

**REL SYSTEMS, INC.**  
**CALCULATION REPORT**  
**DECEMBER 31, 2007**

July 7, 2008

REL Systems, Inc.  
123 Main Street  
Sometown, NJ 12345  
Attn: Mr. Raymond D. Chandler

Re: Calculation of value of 100 percent of the common stock of REL Systems, Inc.

Dear Mr. Chandler:

We were retained by you to perform limited business valuation services of 100 percent of the common stock of REL Systems, Inc. ("REL" or "The Company") as of December 31, 2007 to be used as the basis of a possible sale of the stock. These services fall under the *Statement on Standards for Valuation Services No. 1*, as promulgated by The American Institute of Certified Public Accountants. This type of service is explained in this standard as follows:

*Calculation Engagement*-- A valuation analyst performs a calculation engagement when (1) the valuation analyst and the client agree on the valuation approaches and methods the valuation analyst will use and the extent of procedures the valuation analyst will perform in the process of calculating the value of a subject interest (these procedures will be more limited than those of a valuation engagement) and (2) the valuation analyst calculates the value in compliance with the agreement. The valuation analyst expresses the results of these procedures as a calculated value. The calculated value is expressed as a range or as a single amount. A calculation engagement does not include all of the procedures required for a valuation engagement.

Pursuant to our retention, we have presented our findings in a *Calculation Report*. A calculation report will contain less information than would be included in a detailed report under a *Valuation Engagement*. Our standards do not permit a detailed report to be used for this type of engagement, and therefore, this report is only appropriate for the client's review. This limited report may be misunderstood by those who are not familiar with all of the facts surrounding this engagement.

Unless otherwise noted in this agreement, this *Calculation Engagement* is expected to be performed by Trugman Valuation Associates, Inc. considering an income approach methodology and a market approach methodology, if sufficient relevant data can be located. An asset approach will be considered to the extent that it can be performed without fixed and intangible asset appraisals. We did not perform a site visit or formal management interview as part of this engagement. We also did not perform an economy/industry analysis. As such, our estimate of value may differ from a conclusion of value had a valuation engagement been performed.

**Florida**

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Although the purpose of this Calculation Engagement is to determine the reasonable value of the subject property, the client has requested only limited analyses to be performed. Based on these limitations, Trugman Valuation Associates, Inc. will also not be rendering an opinion of value based on the standards established by the *Uniform Standards of Appraisal Practice*, the American Society of Appraisers or The Institute of Business Appraisers.

Trugman Valuation Associates, Inc. will perform limited analyses to estimate the negotiable price that can be used by the client in lieu of the more definitive estimate of fair market value of the subject property. Said fair market value is defined to be a value at which a willing seller and willing buyer, both being informed of the relevant facts about the business, could reasonably conduct a transaction, neither party acting under any compulsion to do so.

It is understood that as a result of this assignment, the report cannot be shown to third parties, cannot be attached to any type of tax return, and no expert testimony shall be provided.

The following documents were used in the analysis:

1. Form 1120, U.S. Corporation Income Tax Return for 2003 through 2007.
2. Internally prepared Profit & Loss Detail reports for 2003 through 2007.
3. Annual investment summary for 2007 from USAA.
4. Telephone conversations with management of REL Systems, Inc.
5. Other items referenced throughout the report.

## **FINANCIAL ANALYSIS**

The book value of The Company was \$350,460 as of December 31, 2007. For purposes of our analysis, we segregated the portfolio of marketable securities which amounted to \$85,306 and the two vehicles which amounted to \$57,700, as these items were not deemed to be part of the business operations. In addition, we segregated \$188,183 of cash after determining that the appropriate level of cash is two months of normalized operating expenses. This was determined after analyzing information published by Integra Information for similar types of businesses. This reduced the operating tangible book value to \$69,366.

We compared the financial results of REL to its industry peer group using Integra Business Profiler. We used data classified in Standard Industrial Classification (SIC)

code 7372, which is defined as prepackaged software. Although this is not an exact definition of the operations of REL, it can be used to make some preliminary observations. There were 1,329 companies in this group with sales ranging from \$250,000 to \$499,999. Overall we found certain strengths and weaknesses in REL Systems compared to the peer group. A summary of these items is as follows:

	<u>Strengths</u>	<u>Weaknesses</u>
Liquidity Ratios	x	
Turnover Ratios		x
Debt Ratios	x	
Profitability Ratios		x
Working Capital	x	
Growth		x

The analysis indicates that REL is on par with its industry peer group as The Company is stronger in some areas and weaker in others.

We normalized certain items reflected in The Company's tax returns for the purpose of determining the economic income that a buyer would expect from the business. This is reflected in Table 1.

