

HAVERFORD VALUATION ASSOCIATES

Haverford Valuation Associates and its financial professionals specialize in business valuation and security analysis for both privately held and publicly held companies. We provide a broad spectrum of valuation and advisory services to meet client needs regarding estate, gift, and income tax planning and compliance, transaction pricing and structuring, litigation support and dispute resolution, financial accounting and reporting, fairness opinions, financing and solvency analyses, and corporate strategic planning.

Our professionals have extensive experience in the valuation of closely-held firms and other business interests in virtually every industry, along with the analysis of a vast array of intangible assets and intellectual property. This experience enables our specialists to select the proper valuation approach, compile the facts, perform a detailed analysis, and reach a thoroughly supportable conclusion of value. Comprehensive business valuation is not simply conducted through the application of routine accounting principles. Rather, it is based in the principles of corporate finance; we must understand the underlying investment risks and rewards of each business we are asked to value. It also requires a solid grounding in those approaches to valuation which are used in the courtroom, before the IRS, and in the marketplace. Haverford Valuation Associates provides solid documentation and review on all assignments to insure consistent quality and competent valuations.

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Haverford Valuation Associates adheres to the rigid ethical standards set by the American Society of Appraisers and the Association for Investment Management and Research. We pride ourselves on our written reports, which present our valuation methodology, its applications, and our conclusions in a comprehensive, understandable manner. Our reports conform to the Uniform Standards of Professional Appraisal Practice. The work of the professionals of Haverford Valuation Associates has been reviewed and accepted by many of the premier legal, banking, and accounting firms in the country, along with various courts and governmental agencies, including the Internal Revenue Service.

The professionals of Haverford Valuation Associates have completed in excess of 2,500 valuations of closely held companies. Haverford Valuation Associates serves numerous clients throughout the United States, including small start-up ventures, 100+ year old private companies, major NYSE corporations, and governmental agencies. We also serve many of the nation's leading legal, banking, accounting, and financial planning firms on valuation matters. We have written for various publications on the topic of business valuation, and have frequently served as speakers for professional organizations.

As an independent firm, we can offer truly objective and reliable advice. We believe that our clients are best served by this independent and objective perspective. Our valuation fees are not contingent upon consummating a transaction. Our independence affords an unimpeachable credibility during a challenge by a reviewer of our analysis.

TAXATION PLANNING AND COMPLIANCE

The assets of a closely held business are likely to represent a significant percentage of a business owner's net worth. If careful planning is not undertaken, a large portion of the estate can be lost to income, gift, and estate taxes. A well documented, objective valuation study can be extremely helpful in estate planning, avoiding tax controversies, and settling estates on a timely basis. We have worked closely with owners of some of the largest privately held firms in the country, along with some of the nation's premier legal and accounting firms, in negotiations with the Internal Revenue Service.

The professionals of Haverford Valuation Associates have impeccable credentials and are among the leading and recognized valuation experts in the country with respect to completing valuation assignments for purposes such as:

- planning for, and implementing, wealth transfer via gifting programs
- estate planning and estate tax resolution
- corporate recapitalizations
- determining the appropriate discounts for lack of marketability and minority interest considerations for limited partnerships and limited liability companies
- examining the feasibility of, and complying with IRS and ERISA regulations for, Employee Stock Ownership Plans
- buy-sell agreements
- intangible asset valuation and intellectual property analysis for purchase price allocation, Delaware Holding Companies, and impairment issues
- intercompany transfer pricing
- charitable contributions
- stock option pricing and analysis prior to an initial public offering

CORPORATE STRATEGIC PLANNING

Valuation is often a critical component of proactive strategic planning. The professionals of Haverford Valuation Associates rely on their vast and varied valuation expertise to provide insight to their clients in matters such as:

- preparing for litigation
- estate planning
- intergenerational wealth transfer planning
- preparing a business for sale, including setting the sale price
- evaluation of merger or acquisition offers
- business value enhancement analyses

