SAMPLE CALCULATIONS LETTER

March 1, 2016

Mr. Bob Smith
c/o XYZ Auto Repair, Inc.[1]
100 Main Street
Salem, OR 12345

RE: Business Valuation Services

Dear Mr. Smith,

You requested that that I determine the fair market value of a 100% ownership interest in XYZ Auto Repair, Inc. (the "Company"), an Oregon Corporation. The appraisal is being conducted on a fully controlling, fully marketable interest basis. The appraisal is being performed as of January 1, 2016. It will be used for potential sale purposes.

In keeping with your request not to prepare a detailed comprehensive report, I have set out my findings in this letter and the attached schedules.

The scope of this assignment is "calculations," defined by the American Society of Appraisers as providing an approximate indication of value based on the performance of limited procedures agreed upon by the appraiser and the client. This analysis provides only an estimate of value based on limited procedures. The value conclusion may be different if the assignment scope were expanded to include additional information and analysis. Therefore, this analysis should not be relied upon as a definitive indication of value.

Also based on the understood purpose of the appraisal, I have assumed "fair market value" standard of value. Fair market value is the standard used in all income and transfer tax appraisals, and is defined by the American Society of Appraisers as:

> *"The price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm's length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts."*

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[1] *XYZ Auto Repair, Inc. is a fictitious entity. Any similarities to an actual operating company is purely coincidental.*

BACKGROUND & HISTORY

The Company incorporated in 1989 as XYZ Auto Repair, Inc. It originally offered auto service and repair, and eventually expanded to include auto body work. As of the valuation date it operated from two locations, one in Keizer and a second in downtown Salem, Oregon. The two locations are approximately five miles apart.

The Company's locations and services have evolved over the last 27 years. In 1996, after operating from its original location in Keizer at 123 Main Street for seven years, the Company relocated approximately two miles away, to 789 Main Street. In 1994, the Company added the downtown Salem location at Broadway Avenue to serve the downtown population. In 2005, the Company added 2,500 square feet at the Keizer location, including a paint booth and related equipment, and began offering auto body and paint services.

The services offered differ by location. The Keizer location offers auto service and repair, and includes a full collision department ("Collision Department") with painting and body work. The downtown Salem location only offers auto service and repair, but no collision repairs.

Management indicated that vehicle reliability trends have affected revenue trends and Company operations. In the 1980's and 1990's, vehicles were less dependable and required more repairs.
As vehicle reliability increased, the Company had a marked decrease in the number of vehicles serviced per day. The most recent recession that began in 2008 also changed the way customers view car repairs and customer service expectations. Management implemented new software to help offset these trends by increasing communication and customer service measures with existing customers.

Additionally, management noted that shortage of skilled labor is another significant challenge the Company faces, due to the lack of available labor that is current on technical requirements. The Company has focused on finding its own candidates in the form of an apprenticeship program with paid training as a way of attracting quality employees.

SERVICES

The Company performs services on electric, hybrid, and diesel vehicles including vans, trucks, SUVs, and other vehicles. It offers a local courtesy shuttle, has pick up, and drop off available.

Auto Service and Repair

The Company has an extensive list of services on its website, including:

- Diagnostics and inspections
- Brake and tire service, replacement, and repair
- Head light/ tail light replacement
- Power steering repair
- Transmission replacement and service
- Cooling system service and repair
- A/C repair
- Emissions
- Window and door lock replacement;
- Preventative maintenance
- Timing belt replacement and repair
- Engine repair

Collision Services

The Company offers collision services ranging from repair of minor dings to heavy collision and frame damage. Before the Company technicians begin to work on a vehicle, comprehensive estimates are provided to customers through a vehicle examination and computerized estimating. Relationships with insurance companies are an integral part of this portion of business.

ADVERTISING

The Company primarily advertises within the immediate area including advertisements in two neighborhood newspapers, gift certificates to fundraising auctions when requested by the community or customers, its website and Facebook.

The Company also uses Demand Force, an automated marketing and communication software, to gather feedback, remind customers of services needed and to make online appointments. Overall, management feels the cost of Demand Force is productive and eliminates the staff expense related to performing these functions in-house.

COMPETITORS

According to management, the primary competitor is Jones Automotive. Jones Automotive has four locations in the area, all in close proximity to the Company. The Company also has moderate competition from automobile dealerships.

MANAGEMENT AND EMPLOYEES

The duties of management are as follows:

- *Bob Smith*, President, is the founder of the Company and the owner/operator. As of the valuation date, his duties consisted primarily of working with the online marketing team for web presence and customer retention. He also ensures that all equipment and software are up to date and functional. He has minimal involvement in daily operational management, and works approximately 30 hours per week.
- *Steve Jobs*, Controller, was hired in October 1998 and reports to Bob Smith.
- *Miley Cyrus*, is the Service and Operations Manager for the Salem location. She was hired in June 2001.
- *Jason Bourne* is the Service Manager for the Keizer auto repair. He has been an employee of the Company since January 1998.
- *Patrick Ryan* is the Auto Body Manager for the Keizer collision center. He began his employment with the Company in January 2012.

At the valuation date, the Company had thirteen employees at the Salem location. The Keizer auto repair segment had seven employees including the service manager, one service advisor, three technicians, and two customer service employees. The Keizer auto body and paint segment had five employees.

FACILITIES AND BUSINESS HOURS

The Keizer auto service and collision center was constructed in 1989, with additions and renovations in 1999 and 2006. It is under common ownership to the Company and is leased for $9,167 per month. It is a 5,200 square foot (sf) facility on a 0.4-acre parcel. Real Estate Appraisal Services, Inc. appraised the building as of January 1, 2016 and noted that market rent was equal to $110,000 annually.

The Salem auto service facility is located 123 Broadway Avenue. It was built in 1999 and includes 4,000 sf of office space split between two levels and 7,000 sf of shop space. It had 11 service bays at the valuation date. This facility is located on a 0.8-acre site and is under common ownership to the Company. It is leased for $9,500 per month. It was also appraised by Real Estate Appraisal Services as of January 1, 2016. A market rent of $114,000 annually, was concluded.