**TABLE 1  
NORMALIZATION OF INCOME**

	December 31,				
	2003	2004	2005	2006	2007
Reported Net Income (Loss)	\$ 82,227	\$ (80,652)	\$ (13,577)	\$ (26,197)	\$ 38,989
Adjustments					
Depreciation Expense <sup>1</sup>	2,229	1,675	1,675	1,675	1,675
Officers' Compensation <sup>2</sup>	41,600	46,000	51,500	50,000	50,000
Rent <sup>3</sup>	9,600	6,000	14,100	6,000	9,000
Insurance-General <sup>4</sup>	23,204	24,297	7,409	11,551	6,921
Auto Expense <sup>5</sup>	3,899	225	3,617	3,334	470
Office Expense <sup>6</sup>	-	-	635	-	-
Payroll Taxes <sup>7</sup>	4,160	4,600	5,150	5,000	5,000
Seminars and Meetings <sup>8</sup>	1,465	1,501	573	854	50
Dividend Income <sup>9</sup>	(4,887)	(4,546)	(3,907)	(4,079)	(3,516)
Capital Gains <sup>10</sup>	-	(363)	(1,834)	(1,042)	(5,280)
Other Income <sup>11</sup>	-	-	-	-	(506)
Interest Income <sup>12</sup>	(151)	-	-	(1,726)	(5,416)
Historic Income Taxes <sup>13</sup>	8,046	19,085	9,871	508	1,321
Adjusted Pretax Income	\$ 171,392	\$ 17,822	\$ 75,212	\$ 45,877	\$ 98,708
Income Taxes <sup>13</sup>	59,502	4,037	18,880	10,391	27,674
<b>ADJUSTED NET INCOME</b>	<b>\$ 111,889</b>	<b>\$ 13,785</b>	<b>\$ 56,333</b>	<b>\$ 35,486</b>	<b>\$ 71,034</b>

Note: Figures may not add due to rounding.

1. Depreciation was added back relating to the vehicles.
2. The Company's officers would not have to be replaced if they left The Company. Therefore, officers' compensation was added back.
3. The Company operates out of a virtual office, therefore rent was added back.
4. Insurance expenses other than workers' compensation were added back as they are related to the officers of The Company.
5. Expenses relating to the two automobiles were added back as they are considered to be non-operating.

6. This expense is associated with the officers of The Company and therefore was added back.
7. Payroll taxes relating to officers' compensation was added back.
8. Entertainment expenses were adjusted to reflect only those items associated with the operations of the business.
9. Dividend income relating to the portfolio of marketable securities was deducted as it is considered to be non-operating.
10. Capital gains income from the portfolio of marketable securities was deducted as it is considered to be non-operating.
11. Income relating to a federal/excise tax credit was deducted as it is considered to be non-recurring.
12. Interest earned on the excess cash on the balance sheet was deducted as it is considered to be non-operating.
13. Income taxes were added back and recalculated based on the Federal and New Jersey tax rates in effect at the valuation date.

Revenues have grown at a compound annual growth rate of 3.58 percent over the period being analyzed. Normalized net income has been erratic over the past five years, but has shown some level of growth. Based on the increasing level of revenues and net income, the most recent year has been selected as being representative of the future.

## **VALUATION CALCULATIONS**

In order to determine the value of REL, we considered the market and income approaches to valuation. To determine a value under the market approach, we

searched the Institute of Business Appraisers (IBA) database and the Bizcomps database.

The market database produced by The Institute of Business Appraisers contained 18 transactions grouped in SIC code 7372, which is defined as prepackaged software. Four of the 18 transactions were eliminated as two transactions were outdated (they took place in 1984), one transaction had a dissimilar business description and one transaction had no sales revenue data. The IBA database provided one recent transaction, which took place in 2006, while the other 13 transactions took place during the mid to late 1990s. However, due to the lack of information about these transactions, the analyst did not use this data as due to the lack of information about the transactions, it was determined that there were not enough transactions to determine a statistically reliable result.

The next database searched was BizComps where only two transactions were found under SIC code 7372. Two transactions are not sufficient enough to provide meaningful results. Therefore, this data was not used.

Under the income approach, the methodology utilized was a single period capitalization method.

To apply this methodology correctly, an income figure must be selected to reflect future earnings. The most recent year's income was selected as being representative of future income. This figure was then increased by the long-term sustainable growth rate which was estimated to be 2.5 percent. Applying a 20.5 percent capitalization rate to this figure results in a calculation of value as follows:

**TABLE 2**  
**CAPITALIZATION OF LATEST 12 MONTHS**  
**NET INCOME**

	<u>2007</u>
Net Income	\$ 71,034
One Plus the Long-Term Rate of Growth	x 1.025
Net Income for Capitalization	\$ 72,810
Capitalization Rate	÷ 20.50%
<b>Indication of Value</b>	<b>\$ 355,171</b>
<b>Rounded</b>	<b>\$ 355,000</b>

## DETERMINATION OF DISCOUNT AND CAPITALIZATION RATES

The discount rate was constructed using the build up method. This is accomplished by starting with a risk-free rate of return as of the valuation date, then adding an equity risk premium, a benchmark premium for size, and other risk factors associated with the operations of REL. In order to convert the discount rate to a capitalization rate, a growth rate of 2.5 percent was subtracted from the discount rate. Had a complete analysis been performed, as opposed to a limited analysis, this rate may have been different.