LITIGATION SUPPORT AND DISPUTE RESOLUTION

Valuation frequently plays a critical role in resolving both corporate and personal differences. Haverford Valuation Associates is eminently qualified and highly experienced in litigation support and dispute resolution matters. Supported by their expertise, credentials, and credibility, the professionals of Haverford Valuation Associates have provided direct testimony and in-depth critiques of opposing expert reports, prepared interrogatory and deposition questions, and provided courtroom assistance during cross-examination. We are accustomed to the time pressures and other demands related to a litigation environment. We have acted as crucial members of a litigation team in matters such as:

- breach of contract
- breach of fiduciary responsibility
- income, gift, and estate tax matters
- dissenting shareholder appraisal rights
- fraudulent conveyance
- marital dissolution
- industrial disaster and property loss
- quantification of lost profits and damages

FINANCING AND SOLVENCY ANALYSIS

A creditor or financial institution often requires an independent opinion regarding the financial solvency of a company prior to a leveraged transaction, such as an acquisition or recapitalization. The professionals of Haverford Valuation Associates are among the leading solvency experts in the country, having completed over seventy-five solvency analyses. Indeed, they have rendered opinions of solvency in some of the largest transactions in the history of the United States. The credibility of our reputation and the comprehensive nature of our analyses help to facilitate financing transactions. We have served as valuation experts for creditors and debtors with respect to:

- solvency opinions
- fraudulent conveyance analyses
- recapitalization analyses
- fair saleable value analyses

FAIRNESS OPINIONS

A fairness opinion is typically a prudent step whenever a large transaction is contemplated and there are minority shareholders involved. A fairness opinion helps to establish that a proposed transaction is “fair from a financial point of view”. Haverford Valuation Associates can provide a well reasoned and thoroughly supported opinion from an independent financial expert. A fairness opinion can be used to:

- review and support the decision process of the directors and controlling shareholders
- assist minority shareholders in understanding a proposed transaction
- protect the directors and controlling shareholders in the event of dissident shareholder claims, particularly when all parties are not at “arms-length”

TRANSACTION PRICING AND STRUCTURING

Many business owners spend years of hard work and risk-taking to build their companies into their most significant personal asset. A business owner does not take lightly the once-in-a-lifetime decision to convert that asset into cash by selling all or a portion of the business. In a similar manner, the decision to restructure or recapitalize the company must be examined thoroughly. The owner looks to his or her professionals for critical advice and assessments regarding such decisions. Independent, constructive opinions based on vast and varied experiences can be extremely helpful in completing transactions.

The professionals of Haverford Valuation Associates have broad-based backgrounds, and have been involved in virtually every aspect of a transaction. Our valuation experts have years of experience in performing valuations for determining the selling prices of companies, and are skilled at industry and economic analysis, financial due diligence, and financial consulting. Assignments have been completed for participants in transactions for purposes such as:

- buying out dissident minority shareholders
- setting the value at which to sell a business
- evaluation of alternative transactions with respect to pricing, structuring, and income taxes
- Employee Stock Ownership Plan feasibility and adequate consideration analyses
- analysis of merger, acquisition, and divestiture candidates
- initial public offering and going private opinions and analyses
- due diligence advisory services

FINANCIAL REPORTING AND TAX ACCOUNTING FOR PUBLIC COMPANIES

As public companies face ever-increasing scrutiny from investors, accounting review and compliance authorities, the Internal Revenue Service, and the public at large, independent opinions of value are more critical than ever. Our independence and twenty years of expertise allow us to satisfy the valuation requirements of our publicly-traded clients in matters such as:

- Step 1 and Step 2 of a FASB 142 goodwill impairment analysis
- allocation of purchase price valuations
- valuation of warrants and the conversion feature associated with privately placed debt and convertible debt issues for the purpose of calculating the imputed interest
- valuation of restricted stock issued as consideration in an acquisition
- value-based decision making with respect to a contemplated divestiture
- determining the purchase price for a potential acquisition and due diligence advisory services
- fairness opinions and solvency opinions
- gift and estate tax planning and compliance purposes for corporate officers
- minority dissident shareholder litigation

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