

Valuations

DSE Services



Corporate Valuations

M&A Valuations

Investor Valuations

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DOTY ❁ SCOTT ENTERPRISES, INC.

DSE VALUATION SERVICES

Valuations lie at the heart of most major corporate transactions – from mergers and acquisitions to financial reporting and litigation.

Doty/Scott Enterprises, Inc. (DSE) provides independent, unbiased business and professional valuation services. The valuations are required in many contexts including financial reporting, capital budgeting, merger and acquisition transactions, fairness opinions and investment analysis.

As the complexity of M&A transactions and financing continues to increase, the need for objective, comprehensive valuations has never been greater. We approach valuation as a science and an art. That means our clients benefit not only from proven valuation techniques but also from the highly developed business instincts that only come from years of experience.

Our experience is what sets us apart. Our wide-ranging and comprehensive services support:

- 1. Corporate Valuations**
- 2. Merger and Acquisition Valuations**
- 3. Independent Equity Research**

Corporate Valuations

The list of eligible valuation subjects is long—purchase price allocations, goodwill impairment, fairness opinions, ESOPs, and derivatives—just to name a few. This list is becoming increasingly complicated and, therefore, more risky. Valuations that are too high or too low can be costly, resulting in either overpayment or lost opportunities.

DSE's valuation professionals ensure that costly mistakes don't happen. Our passion is to provide clients with accurate, timely and compliant valuations. Our expertise includes the following areas:

- ◆ Equity Incentive Stock Option Valuations – FAS 123R
- ◆ Derivative Valuations – FAS 133
 - ◆ Convertible Securities
 - ◆ Hedge Effectiveness and Hedge Accounting
- ◆ Purchase Price Allocations – FAS 141
- ◆ Goodwill Impairment Studies – FAS 142
- ◆ Asset Retirement Obligations—FAS 143
- ◆ Impairment Studies – FAS 144
- ◆ Fair Market Valuations – FAS 157
- ◆ Business / Enterprise Valuations
- ◆ Fairness / Solvency Opinions
- ◆ Long-Lived Asset Valuations
- ◆ Intellectual Property Valuations
- ◆ Debt, Preferred and Common/ Restricted Stock Valuations
- ◆ Net Asset Valuations (Funds, LP's)

DSE VALUATION SERVICES

Corporate Valuations — SEC Compliance

FAS 133 Derivative Valuations

DSE has evaluated and valued embedded derivatives in convertible securities as well as preferred stock issuances and detachable options and warrants. We have reviewed and valued in excess of 100 securities and performed over a 1,000 valuations. We specialize in building custom lattice models that fairly value embedded derivatives within convertible financial instruments based on the underlying economics.

In addition, we assist clients in assessing and measuring hedge effectiveness and provide ongoing valuation and hedge accounting for various hedging relationships including asset hedging (typically oil & gas assets), cash flows or foreign currency.

FAS 123R Equity Incentive Stock Option Valuations

We have extensive experience in valuing stock and options issued as compensation for financial reporting purposes. Each engagement is given the time and dedication to understand the specific plan and utilize the valuation approaches that are most appropriate. DSE has been at the forefront in valuing equity issued as compensation for companies with complex capital structures which employ multiple classes of stock.

FAS 141/142/144 Fair Market Valuations

We work with management and auditors to determine fair value of all assets acquired in accordance with FAS 141, Business Combinations and FAS 142, Goodwill and Other Intangible Assets. In addition, we test and value assets under FAS 144, for Impairment or Disposal of Long-Lived Assets.

FAS 143 Accounting for Asset Retirement Obligations

We work with a number of companies in the oil and gas industry and provide comprehensive financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets, the associated asset retirement costs, and related depletion analysis and accounting.

FAS 157 Fair Market Valuations

FAS 157 defines new requirements for establishing the "fair values" of financial instruments such as mutual funds, hedge funds, stocks, derivatives, and private equity funds. With all of the changes being made with regard to fair value financial reporting, the professionals of DSE are ready to address all of your valuation needs.