In order to further substantiate the value estimate that was determined for The Company, the analyst applied a justification for purchase test to simulate a transaction between a willing buyer and a willing seller to determine whether or not the value that we derived could allow a reasonable transaction to take place. In this instance, we assumed a 30 percent down payment with financing at two points above the prime rate over a four-year period. Based on an operating value of \$355,171, this would indicate a down payment of \$106,551 with financing of \$248,640. Table 3 shows the analysis:



**TABLE 3**  
**JUSTIFICATION FOR PURCHASE TEST**

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>
Annual Payments	\$ 74,598	\$ 74,598	\$ 74,598	\$ 74,598
Interest	<u>20,751</u>	<u>15,555</u>	<u>9,856</u>	<u>3,607</u>
Principal	<u>\$ 53,847</u>	<u>\$ 59,043</u>	<u>\$ 64,742</u>	<u>\$ 70,991</u>
Cash Flow				
Pretax Income	\$ 101,176	\$ 103,705	\$ 106,298	\$ 108,955
Interest Expense	<u>20,751</u>	<u>15,555</u>	<u>9,856</u>	<u>3,607</u>
Taxable Income	\$ 80,425	\$ 88,150	\$ 96,442	\$ 105,348
Tax	<u>25,736</u>	<u>28,208</u>	<u>30,861</u>	<u>33,712</u>
Net Income	\$ 54,689	\$ 59,942	\$ 65,581	\$ 71,636
Principal Payments	<u>53,847</u>	<u>59,043</u>	<u>64,742</u>	<u>70,991</u>
<b>Cash Flow</b>	<b><u>\$ 842</u></b>	<b><u>\$ 899</u></b>	<b><u>\$ 839</u></b>	<b><u>\$ 645</u></b>
Return on Down Payment	<u>0.79%</u>	<u>0.84%</u>	<u>0.79%</u>	<u>0.61%</u>

As can be seen, a break-even of cash flow indicates that the willing buyer and the willing seller have both been able to conduct a transaction, and neither leaves cash behind. This supports the reasonableness of the price determined for the operating value of The Company.

### FINAL CONCLUSION OF VALUE

In addition to the operating value of \$355,000, the fair market value of the net non-operating assets must be added to derive the value of equity of The Company.

The Company's portfolio of marketable securities has been adjusted to reflect the market value of the portfolio as of the valuation date. According to The Company's annual investment statement from USAA, the portfolio has a market value of \$125,496.

The fair market value of the vehicles was estimated using NADA guides. The Company has two vehicles on its balance sheet, a 1983 Mercedes-Benz 380 SL and a 1993

Chevrolet C1500 pickup. NADA Guides only provide current information. Therefore, we had to estimate the value as of December 31, 2007. This was done as follows:

	<b>Chevy Pick-up</b>	<b>Mercedes Benz</b>
June 18, 2008 Value	\$ 5,350	\$ 17,900
July, 2, 1993 Value	22,086	N/A
October 18, 1993 Value	N/A	\$ 35,614
Economic Depreciation	\$ 16,736	\$ 17,714
Monthly	93	101
Months since Valuation Date	5.7	5.7
Depreciation Since Valuation Date	528	570
<b>Economic Value as of 12/31/2007</b>	<b>\$ 5,878</b>	<b>\$ 18,470</b>
<b>Total</b>	<b>\$ 24,348</b>	

Therefore, the fair market value of The Company's net non-operating assets is calculated as follows:

USAA Funds	\$ 125,496
Vehicles	24,348
Excess Cash	188,183
<b>Total Non-Operating Assets</b>	<b>\$ 338,027</b>

Therefore, we have estimated the value of the equity of The Company as of December 31, 2007 as follows:

Operating Entity	\$ 356,000
Non-operating Assets	338,027
Estimate of Value of REL	\$ 694,027
<b>Rounded</b>	<b>\$ 694,000</b>

Thank you for allowing us to assist you in this matter. Should you have any questions, please do not hesitate to contact us.

Our limiting conditions are attached to this letter along with our representation and qualifications, and should all be considered an integral part of this report.

Very truly yours,

TRUGMAN VALUATION ASSOCIATES, INC.

Linda B. Trugman  
CPA/ABV, MCBA, ASA, MBA

LBT/kag  
Attachment

## CONTINGENT AND LIMITING CONDITIONS

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

1. The calculation of value arrived at herein is valid only for the stated purpose as of the effective date of the calculations.
2. Financial statements and other related information provided by the business or its representatives, in the course of this engagement, have been accepted without any verification as fully and correctly reflecting the enterprise's business conditions and operating results for the respective periods, except as specifically noted herein. Trugman Valuation Associates, Inc. has not audited, reviewed, or compiled the financial information provided to us and, accordingly, we express no audit opinion or any other form of assurance on this information.
3. Public information and industry and statistical information have been obtained from sources we believe to be reliable. However, we make no representation as to the accuracy or completeness of such information and have performed no procedures to corroborate the information.
4. We do not provide assurance on the achievability of the results forecasted by or for the subject company because events and circumstances frequently do not occur as expected; differences between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans, and assumptions of management.
5. The calculation of value arrived at herein is based on the assumption that the current level of management expertise and effectiveness would continue to be maintained, and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed.
6. This report and the calculation of value arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein. They may not be used for any other purpose or by any other party for any purpose. Furthermore the report and calculation of value are not intended by the author and should not be construed by the reader to be investment advice in any manner whatsoever. The calculation of value represents the considered opinion of Trugman Valuation Associates, Inc., based on limited information furnished to them by the subject company and other sources.