Business hours for both locations are Monday through Friday from 7:30 a.m. to 5:30 p.m.

2016 Projection

Management expected a sales increase of 7% overall for the Company in 2016. This sales growth is attributed to the new efforts in marketing and customer service strategies.

Financial Analysis

The Company's historical income statements and balance sheets for the five years ending December 31, 2015 are presented in Schedules 1 and 2. Historical ratios are shown in Schedule 3 and a historical working capital analysis is shown in Schedule 4.

Common size statements are used to eliminate the effect of size differences and to provide additional insight into the financial ratios. On the common size income statement, all items are stated as a percentage of sales while on the common size balance sheet, all accounts are stated as a percentage of total assets.

Industry comparisons are from Annual Statement Studies 2014/2015, published by RMA. The averages shown are for NAICS 81111, *General Automotive Repair*.

Adjustments to Historical Cash Flows

Certain adjustments have been made to the Company's historical financial statements for the purpose of reaching a valuation conclusion. These adjustments are made to "normalize" earnings by eliminating non-recurring or extraordinary income or expense. The goal is to estimate the level of net cash flow the company is expected to generate prospectively for its owners. These adjustments do not reflect any opinion with respect to the accuracy of the Company's financial statements.

As shown in Schedule 5, I made the following adjustments to the Company's financial results:

- **Depreciation expense, interest expense, and amortization expense** were each reclassified from operating expenses to separate categories. This had no impact on profitability.
- **Discretionary charitable contributions** and **non-operating vehicle expense** were removed from each historical period. This improved profitability in each period.
- **Owner compensation** in closely held businesses must often be adjusted, up or down, to industry guidelines. The goal is to estimate a market level of compensation appropriate for

management, assuming the business owner hired qualified management from the open marketplace.

As shown in Schedule 5, owner compensation for Bob Smith varied from $164,000-$178,000 during 2011 through 2015. Management indicated that a replacement salary for Mr. Smith would be $75,000 annually. This level of compensation was comparable to industry benchmarks reported by RMA for automotive companies with similar sales levels.

Based on the foregoing, I adjusted Bob Smith's salary to market level which had the impact of increasing profits in each historical period.

GROWTH

Historical growth rates provide information about the Company's future growth prospects.

As shown in Schedule 1 and the accompanying graph, sales grew from $2.8 million in 2011 to $3.2 million in 2015, equal to a compound annual growth rate (CAGR) of 3.0%.

Most of the sales growth was in the Keizer collision operations, which had sales growth of 11.0% from 2011-2015. In contrast, the CAGR for downtown Salem was 1.9% and the CAGR for Keizer's repair operations was negative 0.7%. The improvement in the sales count per location had a positive impact on the downtown Salem sales levels in 2015.

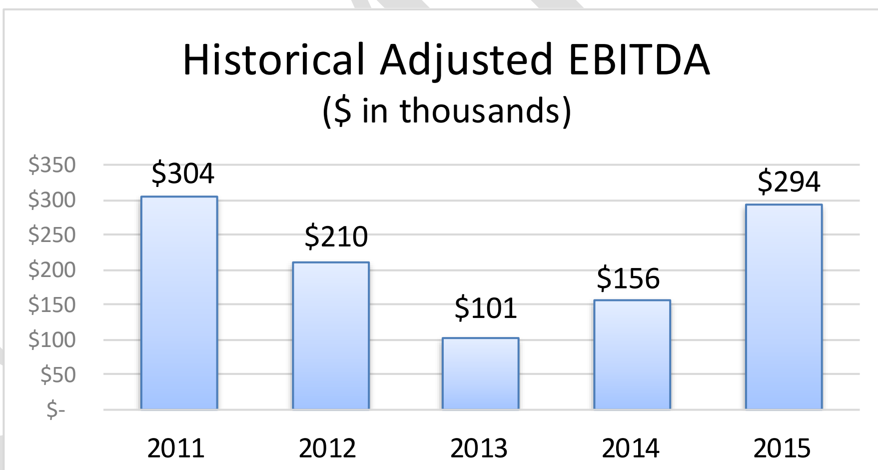
Sales were weaker in 2013 due to a change in management, which impacted the relationship with insurance adjusters, and a point of sale system (POS) change that caused an interruption in marketing to existing customers for six months. Both factors were significant to sales and it took almost a year for sales to recover from these two issues.

Profitability

Profitability ratios measure the Company's return on sales.

The gross profit margin for the collision department historically was much lower than for repair operations. During 2011-2015, as the collision sales levels grew relative to the repair operations, the Company's adjusted gross profit margin declined as shown in Schedule 6 and the following graph.

As presented in Schedule 6 and in the following graph, on an adjusted basis, the Company's cash flow, as measured by earnings before interest, taxes, depreciation & amortization (EBITDA), declined during 2011-2013, but improved dramatically in the following two years.



Balance Sheet Review

As shown in Schedule 2b, the Company's assets grew by a CAGR of 7.2% during the period under review, from $706,000 in 2011 to $931,000 in 2015.

The Company's liabilities increased by a CAGR of 8.6% during the period under review, from $194,000 in 2011 to $270,000 in 2015.

Working Capital

Working capital is a financial metric which represents operating liquidity available to a business. It is calculated as current assets less current liabilities. Positive working capital is required to ensure that a firm is able to continue its operations and that it has sufficient funds to satisfy both maturing short-term debt and upcoming operational expenses.

As shown in Schedule 4, working capital averaged 4.5% of sales during 2011-2015. The Company had sufficient working capital to repay its long-term debt liabilities. On an adjusted basis, the Company's adjusted net working capital was equal to 3.3% at the valuation date, which was above the industry average of 2.4% of sales.

Summary

The financial condition of the Company can be characterized as strong. Sales grew during the period under review, with significant improvement in profitability in 2015. The Company's balance sheet was strong, it had adequate working capital for operations, strong liquidity and relatively low leverage.

