA, American Society of Appraisers, 1988.
- *Divorce Tax Planning.* American Institute of Certified Public Accountants, 1988.
- *Valuation of Closely-Held Businesses.* Total Tape Inc., 1987.
- *Business Valuation for Accountants.* Paramus, NJ, The Institute of Business Appraisers, Inc., 1986.
- *Valuation of Closely-Held Businesses.* American Institute of Certified Public Accountants, 1986.
- Has performed extensive reading and research on business valuation and related topics.

**GARY R. TRUGMAN, C.P.A.*/A.B.V., M.C.B.A., A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Lecturer

- *Expert Witness - A Primer*, Orlando, FL, FICPA FABExpo, 2007.
- *Personal Goodwill: Does the Non-Propertied Spouse Really Lose the Battle?* Ft. Lauderdale, FL, Florida Bar Family Law Section, 2007.
- *Do's and Don't's of Expert Testimony*, Ft. Lauderdale, FL, FICPA Valuation, Accounting and Litigation Services Conference, 2007.
- *Valuing Small Businesses for Divorce*, Austin, TX, AICPA National Business Valuation Conference, 2006.
- *Ask the Experts*, Austin, TX, AICPA National Business Valuation Conference, 2006.
- *Changes to the 2006 USPAP*, Overland Park, KS, Kansas Valuation Conference, 2006.
- *Tax Effecting S Corporations and Other Flow Through Entities*, Overland Park, KS, Kansas Society of CPAs Valuation Conference, 2006.
- *Valuation Discounts*, Minneapolis, MN, MN Society of CPAs Valuation Conference, 2006.
- *Malpractice and Business Valuation*, Minneapolis, MN, MN Society of CPAs Valuation Conference, 2006.
- *Mock Trial - Being an Expert Witness*, Woodbridge, NJ, NJ Divorce Conference, 2006.
- *Expert Reports Used in Divorce*, Las Vegas, AICPA Divorce Conference, 2006.
- *Ask the Expert*, Ft. Lauderdale, FL, FICPA Valuation, Accounting and Litigation Services Conference, 2006.
- *Valuing the Very Small Company*, Las Vegas, NV, Valuation², American Institute of Certified Public Accountants and American Society of Appraisers, 2005.
- *Being an Effective Witness*, Las Vegas, NV, Valuation², American Institute of Certified Public Accountants and American Society of Appraisers, 2005.
- *Divorce Valuation versus Other Valuations*, Richmond, VA, Virginia Society of CPA's Conference, 2005.
- *Hot Topics in Business Valuation*, Cleveland, OH, SSG, 2005.
- *Valuing Small Businesses and Professional Practices*. Atlanta, GA, George Society of CPAs' Super Conference, 2005.
- *Personal Goodwill in a Divorce Setting*. Ft. Lauderdale, FL, Florida Institute of Certified Public Accountants' Valuation & Litigation Services Conference, 2005.

**GARY R. TRUGMAN, C.P.A.* / A.B.V., M.C.B.A., A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Lecturer

- *The Market Approach: Case Study.* Orlando, FL, American Institute of CPAs, 2004.
- *Valuing Professional Practices,* Orlando, FL, American Institute of CPAs, 2004.
- *How to Develop Discount Rates.* Ft. Lauderdale, FL, Florida Institute of CPAs Valuation and Litigation Conference, 2004; Detroit, Michigan, MI Valuation Conference, 2004.
- *To Tax or Not to Tax - That is the Question: Tax Effecting S Corporations,* Chicago, IL, Illinois Business Valuation Conference, 2004.
- *Controversial Topics.* Richmond, VA, VA Valuation and Litigation Conference, 2004.
- *Guideline Company Methods: Levels of Value Issues, Telephone Panel,* Business Valuation Resources, 2004.
- *Small Business Case Study.* Phoenix, AZ, American Institute of Certified Public Accountants National Business Valuation Conference, 2003; Ft. Lauderdale, FL, Florida Institute of CPAs, 2004.
- *Valuation Issues - What You Need to Know.* San Antonio, TX, AICPA National Auto Dealer Conference, 2003.
- *Professional Practice Valuations.* Tampa, FL, The Florida Bar - Family Law Section, 2003.
- *Business Valuation Basics.* Orlando, FL, The Florida Bar Annual Meeting, 2003.
- *Business Valuation for Divorce.* Orlando, FL, The Florida Bar Annual Meeting, 2003.
- *Business Valuation in a Litigation Setting.* Las Vegas, NV, CPAmerica International, 2003.
- *The Transaction Approach - How Do We Really Use It?* Tampa, FL, American Society of Appraisers International Conference, 2003.
- *Advanced Testimony Techniques.* Chicago, IL, Illinois Business Valuation Conference, 2003.
- *To Tax or Not to Tax? Issues Relating to S Corps and Built-In Gains Taxes.* Washington, DC, Internal Revenue Service, 2003.
- *Issues for CPAs in Business Valuation Reports.* New Orleans, LA, American Institute of Certified Public Accountants, 2002.
- *Guideline Public Company Method: Minority Versus Control – Dueling Experts.* New Orleans, LA, American Institute of Certified Public Accountants, 2002.