## CONTINGENT AND LIMITING CONDITIONS

7. Neither all nor any part of the contents of this report (especially the calculation of value, the identity of any valuation specialist(s), or the firm with which such valuation specialists are connected or any reference to any of their professional designations) should be disseminated to the public through advertising media, public relations, news media, sales media, mail, direct transmittal, or any other means of communication without the prior written consent and approval of Trugman Valuation Associates, Inc.
8. Future services regarding the subject matter of this report, including, but not limited to testimony or attendance in court, shall not be required of Trugman Valuation Associates, Inc. As a result of this engagement.
9. Trugman Valuation Associates, Inc. is not an environmental consultant or auditor, and it takes no responsibility for any actual or potential environmental liabilities. Any person entitled to rely on this report, wishing to know whether such liabilities exist, or the scope and their effect on the value of the property, is encouraged to obtain a professional environmental assessment. Trugman Valuation Associates, Inc. does not conduct or provide environmental assessments and has not performed one for the subject property.
10. Trugman Valuation Associates, Inc. has not determined independently whether the subject company is subject to any present or future liability relating to environmental matters (including, but not limited to CERCLA/Superfund liability) nor the scope of any such liabilities. Trugman Valuation Associates, Inc.'s valuation takes no such liabilities into account, except as they have been reported to Trugman Valuation Associates, Inc. by the subject company or by an environmental consultant working for the subject company, and then only to the extent that the liability was reported to us in an actual or estimated dollar amount. Such matters, if any, are noted in the report. To the extent such information has been reported to us, Trugman Valuation Associates, Inc. has relied on it without verification and offers no warranty or representation as to its accuracy or completeness.
11. Trugman Valuation Associates, Inc. has not made a specific compliance survey or analysis of the subject property to determine whether it is subject to, or in compliance with, the American Disabilities Act of 1990, and this valuation does not consider the effect, if any, of noncompliance.
12. No change of any item in this Calculation Report shall be made by anyone other than Trugman Valuation Associates, Inc., and we shall have no responsibility for any such unauthorized change.

## CONTINGENT AND LIMITING CONDITIONS

13. Unless otherwise stated, no effort has been made to determine the possible effect, if any, on the subject business due to future Federal, state, or local legislation, including any environmental or ecological matters or interpretations thereof.
14. We have conducted limited interviews by telephone with the current management of the subject company concerning the past, present, and prospective operating results of the company. Except as noted, we have relied on the representations of these individuals.
15. Except as noted, we have relied on the representations of the owners, management, and other third parties concerning the value and useful condition of all equipment, real estate, investments used in the business, and any other assets or liabilities, except as specifically stated to the contrary in this report. We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances or that the entity has good title to all assets.
16. 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 appraiser, and in any event only with proper authorization. Authorized copies of this report will be signed in blue ink by a director of Trugman Valuation Associates, Inc. Unsigned copies, or copies not signed in blue ink, should be considered to be incomplete.

Calculation of value of 100 percent of the common stock of REL Systems, Inc.

## 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.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and 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 with respect to the parties involved.
- we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- our analyses, opinions, and conclusions were developed and this report has been prepared in conformity with the *Statement on Standards for Valuation Services No. 1*, promulgated by the American Institute of Certified Public Accountants, the *Uniform Standards of Professional Appraisal Practice*, promulgated by the Appraisal Foundation, the business valuation standards of The Institute of Business Appraisers Inc. and the American Society of Appraisers.
- The American Institute of Certified Public Accountants, The American Society of Appraisers, and The Institute of Business Appraisers, Inc. have a mandatory recertification program for all of its senior accredited members. All senior accredited members of our firm are in compliance with all of these organization's programs.
- no one provided significant business and/or intangible asset appraisal assistance to the person signing this certification.

## LINDA B. TRUGMAN, C.P.A./A.B.V., M.C.B.A., A.S.A., M.B.A. PROFESSIONAL QUALIFICATIONS

### Experience

Vice 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 security, automotive, funeral homes, health care, securities brokerage and financial institutions, retail, manufacturing, service, and professional business establishments.

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 and Florida.

*Court Appearances.* Has appeared in the following court: *New Jersey • Passaic; Essex.*

### Professional Designations

- **CPA:** Licensed in Florida (2003) and New Jersey (1987).
- **ABV:** Accredited in Business Valuation designated by The American Institute of Certified Public Accountants (1998). Reaccredited in 2008.
- **MCBA:** Master Certified Business Appraiser designated by The Institute of Business Appraisers, Inc. (2005). Original certification (CBA) in 1995.
- **ASA:** Accredited Senior Appraiser designated by the American Society of Appraisers (1997). Reaccredited in 2007.