VALUATION APPROACHES

Valuation of a business ownership interest requires consideration of all pertinent factors bearing upon its investment merits. The following three valuation approaches were considered:

- Income Approach: In this approach, estimated future cash flows are discounted to present value at an appropriate rate of return for the investment.

- Market Approach: This approach utilizes valuation ratios derived from market trading prices involving companies that are similar to the subject business. Acquisitions of entire companies are also considered.

- Asset Approach: In this approach, the assets and liabilities of the business are restated from historical cost to fair market value.

I chose not to apply the Asset Approach. The Asset Approach only reflects the value of tangible assets and does not assign any value to goodwill, or intangible assets. The Company is a profitable operation and goodwill value would be expected to be a significant component of value.

Application of the Income and Market Approaches is discussed in the following pages of this letter.

INCOME APPROACH

The Income Approach to valuation determines the expected future cash flows from an investment and then discounts those cash flows to present value at an appropriate rate of return. The selected discount rate or rate of return should reflect the degree of uncertainty or risk associated with realizing the future cash flows compared to cash flows available from alternative investments. Higher uncertainty or risk leads to a higher expected rate of return, which produces a lower value for the investment.

Income approach valuation methods include *Discounted Cash Flow (DCF)* and *Capitalization of Single Period Cash Flow*. In the DCF method, future cash flows are discounted to present value using an appropriate discount rate. It is best to use the DCF approach when a company anticipates a change in its cash flows over the near term. When current cash flows are consistent with expected future cash flows, it is best to use the capitalization of single period cash flow method.

Since management expects continued strong sales in the Collision Department in the several years following the valuation date, I chose to use a DCF model to model expected future cash flows for 2016-2017.

DCF Analysis

In the *DCF Method*, free cash flow is estimated, as follows:

	Pretax Earnings
-	Income Taxes
+	Depreciation & Amortization
+/-	Adjusted Working Capital Changes
-	Capital Expenditures
+/-	Additions/(Reductions) to Long-Term Debt
=	Free Cash Flow to Equity

Free cash flows are estimated over a two-year forecast period beginning on the valuation date. Beyond the forecast period, a residual value is calculated using an appropriate capitalization rate. The free cash flows and residual value are converted to present value using an appropriate discount rate to indicate an equity value for the Company. In the present value computation, future cash flows are assumed to be received midway through each year of the forecast period rather than assuming they are all received at the end of the year.

Schedule 7 presents the adjusted forecasted cash flows and the assumptions incorporated into this analysis.

Discount and Capitalization Rates

The discount rate is a market-driven rate, representing the rate of return necessary to induce investors to commit funds to an investment given its level of risk. I relied on the "build-up" method to develop the discount rate.

The computation of the discount rate to equity is presented in Schedule 9. Based on this analysis, I selected a discount rate of 22.5%.

The capitalization rate is equal to the discount rate minus the expected long-term growth rate of cash flows, which I estimated at 3.0%. Therefore, it is my opinion that a capitalization rate of 19.5% is appropriate for the Company's expected future cash flows.

Income Approach Conclusion

Schedule 8 summarizes the Income Approach. As shown in the schedule, the present value of future cash flows is equal to *$1,077,000*.

MARKET APPROACH

The Market Approach to valuation rests on the premise that a business can be valued with reference to what comparable companies have sold for in an open and unrestricted market. This approach uses comparable or "*guideline*" company data to assess the value of the subject entity. The challenge in valuing a business using this approach, and particularly when valuing a small or unusual operating entity, is finding true market comparables. It is unlikely that any two businesses or ownership interests will be alike even with respect to their core competencies.

The three methods for collecting and assessing guideline company data are the *Public Company Analysis Method*, the *Merger and Acquisition ("M&A") Method* and the *Prior Transaction Analysis Method*. These methods are often used together to determine the valuation multiple to apply to a company's earnings, net adjusted assets, cash flow, or revenue.

For the valuation of the Company, I applied the M&A Method. I did not use the Public Company Analysis Method because the relatively small size of the Company does not lend itself well to a public company analysis. I did not use the Prior Transaction Analysis Method because there have been no recent arms-length transactions of ownership interests in the Company.

M&A METHOD

Using BIZCOMPS® and Pratt's Stats, databases that contain transactional information on small businesses, I searched for acquisitions of non-franchise auto repair shops. I included transactions that closed between January 1, 2014 and the valuation date for companies that had more than $700,000 and less than $4.5 million in sales.

As shown in Schedule 10, I identified 19 transactions. The acquired companies, with average sales of $1.3 million were smaller than the subject Company with sales of $3.2 million in 2015.

From this data, I calculated valuation ratios, as follows:

- Price-to-Revenue
- Price-to-EBITDA

I used adjusted 2015 results as the basis.

CONCLUSION – M&A METHOD

As shown in Schedule 11, I gave the EBITDA multiple and the revenue multiple equal weighting in arriving at a value conclusion.

Based on the foregoing, I arrived at a weighted average of *$1,158,000* (rounded).

CONCLUDED VALUE

As shown in Schedule 12, I gave equal weight to the Income Approach and Market Approach indications in arriving at a value conclusion.

Based on the foregoing, it is therefore my opinion that the fair market value of a 100% controlling interest in the Company as of January 1, 2016 was equal to:

ONE MILLION ONE HUNDRED EIGHTEEN THOUSAND DOLLARS
$1,118,000

Signed,

[SIGNATURE REMOVED]

Laura Markee, CFA, ASA

APPRAISER QUALIFICATIONS

Laura Markee, CFA, ASA has specialized in business valuation for nearly twenty years. She is a Chartered Financial Analyst through the CFA Institute and also holds an Accredited Senior Appraiser (ASA) designation from the American Society of Appraisers. She received her MBA from the University of Washington and her B.A. in Economics from Wheaton College. She was on the Board of the Portland Chapter of the ASA for six years and filled the role of Chapter President during 2012-2014. She also belongs to several professional associations including the CFA Institute, the Southwest Washington Estate Planning Council and the American Society of Appraisers. Laura has prepared an estimated 1,500 appraisals since 1998 and has testified as an expert in business valuations and financial damages on over twenty-five occasions in courts in Washington, Oregon and Michigan.