**GARY R. TRUGMAN, C.P.A.* / A.B.V., M.C.B.A., A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Lecturer

- *To Tax or Not To Tax? - That Is The Question.* Minneapolis, MN, Minnesota Society of Certified Public Accountants, 2002.
- *Pressing Problems and Savvy Solutions When Retained by the Non-Propertied Spouse.* Las Vegas, NV, American Institute of Certified Public Accountants/American Academy of Matrimonial Lawyers, 2002.
- *The Transaction Method - IBA Database.* Atlanta, GA, Financial Consulting Group, 2002.
- *Valuation Landmines - How Not To Get In Trouble.* Washington, DC, 2002 Annual Business Valuation Conference, The Institute of Business Appraisers, 2002.
- *Guest Lecturer on Business Valuation.* New York, NY, Fordham Law School, 2002.
- *Guideline Company Analysis.* Chicago, IL, Illinois CPA Foundation, 2002.
- *Guideline Company Analysis.* Las Vegas, NV, American Institute of Certified Public Accountants, 2001.
- *Discount and Capitalization Rates.* Bloomington, MN, Minnesota Society of CPAs, 2001.
- *Valuation Premiums and Discounts.* Louisville, KY, Kentucky Tax Institute, 2001.
- *Business Valuation.* St. Louis, MO, Edward Jones, 2001.
- *Business Valuation for Marital Dissolutions.* Dublin, OH, Ohio Supreme Court, 2001.
- *Testimony Techniques.* Chicago, IL, Illinois CPA Society, 2001.
- *Valuing the Very Small Business.* Chicago, IL, Illinois CPA Society, 2001.
- *Valuations in Divorce.* Ft. Lauderdale, FL, Florida Institute of Certified Public Accountants, 2001.
- *Valuation Land Mines To Watch Out For.* Miami, FL, American Institute of Certified Public Accountants, 2000.
- *Ask the Experts - Discounts and Premia.* Miami, FL, American Institute of Certified Public Accountants, 2000.
- *Understanding a Financial Report.* Columbia, SC, South Carolina Bar Association, 2000.
- *Business Damages.* Columbia, SC, South Carolina Bar Association, 2000.
- *A Fresh Look at Revenue Rulings 59-60 and 68-609.* New Orleans, LA, Practice Valuation Study Group, 2000.

**GARY R. TRUGMAN, C.P.A.*//A.B.V., M.C.B.A., A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Lecturer

- *Business Valuation: What's It Really All About?* New York, NY, New York State Society of Certified Public Accountants, 1999.
- *Understanding and Increasing the Value of Your Business.* Phoenix, AZ, Inc. Growth Conference, 1999.
- *Equitable Distribution of Closely-Held Businesses – Fair Market Value or Fair Value?* Atlantic City, NJ, Association of Trial Lawyers of America -- New Jersey, 1999.
- *Controversial Topics In Business Valuation.* Orlando, FL, The Institute of Business Appraisers, Inc., 1999; Ft. Lauderdale, FL, Florida Institute of Certified Public Accountants, 1999, 2003.
- *Discount and Capitalization Rates.* San Antonio, TX, The Institute of Business Appraise, Inc., 1998; Asheville, NC, North Carolina Association of Certified Public Accountants, 1998; Ohio, Ohio Society of Certified Public Accountants, 1998.
- *Developing a Niche in Business Valuation.* Las Vegas, NV, American Institute of Certified Public Accountants, 1998.
- *Digesting Business Valuation for Legal Transactions.* New Brunswick, NJ, Institute of Continuing Legal Education, 1997.
- *The Market Approach to Business Valuation.* Baltimore, MD, CPA Associates International, 1997.
- *Valuing Accounting Practices for Sale or Merger.* New Orleans, LA, American Institute of Certified Public Accountants Practitioners Symposium, 1997.
- *The Value of a Deal.* New York, NY, Practising Law Institute, 1997.
- *Revenue Ruling 59-60 Revisited .* San Diego, CA, The Institute of Business Appraisers, Inc., 1997.
- *Capitalization Rates.* Greensboro, NC, National Association of Certified Valuation Analysts, 1996.
- *Valuation Discounts and Premiums.* Greensboro, NC, National Association of Certified Valuation Analysts, 1996; New York, NY, New York State Society of Certified Public Accountants, 1999; San Francisco, CA, Accounting Firms Associated, Inc., 1999.
- *Equitable Distribution Value of Small Closely-Held Businesses and Professional Practices.* Greensboro, NC, North Carolina Association of Certified Public Accountants, 1996.