### Education

- Masters in Business Administration - Fairleigh Dickinson University (1986).
- Bachelor of Science - University of North Carolina (1978).

### Faculty

- *National Judicial College, Reno, Nevada* since 2001.

### Appraisal Education

- *NJ Law & Ethics, Webcast, NJ Society of CPAs, 2008.*
- *Valuation of Intangible Assets for Financial Reporting Purposes. Arlington, VA, American Society of Appraisers, 2008.*



## LINDA B. TRUGMAN, C.P.A./A.B.V., M.C.B.A., A.S.A., M.B.A. PROFESSIONAL QUALIFICATIONS

### Appraisal Education

- *Exploring the Longstaff Model and Abbott Liquidity Factor for Enhanced Marketability Discount Determinations.* Teleconference, American Institute of CPAs, 2008.
- *FICPA Valuation, Accounting and Litigation Services Conference.* Ft. Lauderdale, FL, Florida Institute of Certified Public Accountants, 2008.
- *AICPA National Business Valuation Conference.* New Orleans, LA, American Institute of CPAs, 2007.
- *FCG Conference.* New Orleans, LA, Financial Consulting Group, 2007.
- *ASA Advanced BV Conference.* San Diego, CA, American Society of Appraisers, 2007.
- *Impact of the Pension Protection Act of 2006.* American Institute of CPAs, 2007.
- *Quantification of Company Specific Risk: Theory and Applications.* Business Valuation Resources, 2007.
- *BV Standards: AICPA, IRS and Beyond - Where Are We Headed?* Business Valuation Resources, 2007.
- *AICPA National Business Valuation Conference.* Austin, American Institute of Certified Public Accountants, 2006.
- *FCG Conference.* Austin, TX, Financial Consulting Group, 2006.
- *CICBV/ASA Sixth Joint Business Valuation Conference.* Toronto, American Society of Appraisers, 2006.
- *Ask the IRS.* Business Valuation Resources, 2006.
- *Tax Affecting.* Business Valuation Resources, 2006.
- *FICPA Valuation, Accounting and Litigation Services Conference.* Ft. Lauderdale, FL, Florida Institute of Certified Public Accountants, 2006.
- *Valuation<sup>2</sup>.* 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.
- *23<sup>rd</sup> Annual Advanced Business Valuation Conference.* San Antonio, TX, American Society of Appraisers, 2004.
- *New Jersey Law and Ethics Course.* Parsippany, NJ, New Jersey Society of Certified Public Accountants, 2004.
- *2004 FICPA Business Valuation & Litigation Conference.* Fort Lauderdale, FL, Florida Institute of CPAs, 2004.

## LINDA B. TRUGMAN, C.P.A./A.B.V., M.C.B.A., A.S.A., M.B.A. PROFESSIONAL QUALIFICATIONS

### Appraisal Education

- *22<sup>nd</sup> 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.
- *Annual Member Firm Conference.* Denver, CO, Financial Consulting Group, LC, 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.
- *20<sup>th</sup> Annual Advanced Business Valuation Conference.* Seattle, WA, American Society of Appraisers, 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.
- *19<sup>th</sup> 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?* New Brunswick, 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.* Boston, MA, American Society of Appraisers, 1999.
- *Chartered Financial Analyst Level II Self Study Program,* 1999.
- *1999 Annual Conference: The Future of Business Valuation.* Orlando, FL, The Institute of Business Appraisers, Inc., 1999.
- *1998 Joint Business Valuation Conference.* Montreal, Canada, American Society of Appraisers and Canadian Institute of Chartered Business Valuators, 1998.
- *Chartered Financial Analyst Level I Self Study Program,* 1998.
- *The Future of Business Valuation Annual Conference.* San Antonio, TX, The Institute of Business Appraisers, Inc., 1998.

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

### **Appraisal Education**

- *Business Valuation Conference.* San Diego, CA, American Institute of Certified Public Accountants, 1997.
- *16<sup>th</sup> Annual Advanced Business Valuation Conference.* San Francisco, CA, American Society of Appraisers, 1997.
- *Quantifying Marketability Discounts.* San Francisco, CA, Mercer Capital, 1997.
- *Advanced Research Analysis.* Roseland, NJ, NJ Society of Certified Public Accountants, 1997.
- *1997 Business Valuation Conference.* New Brunswick, NJ, NJ Society of Certified Public Accountants, 1997.
- *National Conference on Appraising Closely-Held Businesses.* San Diego, CA, The Institute of Business Appraisers, Inc., 1997.
- *National Business Conference.* Phoenix, AZ, American Institute of Certified Public Accountants, 1996.
- *15<sup>th</sup> 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.
- *The 1995 National Business Valuation Conference.* New Orleans, LA, American Institute of Certified Public Accountants, 1995.
- *1995 Advanced Business Valuation Conference.* Boston, MA, American Society of Appraisers, 1995.
- *ASA International Appraisal Conference.* Denver, CO, American Society of Appraisers, 1995.
- *National Conference on Business Valuation.* San Diego, CA, American Institute of Certified Public Accountants and The Institute of Business Appraisers, Inc., 1995.
- *First Annual Business Valuation Conference.* Holmdel, NJ, NJ Society of Certified Public Accountants, 1995.
- *National Conference.* Las Vegas, NV, The Institute of Business Appraisers, Inc., 1995.
- *Business Valuation in a Changing International Environment.* San Diego, CA, American Society of Appraisers, 1994.
- *1994 International Conference.* Chicago, IL, American Society of Appraisers, 1994.