Laura has worked in finance-related positions in banking and financial consulting for the past twenty-five years. She was employed by Moss Adams Advisory Services for six years and was a partner in a small business valuation and forensic accounting firm in Portland, Oregon for seven years. Since 2012, she has worked in independently in business valuations through her own firm, Markee Valuations LLC.

Markee Valuations' office is located conveniently at 412 W 12th Street in Vancouver, Washington approximately two blocks from the Clark County Courthouse.

Markee Valuations performs business valuations under the *Business Valuation Standards* and *Principles of Appraisal Practice and Code of Ethics* as adopted by the American Society of Appraisers.

SCHEDULES

XYZ Auto Repair, Inc.

Historical & Common Size Income Statement
Common Size ratios stated as a percent of total sales

						Growth	COMMON SIZE STATEMENT						Industry
	Compiled					Rates	*Compiled*					*Average*	RMA
Fiscal Year Ended December 31	*2011*	*2012*	*2013*	*2014*	*2015*	**2011-2015**	*2011*	*2012*	*2013*	*2014*	*2015*	*2011-2015*	**NAICS 811111***
Sales	2,800,000	2,750,000	2,400,000	2,675,000	3,150,000	3.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	*100.0%*
Cost of Goods Sold	1,122,000	1,106,000	987,000	1,129,000	1,344,000	4.6%	40.1%	40.2%	41.1%	42.2%	42.7%	41.3%	*0.0%*
Gross Profit	1,678,000	1,644,000	1,413,000	1,546,000	1,806,000	1.9%	59.9%	59.8%	58.9%	57.8%	57.3%	58.7%	*100.0%*
Operating Expenses:													
Salaries and Wages	409,000	414,000	374,000	389,000	462,000		14.6%	15.1%	15.6%	14.5%	14.7%	14.9%	
Officer Compensation	168,000	168,000	164,000	174,000	178,000		6.0%	6.1%	6.8%	6.5%	5.7%	6.2%	
Health Insurance	29,000	45,000	43,000	44,000	43,000		1.0%	1.6%	1.8%	1.6%	1.4%	1.5%	
401K Expense	1,000	2,000	0	0	1,000		0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	
Company Functions	0	(1,000)	3,000	2,000	3,000		0.0%	(0.0%)	0.1%	0.1%	0.1%	0.1%	
Training	6,000	3,000	1,000	2,000	7,000		0.2%	0.1%	0.0%	0.1%	0.2%	0.1%	
Vacation Pay	35,000	34,000	35,000	29,000	26,000		1.3%	1.2%	1.5%	1.1%	0.8%	1.2%	
Payroll Tax Exp Old	142,000	128,000	123,000	116,000	138,000		5.1%	4.7%	5.1%	4.3%	4.4%	4.7%	
Advertising	93,000	107,000	105,000	135,000	102,000		3.3%	3.9%	4.4%	5.0%	3.2%	4.0%	
Bad Debt	0	5,000	0	2,000	0		0.0%	0.2%	0.0%	0.1%	0.0%	0.1%	
Bank Charges	0	1,000	1,000	2,000	1,000		0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	
Rent	199,021	204,992	211,141	217,476	224,000		7.1%	7.5%	8.8%	8.1%	7.1%	7.7%	
Taxes - Real Estate	28,000	28,000	30,000	27,000	25,000		1.0%	1.0%	1.3%	1.0%	0.8%	1.0%	
Interest Expense	18,000	10,000	10,000	0	0		0.6%	0.4%	0.4%	0.0%	0.0%	0.3%	
Insurance - Shop	22,000	22,000	23,000	24,000	23,000		0.8%	0.8%	1.0%	0.9%	0.7%	0.8%	
Repairs and Maintenance	18,000	37,000	14,000	19,000	28,000		0.6%	1.3%	0.6%	0.7%	0.9%	0.8%	
Consulting	5,000	5,000	4,000	9,000	15,000		0.2%	0.2%	0.2%	0.3%	0.5%	0.3%	
Shop Supplies	14,000	14,000	13,000	14,000	16,000		0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	
Contributions	1,000	5,000	0	0	26,000		0.0%	0.2%	0.0%	0.0%	0.8%	0.2%	
Credit Card Fees	42,000	39,000	35,000	38,000	45,000		1.5%	1.4%	1.5%	1.4%	1.4%	1.4%	
Depreciation Expense	80,000	47,000	36,000	34,000	28,000		2.9%	1.7%	1.5%	1.3%	0.9%	1.6%	
Amortization Expense	7,000	7,000	7,000	7,000	7,000		0.3%	0.3%	0.3%	0.3%	0.2%	0.3%	
Dues and Subscriptions	30,000	30,000	40,000	43,000	42,000		1.1%	1.1%	1.7%	1.6%	1.3%	1.4%	
Employee Recruitment	0	0	1,000	1,000	1,000		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Entertainment	1,000	0	1,000	0	2,000		0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	
Equipment	46,000	38,000	20,000	26,000	37,000		1.6%	1.4%	0.8%	1.0%	1.2%	1.2%	
Landscape	6,000	19,000	9,000	10,000	16,000		0.2%	0.7%	0.4%	0.4%	0.5%	0.4%	
Laundry/Uniforms	16,000	9,000	11,000	10,000	11,000		0.6%	0.3%	0.5%	0.4%	0.3%	0.4%	
Accounting	10,000	10,000	10,000	10,000	6,000		0.4%	0.4%	0.4%	0.4%	0.2%	0.3%	
Manuals	13,000	14,000	8,000	9,000	9,000		0.5%	0.5%	0.3%	0.3%	0.3%	0.4%	
Office Equipment and Supplies	12,000	23,000	12,000	21,000	23,000		0.4%	0.8%	0.5%	0.8%	0.7%	0.7%	
Postage and Freight	3,000	3,000	2,000	2,000	1,000		0.1%	0.1%	0.1%	0.1%	0.0%	0.1%	
Sales - Warranty Expense	17,000	17,000	18,000	17,000	21,000		0.6%	0.6%	0.8%	0.6%	0.7%	0.7%	
Small Tools	2,000	5,000	2,000	2,000	6,000		0.1%	0.2%	0.1%	0.1%	0.2%	0.1%	
Taxes - Miscellaneous	14,000	15,000	12,000	14,000	14,000		0.5%	0.5%	0.5%	0.5%	0.4%	0.5%	
Telephone	28,000	30,000	24,000	24,000	31,000		1.0%	1.1%	1.0%	0.9%	1.0%	1.0%	
Utilities	40,000	40,000	42,000	37,000	39,000		1.4%	1.5%	1.8%	1.4%	1.2%	1.5%	
Vehicle Expense	29,000	27,000	17,000	25,000	23,000		1.0%	1.0%	0.7%	0.9%	0.7%	0.9%	
Total Operating Expenses	1,584,021	1,604,992	1,461,141	1,535,476	1,680,000	1.5%	56.6%	58.4%	60.9%	57.4%	53.3%	57.3%	*93.8%*
Operating Income/(Loss)	93,979	39,008	(48,141)	10,524	126,000	7.6%	3.4%	1.4%	(2.0%)	0.4%	4.0%	1.4%	*6.2%*
Total Other Income (Exp.)	0	0	0	0	0	nmf	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	*0.8%*
Pretax Profit	93,979	39,008	(48,141)	10,524	126,000	7.6%	3.4%	1.4%	(2.0%)	0.4%	4.0%	1.4%	*5.5%*
Income Taxes	29,133	12,093	0	3,263	39,060		1.0%	0.4%	0.0%	0.1%	1.2%	0.6%	
Net Income	64,845	26,916	(48,141)	7,262	86,940	7.6%	2.3%	1.0%	(2.0%)	0.3%	2.8%	0.9%	