**GARY R. TRUGMAN, C.P.A.* / A.B.V., M.C.B.A., A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Lecturer

- *Does the Market Transaction Method Really Work?* Phoenix, AZ, National Business Valuation Conference, American Institute of Certified Public Accountants, 1996.
- *Valuation Issues Affecting Transfers of Family Businesses.* Princeton, NJ, New Jersey Society of Certified Public Accountants Financial Planning Conference, 1996.
- *Crossfire: Why You Should Not Use the Excess Earnings Method.* New Orleans, LA, American Institute of Certified Public Accountants Business Valuation Conference, 1995.
- *Practice Aid 93-3, What Did We Do?* Tampa, FL, Florida Institute of Certified Public Accountants, 1995.
- *Revenue Ruling 59-60: What Does It Really Say?* East Brunswick, NJ, New Jersey Society of Certified Public Accountants, 1995.
- *Preparing and Defending a Business Valuation Report in Litigation.* Holmdel, NJ, New Jersey Society of Certified Public Accountants, 1995.
- *Using the Market Approach to Value Small and Medium Sized Businesses.* San Diego, CA; Orlando, FL, American Institute of Certified Public Accountants, Institute of Business Appraisers, Inc., Joint Conference, 1995 - 1996.
- *CPA's Role in Divorce Litigation.* Holmdel, NJ, New Jersey Society of Certified Public Accountants, 1995.
- *Business Valuation and Litigation.* Reno and Las Vegas, NV, Nevada Society of Certified Public Accountants, 1994.
- *Business Valuation with an Emphasis on Employee Stock Ownership Plans, Mergers and Acquisitions, and Initial Public Offerings.* Phoenix, AZ, National Industry Conference, American Institute of Certified Public Accountants, 1994.
- *Business Valuation-There's a Right Way and a Wrong Way to Do It.* Dallas, TX, Dallas Estate Planning Council, 1993, Chattanooga, TN, Chattanooga Estate Planning Council, 1998.
- *The CPA's Role in Divorce Litigation.* Louisville, KY, Kentucky Society of Certified Public Accountants, 1993.
- *Valuation of Accounting and Other Professional Practices.* West Orange, NJ, Small and Medium Firm Conference, NJ Society of Certified Public Accountants, 1993.
- *Information Gathering Strategies for Business Appraisal.* San Diego, CA, National Conference on Appraising Closely-Held Businesses, The Institute of Business Appraisers, Inc., 1993.