## LINDA B. TRUGMAN, C.P.A./A.B.V., M.C.B.A., A.S.A., M.B.A. PROFESSIONAL QUALIFICATIONS

### Appraisal Education

- *Principles of Valuation-Business Valuation: Selected Advanced Topics.* Los Angeles, CA, American Society of Appraisers, 1994.
- *Principles of Valuation-Business Valuation: Appraisal of Small Businesses and Professional Practices.* Atlanta, GA, American Society of Appraisers, 1994.
- *National Conference of Appraising Closely-Held Businesses.* Orlando, FL, The Institute of Business Appraisers, Inc., 1994.
- *Principles of Valuation-Business Valuation Case Study.* Washington, DC, American Society of Appraisers, 1993.
- *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.
- *Principles of Valuation–Business Valuation Methodology.* Washington, DC, American Society of Appraisers, 1993.
- *National Conference.* San Diego, CA, The Institute of Business Appraisers, Inc., 1993.
- *Developing Your Business Valuation Skills: An Engagement Approach.* Iselin, NJ, NJ Society of Certified Public Accountants, 1992.
- *Advanced Business Valuation Seminar.* San Francisco, CA, The Institute of Business Appraisers, Inc., 1992.
- *Principles of Valuation–Introduction to Business Valuation.* Washington, DC, American Society of Appraisers, 1992.
- *Business Valuation for Accountants.* Newark, NJ, The Institute of Business Appraisers Inc., 1992.
- Has performed extensive reading and research on business valuations and business valuation related topics.

### Lecturer

- *Basic Business Valuation,* Detroit, MI, MACPA's 2008 Litigation & Business Valuation Conference, 2008.
- *Current Issues in Business Valuation and Litigation Support... And the Beat Goes On,* Detroit, MI, MACPA's 2008 Litigation & Business Valuation Conference, 2008.
- , Teleconference, Institute of Business Appraisers, 2008.
- *Discounts for Lack of Marketability Panel Discussion – Who's on First, What's on Second, I Don't Know's on Third,* New Orleans, LA, AICPA National Business Valuation Conference, 2007.

## LINDA B. TRUGMAN, C.P.A./A.B.V., M.C.B.A., A.S.A., M.B.A. PROFESSIONAL QUALIFICATIONS

### Lecturer

- *A Family Limited Partnership (FLP) Valuation Example.* New Orleans, LA, AICPA National Business Valuation Conference, 2007.
- *Financial Valuation: Applications and Methods,* Lansing, MI, Michigan Accounting and Auditing Conference, 2007.
- *Business Valuation for the Non-Valuation Professional,* Atlanta, GA, AICPA's Small Practitioner's Tax Conference, 2007.
- *Specific Company Risk: Qualitative or Quantitative? A New Look at an Old Topic,* Washington, DC, NACVA's Fourteenth Annual Consultants' Conference, 2007.
- *Personal Goodwill: Does the Non-Propertied Spouse Really Lose the Battle?* Ft. Lauderdale, FL, Florida Bar Family Law Section, 2007.
- *Business Valuation Reports: How to Evaluate Them & The Appraiser,* St. Louis, MO, St. Louis Estate Planning Council, 2007.
- *Business Valuation,* Ft. Lauderdale, FL, Nova Southeastern University Law School, 2006, 2007.
- *Case Study for Estate and Gift Tax Purposes.* Ft. Lauderdale, FL, FICPA Valuation, Accounting and Litigation Services Conference, 2006.
- *Report Writing.* Las Vegas, NV, Valuation<sup>2</sup>, American Institute of Certified Public Accountants and American Society of Appraisers, 2006.
- *ESOPs for Auditors.* Las Vegas, NV, American Institute of Certified Public Accountants' Employee Benefit Conference, 2005.
- *Discount for Lack of Marketability.* Orlando, FL, The Institute of Business Appraisers' National Business Valuation Conference, 2005.
- *The Market Approach to Business Valuation.* Ft. Lauderdale, FL, Florida Institute of Certified Public Accountants' Valuation & Litigation Services Conference, 2005.
- *Meet the Thought Leaders.* Orlando, FL, American Institute of Certified Public Accountants National Business Valuation Conference, 2004.
- *Court Case Decisions: Okerlund and Blount.* Telephone Conference, CPAmerica, Inc., 2004.
- *The Income Approach.* Phoenix, AZ, American Institute of Certified Public Accountants National Business Valuation Conference, 2003.
- *What's Happening in the Courts?* St. Paul, MN, Minnesota Society of CPAs, 2003.
- *The Transaction Method - How Do You Really Use It?* Overland Park, KS, Kansas Society of CPAs, 2003.
- *Professional Practice Valuations.* Miami, FL, The Florida Bar - Family Law Section, 2003.