* NAICS 811111 - General Automotive Repair

XYZ Auto Repair, Inc.

Schedule 2

Historical & Common Size Balance Sheet -

Common size ratios stated as a percent of total assets

	Compiled					Growth Rates	COMMON SIZE STATEMENT Compiled					*Average*	Industry RMA
Fiscal Year Ended December 31	*2011*	*2012*	*2013*	*2014*	*2015*	**2011-2015**	*2011*	*2012*	*2013*	*2014*	*2015*	*2011-2015*	**NAICS 811111***
Current Assets:													
Cash	213,000	177,000	118,000	198,000	279,000		30.2%	27.7%	21.0%	30.2%	30.0%	*27.8%*	25.9%
Accounts Receivable - Trade	16,000	17,000	41,000	41,000	37,000		2.3%	2.7%	7.3%	6.3%	4.0%	*4.5%*	10.5%
Inventories	81,000	74,000	89,000	65,000	54,000		11.5%	11.6%	15.8%	9.9%	5.8%	*10.9%*	14.5%
Prepaid Expenses and Payroll Advances	0	18,000	0	5,000	3,000		0.0%	2.8%	0.0%	0.8%	0.3%	*0.8%*	
Total Current Assets	310,000	286,000	248,000	309,000	373,000	4.7%	43.9%	44.8%	44.1%	47.2%	40.1%	*44.0%*	53.5%
Fixed Assets:													
Building Improvements	375,000	368,000	368,000	368,000	395,000		53.1%	57.6%	65.5%	56.2%	42.4%	*55.0%*	
Machinery and Equipment	870,000	880,000	864,000	825,000	1,044,000		123.2%	137.7%	153.7%	126.0%	112.1%	*130.6%*	
Furniture and Fixtures	77,000	73,000	51,000	30,000	30,000		10.9%	11.4%	9.1%	4.6%	3.2%	*7.8%*	
Vehicles	212,000	212,000	205,000	205,000	205,000		30.0%	33.2%	36.5%	31.3%	22.0%	*30.6%*	
Gross Fixed Assets	1,534,000	1,533,000	1,488,000	1,428,000	1,674,000	2.2%	217.3%	239.9%	264.8%	218.0%	179.8%	*224.0%*	
Accumulated Depreciation (-)	(1,203,000)	(1,240,000)	(1,227,000)	(1,132,000)	(1,159,000)		(170.4%)	(194.1%)	(218.3%)	(172.8%)	(124.5%)	*(176.0%)*	
Net Fixed Assets	331,000	293,000	261,000	296,000	515,000	11.7%	46.9%	45.9%	46.4%	45.2%	55.3%	*47.9%*	28.4%
Intangible Assets:													
Gross Intangible Assets	94,000	96,000	96,000	99,000	99,000		13.3%	15.0%	17.1%	15.1%	10.6%	*14.2%*	
Accumulated Amortization (-)	(29,000)	(36,000)	(43,000)	(49,000)	(56,000)		(4.1%)	(5.6%)	(7.7%)	(7.5%)	(6.0%)	*(6.2%)*	
Net Intangible Assets	65,000	60,000	53,000	50,000	43,000	(9.8%)	9.2%	9.4%	9.4%	7.6%	4.6%	*8.1%*	
Total Assets	706,000	639,000	562,000	655,000	931,000	7.2%	100.0%	100.0%	100.0%	100.0%	100.0%	*100.0%*	100.0%
Current Liabilities:													
Accounts Payable	89,000	87,000	78,000	80,000	111,000		12.6%	13.6%	13.9%	12.2%	11.9%	*12.8%*	
Current Maturities of Long Term Debt	0	0	2,000	0	0		0.0%	0.0%	0.4%	0.0%	0.0%	*0.1%*	
Accrued Payroll and Related Taxes	77,000	64,000	60,000	59,000	83,000		10.9%	10.0%	10.7%	9.0%	8.9%	*9.9%*	
Excise Taxes Payable	20,000	21,000	20,000	21,000	26,000		2.8%	3.3%	3.6%	3.2%	2.8%	*3.1%*	
Total Current Liabilities	186,000	172,000	160,000	160,000	220,000	4.3%	26.3%	26.9%	28.5%	24.4%	23.6%	*26.0%*	44.9%
Long Term Liabilities:													
Long Term Debt, Net of Current	8,000	9,000	0	0	50,000		1.1%	1.4%	0.0%	0.0%	5.4%	*1.6%*	
Total Long-Term Liabilities	8,000	9,000	0	0	50,000	58.1%	1.1%	1.4%	0.0%	0.0%	5.4%	*1.6%*	38.9%
Total Liabilities	194,000	181,000	160,000	160,000	270,000	8.6%	27.5%	28.3%	28.5%	24.4%	29.0%	*27.5%*	83.8%
Equity:													
Paid in Capital	1,485,000	1,485,000	1,485,000	1,567,000	1,770,000		210.3%	232.4%	264.2%	239.2%	190.1%	*227.3%*	
Capital Stock	1,000	1,000	1,000	1,000	1,000		0.1%	0.2%	0.2%	0.2%	0.1%	*0.1%*	
Retained Earnings	(974,000)	(1,028,000)	(1,084,000)	(1,073,000)	(1,110,000)		(138.0%)	(160.9%)	(192.9%)	(163.8%)	(119.2%)	*(155.0%)*	
Total Equity	512,000	458,000	402,000	495,000	661,000	6.6%	72.5%	71.7%	71.5%	75.6%	71.0%	*72.5%*	16.2%
Total Liabilities & Equity	706,000	639,000	562,000	655,000	931,000	7.2%	100.0%	100.0%	100.0%	100.0%	100.0%	*100.0%*	100.0%