**GARY R. TRUGMAN, C.P.A.* / A.B.V., M.C.B.A., A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Lecturer

- *Capitalization Rates*. Edison, NJ, Matrimonial Conference, NJ Society of Certified Public Accountants, 1993.
- *Measure of Value in Theory and Reality for Marital Dissolutions*. Orlando, FL, National Conference on Appraising Closely-Held Businesses, The Institute of Business Appraisers, Inc., 1992.
- *Equitable Distribution Value of Closely-Held Companies and Professional Practices*. San Diego, CA, National Conference on Appraising Closely-Held Businesses, The Institute of Business Appraisers, Inc., 1991.
- *Tax Aspects of Divorce*. NJ, Institute of Continuing Legal Education, 1989-1990, 1992.
- *Appraising Closely-Held Businesses: Expert Testimony*. Orlando, FL, National Conference on Appraising Closely-Held Businesses, The Institute of Business Appraisers, Inc., 1990.
- *Business Valuation for Accountants*. NJ, The Institute of Business Appraisers, Inc., 1988, 1989, 1990.
- *Using Forecasts and Projections in Business Valuation*. Orlando, FL, Valuation Study Group, 1989.
- *What You Need to Know About Valuation and Litigation Support Services*. East Hanover, NJ, CPA Club, 1989.
- *Valuing Professional Practices*. San Diego, CA, National Conference on Appraising Closely-Held Businesses, The Institute of Business Appraisers, Inc., 1989.
- *What is Your Business Worth?* Wayne, NJ, Dean Witter Reynolds, 1988.
- *Understanding Business Valuation for the Practice of Law*. NJ, Institute of Continuing Legal Education, 1987.

Instructor

- *Standards and Ethics: An Appraiser's Obligation*. The Institute of Business Appraisers, Denver, CO, 2007.
- *Principles of Valuation - Part 2*. American Society of Appraisers, Austin, TX, 2005; Chicago, IL, 2006; Brooklyn, NY 2006; Herndon, VA 2007; Chicago, IL 2007; Deloitte & Touche, NY 2007.

**GARY R. TRUGMAN, C.P.A.* / A.B.V., M.C.B.A., A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Instructor

- *Small Business Valuation: A Real Life Case Study.* American Institute of Certified Public Accountants, Rocky Hill, CT, 2005; Richmond, VA, 2005; Columbia, MD, 2005, Providence, RI, 2007.
- *Valuation Discount and Capitalization Rates, Valuations Premiums and Discounts.* Rhode Island Society of CPAs, Providence, RI, 2004.
- *Mergers and Acquisitions.* Rhode Island Society of CPAs, Providence, RI, 2004.
- *Valuing a Small Business: Case Study.* Rhode Island Society of CPAs, Providence, RI, 2004.
- *Discounts & Premiums in a Business Valuation Environment.* American Institute of Certified Public Accountants, Roseland, NJ; 2004, Rocky Hill, CT, 2005.
- *Advanced Cost of Capital Computations.* American Society of Certified Public Accountants, Rhode Island, NJ 2004.
- *Fundamentals of Business Valuation - Part 2.* American Institute of Certified Public Accountants, Atlanta, GA, 2004.
- *Splitting Up is Hard to Do: Advanced Valuation Issues in Divorce and Other Litigation Disputes.* American Institute of Certified Public Accountants, Providence, RI, 2002.
- *Fundamentals of Business Valuation - Part 1.* American Institute of Certified Public Accountants, Dallas, TX, 2001.
- *Advanced Topics.* The Institute of Business Appraisers, Orlando, FL, 2001.
- *Business Valuation.* Federal Judicial Center, Washington, DC, 2001.
- *Business Issues: Business Valuation-State Issues; Marital Dissolution; Shareholder Issues and Economic Damages.* National Judicial College, Charleston, SC, 2000.
- *Business Valuation for Marital Dissolutions.* National Judicial College, San Francisco, CA, 2000.
- *Business Valuation Workshop.* 2000 Spring Industry Conference, American Institute of Certified Public Accountants, Seattle, WA, 2000.
- *Developing Discount & Capitalization Rates.* The Institute of Business Appraisers, Phoenix, AZ, 2000.
- *Mergers & Acquisitions.* National Association of Certified Valuation Analysts, Nevada, 1998; Ohio, 1998.