## LINDA B. TRUGMAN, C.P.A./A.B.V., M.C.B.A., A.S.A., M.B.A. PROFESSIONAL QUALIFICATIONS

### Lecturer

- *Valuing Family Limited Partnerships.* Las Vegas, NV, CPAmerica International, 2003.
- *Business Valuation: There's a "Right" Way and a "Wrong" Way to Do It!* Orlando, FL, Florida Accounting & Business Expo, 2003.
- *Business Valuation Basics.* Miami, FL, Florida International University, 2003.
- *Valuing Family Limited Partnerships.* Fort Lauderdale, FL, Fort Lauderdale Tax Planning Council, 2003.
- *To Tax or Not to Tax? Issues Relating to S Corps and Built-In Gains Taxes.* Washington, DC, Internal Revenue Service, 2003.
- *Fundamentals of Valuing a Family Limited Partnership.* Ft. Lauderdale, FL, Florida Institute of Certified Public Accountants, 2003.
- *Valuation of FLPs and LLCs.* Neptune, NJ, Estate and Financial Planning Council of Central Jersey, 2002.
- *Fundamentals of FLPs and FLLCs.* Las Vegas, NV, American Institute of Certified Public Accountants, 2001.
- *Market Data Method.* Las Vegas, NV, American Institute of Certified Public Accountants, 2001.
- *The FLP Written Report.* Orlando, FL, The Institute of Business Appraisers, 2001.
- *What's Happening in the Courts?* Ft. Lauderdale, FL, Florida Institute of Certified Public Accountants, 2001.

### Instructor

- *Essentials of Business Appraisal.* Institute of Business Appraisers, Ft. Lauderdale, FL, 2008.
- *Principles of Valuation: Business Valuation Case Study.* American Society of Appraisers, Chicago, IL 2007, 2008; Arlington, VA 2008.
- *Principles of Valuation: The Market Approach.* American Society of Appraisers, Herndon, VA 2006, 2007; Brooklyn, NY 2007.
- *Business Valuation Essentials: Reports, Standards and Tax Valuations.* American Institute of Certified Public Accountants, Tennessee, 2006.
- *Business Valuation Essentials: Valuation of Specialized Areas.* American Institute of Certified Public Accountants, Rhode Island, 2006; Tennessee, 2006.
- *Business Valuation Essentials Case Study.* American Institute of Certified Public Accountants, Rhode Island, 2006; Tennessee, 2006.



## LINDA B. TRUGMAN, C.P.A./A.B.V., M.C.B.A., A.S.A., M.B.A. PROFESSIONAL QUALIFICATIONS

### Instructor

- *Business Valuation Essentials: Income Approach and Cost of Capital.* American Institute of Certified Public Accountants, Georgia, 2005, 2006.
- *Business Valuation Essentials: Introduction.* American Institute of Certified Public Accountants, Georgia, 2005, 2006; North Carolina, 2006.
- *Small Business Valuation: A Real Life Case Study.* American Institute of Certified Public Accountants, Iowa, 2005; Indiana, 2005; Florida, 2006.
- *Business Valuation Essentials: Market Approach and Discounts and Premiums.* American Institute of Certified Public Accountants, Florida, 2005; Tennessee, 2006.
- *Valuation of Specialized Areas.* Financial Consulting Group, Georgia, 2005.
- *Valuing Family Limited Partnerships.* Rhode Island Society of CPAs, Rhode Island, 2004.
- *Report Writing.* Rhode Island Society of CPAs, Rhode Island, 2004.
- *Principles of Valuation: The Income Approach.* American Society of Appraisers, Illinois, 2004.
- *Valuing Goodwill and Intangible Assets.* American Institute of Certified Public Accountants, New Jersey, 2004, Iowa, 2005.
- *Small Business Valuation Case Study: Let's Work Through the Issues!* American Institute of Certified Public Accountants, New Jersey, 2004.
- *Small Business Case Study.* The Institute of Business Appraisers, Inc., Florida, 2004.
- *Valuing Family Limited Partnerships.* The Institute of Business Appraisers, Inc., New York, 2003, Florida, 2005.
- *Principles of Valuation: Introduction to Business Valuation - Section A.* American Society of Appraisers, Illinois, 2003.
- *Business Appraisal in Divorce.* The Institute of Business Appraisers, Inc., Massachusetts, 2002; New York, 2003.
- *Splitting Up is Hard to Do: Advanced Valuation Issues in Divorce and Other Litigation Disputes.* American Institute of Certified Public Accountants. Atlanta, GA, 2002; Louisville, KY, 2002.
- *The Nuances of Appraising Interests in Family Limited Partnerships.* 2002 Annual Business Valuation Conference, Washington, DC, The Institute of Business Appraisers, 2002.
- *Financial Statements in the Courtroom (Business Valuation Component).* American Institute of Certified Public Accountants for the National Judicial College. New York, 2001; California, 2002.