na = not available; nmf = not meaningful

* NAICS 811111 - General Automotive Repair

XYZ Auto Repair, Inc.

Schedule 3

Historical Financial Ratios

	2011	2012	2013	2014	2015	Average 2011-2015	Industry RMA NAICS 811111*
Growth Rates:							
Sales Growth	na	(1.8%)	(12.7%)	11.5%	17.8%	*3.0%*	**na**
Pretax Income Growth	na	(58.5%)	(223.4%)	(121.9%)	1097.2%	*7.6%*	**na**
Total Asset Growth	na	(9.5%)	(12.1%)	16.5%	42.1%	*7.2%*	**na**
Efficiency Ratios:							
Sales to Assets	4.0	4.3	4.3	4.1	3.4	*4.0*	**5.0**
Times: Pretax Pretax Margin	3.4%	1.4%	(2.0%)	0.4%	4.0%	*1.4%*	**3.8%**
Equals: Pretax Return on Assets	13.3%	6.1%	(8.6%)	1.6%	13.5%	*5.7%*	**19.0%**
Times: Assets to Equity	1.6	1.6	1.6	1.5	1.5	*1.6*	**3.2**
Equals: Pretax Return on Equity	21.0%	9.8%	(13.8%)	2.4%	20.4%	*8.9%*	**60.3%**
Revenue to Net Fixed Assets	8.5	9.4	9.2	9.0	6.1	*8.4*	**26.9**
Revenue to Working Capital	22.6	24.1	27.3	18.0	20.6	*22.5*	**41.5**
Accounts Receivable Turnover	175.0	161.8	58.5	65.2	85.1	*109.1*	**53.2**
Inventory Turnover	13.9	14.9	11.1	17.4	24.9	*16.4*	**na**
Payables Turnover	12.6	12.7	12.7	14.1	12.1	*12.8*	**na**
Liquidity Ratios:							
Current Ratio	1.7	1.7	1.6	1.9	1.7	*1.7*	**1.6**
Quick Ratio	1.2	1.1	1.0	1.5	1.4	*1.3*	**1.0**
Leverage Ratios:							
Debt to Worth	0.4	0.5	0.5	0.4	0.4	*0.4*	**2.4**
Long-Term Debt to Total Capital	1.8%	2.2%	0.6%	0.0%	7.5%	*2.4%*	**76.6%**

na = not available; nmf = not meaningful

* NAICS 811111 - General Automotive Repair

MARKEE Valuations LLC

XYZ Auto Repair, Inc.

Schedule 4

Historical and Adjusted Working Capital Analysis

	2011	2012	2013	2014	2015
Sales	2,800,000	2,750,000	2,400,000	2,675,000	3,150,000
Current Assets	310,000	286,000	248,000	309,000	373,000
Less: Current Liabilities	186,000	172,000	160,000	160,000	220,000
Net Working Capital (NWC)	124,000	114,000	88,000	149,000	153,000
Reclassify: Long-Term Liabilities	(8,000)	(9,000)	-	-	(50,000)
Adjusted Net Working Capital (ANWC)	116,000	105,000	88,000	149,000	103,000

Working Capital Ratios:						**Average 2011-2015**	**Industry RMA NAICS 811111***
Sales/Net Working Capital	22.6	24.1	27.3	18.0	20.6	*22.5*	41.5
Net Working Capital/Sales	4.4%	4.1%	3.7%	5.6%	4.9%	*4.5%*	2.4%
Sales/Adjusted Net Working Capital	24.1	26.2	27.3	18.0	30.6	*25.2*	41.5
Adjusted Net Working Capital/Sales	4.1%	3.8%	3.7%	5.6%	3.3%	*4.1%*	2.4%

* NAICS 811111 - General Automotive Repair

MARKEE valuations LLC

XYZ Auto Repair, Inc.