DSE VALUATION SERVICES

Merger and Acquisition Valuations

We provide a full range of Merger & Acquisition valuation services to public companies and privately held businesses. Regardless of the complexity of your transaction, or time constraints, we are focused on a quality valuation in support of the transaction. Our assistance in determining and articulating the value and risk drivers inherent in a transaction can make certain that your growth strategy aligns with your objectives.

- ◆ Financial Due Diligence
- ◆ Detailed Financial Modeling & Feasibility Analysis
- ◆ Post Transaction Integration/Post-Deal Support
- ◆ Fairness/Related Party Opinions
- ◆ Negotiation and Deal Management
- ◆ Solvency Opinions
- ◆ Transaction Planning
- ◆ Buy-Sell Agreements
- ◆ Pre/Post-money Valuations
- ◆ Purchase Price Allocations
- ◆ Capital Structure Advice



Investor Insight — Independent Equity Research

Through our subsidiary “Investor Insight”, we provide high quality independent equity research coverage to public companies and the individuals and institutions who invest in them to make financing easier, help companies achieve fair market valuation or broaden their shareholder base.

DSE’s *Investor Insight* team provide high quality and credible analyst reports on promising small companies (micro-cap and small-cap) that do not have traditional Wall Street analyst coverage. Our financial analysts prepare independent, unbiased business and professional research targeting investors with detailed, easy-to-read company reports:

- ◆ Initial Coverage—Fact Sheet
- ◆ Full Profile Valuation
- ◆ Quarterly Profile Valuations

Our research and financial analysis provide investors with detailed, easy-to-read company reports written by our first-rate analysts, complete with financial history, business strategy, management representation, industry overview, business valuation, equity assessment and investment recommendations.

DSE VALUATION SERVICES

Audit Firms

Through the years we have worked with many firms with respect to valuation and SEC compliance services including:

- ◆ BDO Seidman LLP (National)
- ◆ Eisner LLP (New York, New York)
- ◆ Friedman (New York)
- ◆ Grant Thornton LLP (National)
- ◆ Hein & Associates LLP (Denver, Colorado)
- ◆ Holtz Rubenstein Reminick (Melville, New York)
- ◆ Marcum & Kliegman LLP (New York)
- ◆ Malone & Bailey, PC (Houston, Texas)
- ◆ McGladrey & Pullen LLP (National)



The focus of our business is the fair value of your business enterprise, debt and equity securities, intangible assets and acquisitions, as well as the provision of fairness opinions. Our valuations are prepared for a variety of reasons, including mergers and acquisitions, allocation of purchase price, support for ESOP accounting, SEC compliance, financial reporting, litigation support and financing.

“One of the great arts in living is to learn the art of accurately appraising values.”

George M. Adams

Valuation Services with a Single Focus: **Your Success**

CORPORATE VALUATIONS

- EQUITY—OPTIONS
- DERIVATIVES
- ENTERPRISES
- PURCHASE PRICE ALLOCATIONS
- ARO and DEPLETION
- FAIRNESS OPINIONS
- INTELLECTUAL PROPERTY
- IMPAIRMENT STUDIES
- NET ASSET VALUATIONS

MERGERS & ACQUISITIONS

- BUY-SIDE REPRESENTATION
- SELL-SIDE REPRESENTATION
- FINANCIAL DUE DILIGENCE
- DETAILED FINANCIAL MODELING & FEASIBILITY ANALYSIS
- POST TRANSACTION INTEGRATION/ POST-DEAL SUPPORT
- FAIRNESS OPINIONS
- NEGOTIATION and DEAL MANAGEMENT
- CAPITAL STRUCTURE ADVICE

INDEPENDENT EQUITY RESEARCH

- INITIAL COVERAGE FACT SHEET
- FULL PROFILE VALUATIONS
- QUARTERLY UPDATE VALUATIONS

DSE provides independent, unbiased business and professional valuation and advisory services. The valuations we perform are required in many contexts including financial reporting, capital budgeting, merger and acquisition transactions, fairness opinions and investment analysis.

You may also visit us at www.dotyscott.com

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