## LINDA B. TRUGMAN, C.P.A./A.B.V., M.C.B.A., A.S.A., M.B.A. PROFESSIONAL QUALIFICATIONS

### Instructor

- *How to Write Business Valuation Appraisal Reports.* The Institute of Business Appraisers, Inc. Missouri, 2001; Massachusetts, 2002.
- *Application of the Market Approach.* The Institute of Business Appraisers, Inc. Missouri, 2001.
- *Fundamentals of Business Appraisal.* The Institute of Business Appraisers, Inc. Missouri, 2001.
- *Preparing for the Certified Business Appraiser Written Exam.* The Institute of Business Appraisers, Inc. Massachusetts, 2000; Florida, 2005.
- *Preparing for AICPA's ABV Examination Review Course.* American Institute of Certified Public Accountants. North Carolina, 2000; Illinois, 2000; Maryland, 2001; Minnesota, 2001; Indiana, 2002; New York, 2003, 2004, 2005; Georgia, 2004; Florida 2004; Rhode Island, 2005; Connecticut 2006.
- *Fundamentals of Business Valuation - Part 2.* American Institute of Certified Public Accountants. Kansas, 2000; Minnesota, 2001; North Carolina, 2002; Maryland 2004.
- *Fundamentals of Business Valuation - Part 1.* American Institute of Certified Public Accountants. Kansas, 2000; Texas, 2000; California, 2001; New York, 2001; Florida, 2004.
- *Business Valuation Approaches and Methods.* Oregon, 2000; Ohio, 2000.
- *Valuation Discount Rates & Capitalization Rates/Premiums & Discounts.* Oregon, 2000.
- *Report Writing Workshop.* The Institute of Business Appraisers, Inc. Arizona,
- *Mastering Appraisal Skills for Valuing the Closely Held Business.* The Institute of Business Appraisers, Inc., Illinois, 1999; South Carolina, 1999; New Jersey, 2000; Nevada, 2000.
- *Fundamentals of Business Appraisal.* The Institute of Business Appraisers, Inc., South Carolina, 1999; Missouri, 2001.

### Author

- *Does Your Valuation Professional Qualify as a Qualified Appraiser?*, Valuations Plus, Winter 2008.
- *If You Buy or Sell Shares of the Company, With the Agreement Withstand the Scrutiny of the IRS*, Valuations Plus, Summer 2007.
- *Should Your Appraiser Tax-Effect an S Corporation?* Valuations Plus, Winter 2007.
- *Debt vs. Equity: How Do You Know?* Valuations Plus, Fall 2006.



## LINDA B. TRUGMAN, C.P.A./A.B.V., M.C.B.A., A.S.A., M.B.A. PROFESSIONAL QUALIFICATIONS

### Author

- *Using Subsequent Information: What Was Known or Knowable?*, Valuations Plus, Spring 2005.
- Co-author of *Financial Valuation: Applications and Models* 1<sup>st</sup> edition, Wiley Finance (2003) and 2<sup>nd</sup> edition (2006).
- Co-author of course entitled *Splitting Up is Hard to Do: Advanced Valuation Issues in Divorce and Other Litigation Disputes*. American Institute of Certified Public Accountants (2002).
- Course entitled *Fundamentals of Business Appraisal*. The Institute of Business Appraisers, Inc.(2000).

### Organizations

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

### Committee Service

- *Business Valuation Committee*. American Society of Appraisers.
- *Chair Business Valuation Education Committee*. American Society of Appraisers.
- *Secretary ASA Education Foundation*. American Society of Appraisers.
- *Conference Chair - 2009 Valuation Forensic and Litigation Services Conference*, Florida Institute of Certified Public Accountants.
- *Business Valuation/Forensic & Litigation Services Advisory Board to the Journal of Accountancy*. American Institute of Certified Public Accountants.
- *Relations with the Florida Bar Committee*. Florida Institute of Certified Public Accountants.

### Past Committee Service

- *Business Valuation/Forensic & Litigation Services Executive Committee*. American Institute of Certified Public Accountants.
- *Steering Committee of Valuation Forensic and Litigation Services Section*. Florida Institute of Certified Public Accountants.
- *Business Valuation Subcommittee*. American Institute of Certified Public Accountants.

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

- Chair - *2002 AICPA Business Valuation Conference*. American Institute of Certified Public Accountants, Member of Committee for 2001 Conference.
- International Board of Examiners. American Society of Appraisers.
- *Qualifications Review Committee*. The Institute of Business Appraisers, Inc
- *Joint AICPA/ASA 2005 Conference Committee*. American Institute of Certified Public Accountants.

**Editor**

- Editor of the *AICPA ABV E-Alert*.
- Editorial Board of *Financial Valuation & Litigation Expert*, Valuation Products & Services, LC.
- Former Editorial Advisor for *BV Q&A*, Business Valuation Resources, Inc.
- Former Editor of *Business Appraisal Practice*, The Institute of Business Appraisers, Inc.

**Professional Achievements**

- Presented with the "Fellow Award" by The Institute of Business Appraisers, Inc. in May 2002 for contributions made to the profession.
- Instructor of the Year Award - The Institute of Business Appraisers.
- Winner of the J. H. Cohn Award for outstanding performance on the C.P.A. licensing examination.