Schedule 5

Earnings Analysis And Adjustments

	2011	2012	2013	2014	2015
Sales	$2,800,000	$2,750,000	$2,400,000	$2,675,000	$3,150,000
Cost of Goods Sold	1,122,000	1,106,000	987,000	1,129,000	1,344,000
Operating Expenses	1,584,021	1,604,992	1,461,141	1,535,476	1,680,000
Reclassify: Depreciation Expense to a separate categor	(80,000)	(47,000)	(36,000)	(34,000)	(28,000)
Reclassify: Amortization Expense	(7,000)	(7,000)	(7,000)	(7,000)	(7,000)
Reclassify: Interest Expense to a separate category	(18,000)	(10,000)	(10,000)	0	0
Adjust Officer Compensation to market level[a]	(100,054)	(98,355)	(92,614)	(100,829)	(103,000)
Remove: Discretionary Charitable Contributions	(1,000)	(5,000)	0	0	(26,000)
Remove: Non-Operating Vehicle Expense	(3,500)	(4,000)	(3,500)	(3,500)	(4,232)
Adjusted Operating Expenses (excl rent)	1,374,467	1,433,637	1,312,028	1,390,146	1,511,768
Depreciation Expense Summary					
Reclassify: Depreciation from Operating Expenses	80,000	47,000	36,000	34,000	28,000
Total Depreciation Expense	80,000	47,000	36,000	34,000	28,000
Amortization Expense Summary					
Reclassify: Amortization In Operating Expenses	7,000	7,000	7,000	7,000	7,000
Total Amortization Expense	7,000	7,000	7,000	7,000	7,000
Interest Expense Summary					
Reclassify: Interest Expense from Operating Expenses	18,000	10,000	10,000	0	0
Total Interest Expense	18,000	10,000	10,000	0	0

Notes:

a. Officer compensation removed and restated at a market level provided by management of $75,000 in 2015, with prior years adjusted for inflation.

XYZ Auto Repair, Inc.

Schedule 6

Adjusted & Restated Financial Results

	2011		2012		2013		2014		2015		Average 2013-2015	
	$	%	$	%	$	%	$	%	$	%	$	%
Sales	2,800,000	100.0%	2,750,000	100.0%	2,400,000	100.0%	2,675,000	100.0%	3,150,000	100.0%	2,741,667	100.0%
Cost of Goods Sold	1,122,000	40.1%	1,106,000	40.2%	987,000	41.1%	1,129,000	42.2%	1,344,000	42.7%	1,151,475	42.0%
Gross Profit	1,678,000	59.9%	1,644,000	59.8%	1,413,000	58.9%	1,546,000	57.8%	1,806,000	57.3%	1,590,192	58.0%
Operating Expenses	1,374,467	49.1%	1,433,637	52.1%	1,312,028	54.7%	1,390,146	52.0%	1,511,768	48.0%	1,413,133	51.5%
Depreciation Expense	80,000	2.9%	47,000	1.7%	36,000	1.5%	34,000	1.3%	28,000	0.9%	33,448	1.2%
Total Operating Expenses	1,454,467	51.9%	1,480,637	53.8%	1,348,028	56.2%	1,424,146	53.2%	1,539,768	48.9%	1,446,581	52.8%
Operating Income	223,533	8.0%	163,363	5.9%	64,972	2.7%	121,854	4.6%	266,232	8.5%	143,611	5.2%
Total Other Income (Expense)	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Amortization Expense	7,000	0.3%	7,000	0.3%	7,000	0.3%	7,000	0.3%	7,000	0.2%	7,088	0.3%
Earnings Before Interest & Taxes (EBIT)	216,533	7.7%	156,363	5.7%	57,972	2.4%	114,854	4.3%	259,232	8.2%	136,523	5.0%
Interest Expense	18,000	0.6%	10,000	0.4%	10,000	0.4%	0	0.0%	0	0.0%	3,808	0.1%
Pretax Income	198,533	7.1%	146,363	5.3%	47,972	2.0%	114,854	4.3%	259,232	8.2%	132,715	4.8%
Income Taxes[a]	76,237	38.4%	56,204	38.4%	18,421	38.4%	44,104	38.4%	99,545	38.4%	54,023	38.4%
Net Income	122,296	4.4%	90,160	3.3%	29,551	1.2%	70,750	2.6%	159,687	5.1%	78,692	2.9%
Plus: Depreciation and Amortization	87,000	3.1%	54,000	2.0%	43,000	1.8%	41,000	1.5%	35,000	1.1%	40,535	1.5%
Gross Cash Flow	209,296	7.5%	144,160	5.2%	72,551	3.0%	111,750	4.2%	194,687	6.2%	119,227	4.3%

Other Information												
EBITDA[b]	303,533	10.8%	210,363	7.6%	100,972	4.2%	155,854	5.8%	294,232	9.3%	177,059	6.5%
Owner's Compensation[c]	67,946	2.4%	69,645	2.5%	71,386	3.0%	73,171	2.7%	75,000	2.4%	73,940	2.7%
SDE[d]	371,479	13.3%	280,008	10.2%	172,359	7.2%	229,024	8.6%	369,232	11.7%	250,999	9.2%

Notes

a. Taxes calculated at effective corporate federal and state rates.

b. EBITDA equals earnings before interest, taxes, depreciation and amortization.

c. Adjusted compensation for owner per Schedule 5.

d. SDE equals seller's discretionary cash flow (= EBITDA plus owners' compensation).

Markee Valuations LLC

XYZ Auto Repair, Inc.