**GARY R. TRUGMAN, C.P.A.* / A.B.V., M.C.B.A., A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Instructor

- *Valuation Issues in Divorce Settings.* American Institute of Certified Public Accountants, New Jersey, 1998.
- *Financial Statements in the Courtroom (Business Valuation Component).* American Institute of Certified Public Accountants for the National Judicial College, Texas, 1997; Florida, 1997, 1998, 2001; Louisiana, 1998, 1999; Nevada, 1999, 2001; South Carolina, 2000, 2006; Georgia, 2000; Arizona, 2001; New York, 2002; Colorado, 2003; Ohio, 2003; Florida, 2003; New Jersey 2005, 2007.
- *Preparing for AICPA's ABV Examination Review Course.* American Institute of Certified Public Accountants, New York, 1997, 2000, 2001; Pennsylvania, 1998; Kansas, 1998; Maryland, 2000, 2001; Massachusetts, 2000; Virginia, 2002.
- *How to Value Mid-Size and Smaller Businesses/Using Transaction Data to Value Closely-Held Businesses.* Atlanta, GA, Chicago, IL, 1996.
- *Conducting a Valuation of a Closely-Held Business.* The Institute of Business Appraisers, Inc., 1996.
- *How To Value Mid-Size and Smaller Businesses.* The Institute of Business Appraisers, Inc., 1995.
- *Valuation of Small Businesses and Professional Practices.* American Society of Appraisers, 1995.
- *Uniform Standards of Professional Appraisal Practice.* American Society of Appraisers, 1995.
- *Advanced Topics in Business Valuation.* New Jersey Society of Certified Public Accountants, 1995, 1996, 1997.
- *Business Valuation Theory.* New Jersey, 1994, 1995, 1996, 1997, 1999, 2000, 2002; Rhode Island, 2004.
- *Business Valuation Approaches and Methods.* New Jersey, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2002; North Carolina, 1997, 1999, 2000; Louisiana, 1997, 1998; Massachusetts, 1997, 1998, 1999; Pennsylvania, 1997; New York, 1997, 2000; Indiana, 1997; Connecticut, 1997, 2000; Ohio, 1998; Rhode Island, 1999, 2003.
- *Business Valuation Discount Rates, Capitalization Rates, Valuation Premiums and Discounts.* New Jersey, 1998, 2000, 2002; North Carolina, 1997, 1999, 2000; Louisiana, 1997; Massachusetts, 1997, 1998; Rhode Island, 1997, 1999; Indiana, 1997; Connecticut, 1997, 2000.

**GARY R. TRUGMAN, C.P.A.* / A.B.V., M.C.B.A., A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Instructor

- *Business Valuation*. Champaign, IL, American Institute of Certified Public Accountants National Tax School, 1994, 1995, 1996.
- *Principles of Valuation: Introduction to Business Valuation*. American Society of Appraisers, 1998, 1999, 2001, 2002.
- *Principles of Valuation: Business Valuation Methodology*. American Society of Appraisers, 1992, 1993, 1995, 1996, 1997, 1998, 1999, 2001.
- *Principles of Valuation: Case Study*. American Society of Appraisers, 1993, 1999, 2000, 2001, 2002, 2003.
- *Principles of Valuation: Selected Advanced Topics*. American Society of Appraisers, 1992, 1994, 1995, 1996, 1998, 2002.
- *Developing Your Business Valuation Skills: An Engagement Approach*. NJ Society of Certified Public Accountants, 1992, 1993.
- *Advanced Business Valuation Seminar*. The Institute of Business Appraisers, Inc., 1991, 1992.
- *10 Day Workshop on Appraising Closely-Held Businesses*. The Institute of Business Appraisers, Inc., 1991, 1998.
- *Financial Statement Analysis*. St. Charles, MO, Lindenwood College Valuation Sciences Program, 1989, 1990.
- *Former Adjunct Instructor of Federal Income Taxation and Intermediate Accounting*. Centenary College, Hackettstown, NJ, 1982-1987.

Organizations

- The Institute of Business Appraisers, Inc.
- American Society of Appraisers.
- American Institute of Certified Public Accountants.
- New Jersey Society of Certified Public Accountants.
- New York State Society of Certified Public Accountants.
- Florida Institute of Certified Public Accountants.
- Collaborative Family Lawyers of South Florida

**GARY R. TRUGMAN, C.P.A.*/A.B.V., M.C.B.A., A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Awards

- Presented with the “Outstanding Chair Award” by the Florida Institute of Certified Public Accountants in June 2007 for service to the 2006-2007 Valuation, Forensic Accounting and Litigation Services Section.
- Presented with the “Hall of Fame Award” by the American Institute of Certified Public Accountants in December 1999 for dedication towards the advancement of the business valuation profession.
- Presented with the “Fellow Award” by The Institute of Business Appraisers Inc., in January 1996 for contributions made to the profession.

Professional Appointments

- *The Institute of Business Appraisers, Inc.* Former Regional Governor for the Mid-Atlantic Region consisting of Delaware, Kentucky, Maryland, New Jersey, Pennsylvania, Ohio, Virginia, and West Virginia.
- *The American Society of Appraisers Chapter 73.* Treasurer, 1996 - 1997.

Current Committee Service

- Chairman of Valuation, Forensic Accounting and Litigation Services Section - Florida Institute of CPAs.
- Chairman of Disciplinary and Ethics Committee -The Institute of Business Appraisers, Inc. (committee established 1989).
- AICPA ABV Examination Committee.

Past Committee Service

- AICPA Committee with the Judiciary.
- AICPA ABV Credential Committee.
- AICPA Management Consulting Services Division - Executive Committee.
- Chairman of the Valuation Standards Subcommittee - NJ Society of Certified Public Accountants Litigation Services Committee.
- Matrimonial Subcommittee - NJ Society of Certified Public Accountants Litigation Services Committee.

**GARY R. TRUGMAN, C.P.A.* / A.B.V., M.C.B.A., A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Past Committee Service

- Co-Chair of Courses and Seminars for Certified Public Accountants Subcommittee - NJ Society of Certified Public Accountants.
- Education Committee - The Institute of Business Appraisers, Inc.
- Chairman of Education Committee - North Jersey Chapter of American Society of Appraisers.
- AICPA Subcommittee on Business Valuation & Appraisal.
- International Board of Examiners - American Society of Appraisers.
- Qualifications Review Committee - The Institute of Business Appraisers, Inc.

Editor

- Editorial Advisor for *Financial Valuation and Litigation Expert*, Valuation Products and Services.
- Editorial Advisor for *CPA Expert*, American Institute of Certified Public Accountants.
- Editorial Advisor for *The Journal of Accountancy*, American Institute of Certified Public Accountants.
- Former Editorial Advisor of *BV Q&A*, Business Valuation Resources.
- Former Editorial Board of *CPA Litigation Service Counselor*, Harcourt Brace, San Diego, CA.
- Former Editorial Board of *Business Valuation Review*, American Society of Appraisers, Herndon, VA.

Author

- Course entitled *Standards and Ethics: An Appraiser's Obligation*, The Institute of Business Appraisers (2007).
- Course entitled *Small Business Valuation: A Real Life Case Study*, American Institute of Certified Public Accountants (2005).
- *Guideline Public Company Method - Control or Minority Value?*, Shannon Pratt's Business Valuation Update (2003).
- *Signed, Sealed, Delivered*, Journal of Accountancy (2002).

**GARY R. TRUGMAN, C.P.A.* / A.B.V., M.C.B.A., A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Author

- *A CPA's Guide to Valuing a Closely Held Business*, American Institute of Certified Public Accountants (2001).
- Course entitled *Business Issues - State Courts*, National Judicial College, Reno, NV (2000).
- *Understanding Business Valuation: A Practical Guide to Valuing Small to Medium-Sized Businesses*, American Institute of Certified Public Accountants, First Edition (1998) Second Edition (2002).
- Contributing author to *The Handbook of Advanced Business Valuation*, McGraw-Hill (1999).
- Course entitled *Valuation Issues in Divorce Settings* for the American Institute of Certified Public Accountants (1997).
- Co-author of course entitled *Accredited Business Valuer Review Course* (Market Approach Chapter) for the American Institute of Certified Public Accountants (1997).
- *Understanding Business Valuations* for The Institute of Continuing Legal Education (1997).
- Six Day Business Valuation Series consisting of *Business Valuation Theory, Valuation Approaches & Methods* and *Advanced Topics in Business Valuation* (1994, 1995.)
- *Advocacy vs. Objectivity, CPA Litigation Service Counselor*, Harcourt Brace, San Diego, CA (1993).
- *Valuation of a Closely-Held Business*, Practice Aid for the American Institute of Certified Public Accountants (1993).
- Co-author of *Guide to Divorce Engagements*, Practitioners Publishing Company, Fort Worth, TX (1992).
- *A Threat to Business Valuation Practices*, *Journal of Accountancy* (December 1991).
- Course entitled *Advanced One Day Seminar* for The Institute of Business Appraisers, Inc. (1991).
- Course entitled *Understanding Business Valuation for the Practice of Law* for the Institute of Continuing Legal Education in NJ.
- *An Appraiser's Approach to Business Valuation, Fair\$hare*, Prentice Hall Law & Business (July & August, 1991).

**GARY R. TRUGMAN, C.P.A.*/A.B.V., M.C.B.A., A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Author

- *What is Fair Market Value? Back to Basics, Fair\$hare*, Prentice Hall Law & Business (June 1990).