Schedule 7

Projected Cash Flows

	Forecast 2016		Forecast 2017		Residual	
	$	%	$	%	$	%
Total Sales[a]	3,370,000	100.0%	3,500,000	100.0%	3,610,000	100.0%
Cost of Goods Sold	1,428,880	42.4%	1,469,968	42.0%	1,516,167	42.0%
Gross Profit[b]	1,941,120	57.6%	2,030,032	58.0%	2,093,833	58.0%
Operating Expenses:						
Operating Expenses[c]	1,587,356	47.1%	1,650,851	47.2%	1,703,000	47.2%
Depreciation Expense[d]	44,000	1.3%	44,000	1.3%	33,448	0.9%
Total Operating Expenses	1,631,356	48.4%	1,694,851	48.4%	1,736,448	48.1%
Operating Income	309,764	9.2%	335,181	9.6%	357,385	9.9%
Other Income (Expense)	0	0.0%	0	0.0%	0	0.0%
Amortization Expense	7,000	0.2%	7,000	0.2%	0	0.0%
Earnings Before Interest and Taxes (EBIT)	302,764	9.0%	328,181	9.4%	357,385	9.9%
Interest Expense	0	0.0%	0	0.0%	0	0.0%
Pretax Income	302,764	9.0%	328,181	9.4%	357,385	9.9%
Less: Income Taxes[e]	116,261	38.4%	126,022	38.4%	137,236	38.4%
Net Income	186,502	5.5%	202,160	5.8%	220,149	6.1%
Plus: Depreciation & Amortization Expense	51,000	1.5%	51,000	1.5%	33,448	0.9%
Gross Cash Flow	237,502	7.0%	253,160	7.2%	253,597	7.0%

Assumptions:

a. Mangement forecasted total sales growth of 7% for 2016 which is expected to gradually decline to a stabilized level of 3%.

b. The gross profit margin is equal to gradually improve to 2013-2015 average results.

c. Operating exenses are forecasted to grow 5% in 2016 and 2017. Thereafter, operating expenses are expected to remain stable as a percent

d. Depreciation expense is projected at $44,000 in 2016 and 2017. Thereafter, it is projected to decline to an average historical level.

e. Taxes calculated at effective corporate federal and state rates.

XYZ Auto Repair, Inc.

Schedule 8

Income Approach Summary

		Forecast 2016		Forecast 2017		Residual
Sales		$3,370,000		$3,500,000		$3,610,000
Gross Cash Flow (per Schedule 7)		237,502		253,160		253,597
Less: Working Capital Additions[a]		(7,194)		(4,251)		(3,597)
Less: Capital Expenditures[b]		(33,448)		(33,448)		(33,448)
Equals: Free Cash Flow		196,861		215,461		216,552
Divided by: Capitalization Rate (See Schedule 9)					÷	19.5%
Equals: Residual Value						1,110,526
Multiplied by: Present Value Factor	×	0.9037	×	0.7379	×	0.6668
Equals: Present Value of Future Cash Flows		177,895		158,993		740,528

Value Conclusion	
Sum of 2016-2017 cash flows	336,888
Present value of Residual	740,528
Present Value of Future Cash Flows	1,077,416
EQUITY VALUE CONCLUSION (rounded)	**1,077,000**

Assumptions:

a. Working capital levels forecasted at adjusted 2015 results of 3.3% of sales as presented in Schedule 4.
The calculations are shown as follows:

	2015	2016	2017	Residual
Adjusted Net Working Capital	*$103,000*	*$110,194*	*$114,444*	*$118,041*
	3.3%	*3.3%*	*3.3%*	*3.3%*

b. Capital expenditures set equal to average historical depreciation expense.

XYZ Auto Repair, Inc.

Schedule 9

Income Approach Conclusion and Calculation of Discount and Capitalization Rates

DISCOUNT RATE - Build-up Approach

$K_e = R_f + R_e + R_s + R_i + R_c$

$K_e = 4.0\% + 5.0\% + 5.6\% + 4.9\% + 3.0\% = \boxed{22.5\%}$

K_e = cost of equity capital		
R_f = risk free rate	4.0%	[a]
R_e = equity risk premium	5.0%	[b]
R_s = small stock risk premium (Size Premium)	5.6%	[c]
R_i = Industry Risk Premium	4.9%	[d]
R_c = subject company risk premium	3.0%	[e]

CAPITALIZATION RATE

C = (Ke - G)

C = (22.5% - 3.0%) = $\boxed{19.5\%}$

C = capitalization rate		
K_e = cost of equity capital	22.5%	See above.
G = growth rate into perpetuity	3.0%	[f]

Notes:

a. Inflation adjusted risk free rate as of the valuation date equal to:

	1.46%	Median for long-term real risk-free rate based on 20-year U.S. Treasury Inflation-Protected Securities (TIPS)
+	2.50%	Estimated inflation forecast.
	3.96%	Build-up of nominal risk free rate.

b. This represents the premium demanded by investors in equity securities over and above the risk free rate as published by D&P 2016 Valuation Handbook.

c. This represents the premium for size demanded by investors in small capitalization stocks over and above the premium demanded by equity investors, as published by D&P 2016 Valuation Handbook.

d. This represents the premium for industry risk demanded by investors based on companies in SIC 75, Automotive Repair, Services and Parking as published by D&P 2016 Valuation Handbook.

e. Estimated additional risk premium that would be demanded by investors in subject Company.

f. Estimated growth rate of free cash flows into perpetuity for subject Company.

XYZ Auto Repair, Inc.

Schedule 10

M&A Method

Financial Data and Valuation Multiples

Asset Deals - sales of non-franchise locations with $700k to $4.5 million that closed between January 1, 2014 and the valuation date

Transaction Number	Acquisition Date	Description	Location	Asset or Stock Deal	Reported Deal Price ($)	Financial Information of Acquired Companies: Sales ($)	SDE[a] $	SDE[a] % of Sales	EBITDA[b] $	EBITDA[b] % of Sales	Valuation Multiples: Deal Price to Sales	Valuation Multiples: Deal Price to EBITDA
Pratt's Stats												
1	4/30/2015	Automotive|Auto General Repair	FL	Asset	860,000	2,945,505	224,826	*7.6%*	108,976	*3.7%*	0.29	7.89
2	4/30/2015	General Automotive Repair Shop	Milton, GA	Asset	700,000	1,996,338	35,689	*1.8%*	(61,311)	*-3.1%*	0.35	nmf
3	11/24/2014	General Automotive Repair Shop	Barstow, CA	Asset	310,000	1,065,541	na	na	35,118	*3.3%*	0.29	8.83
4	8/9/2013	Automotive Repair and Tire Center	Glassboro, NJ	Asset	100,000	995,615	(6,082)	*-0.6%*	(62,332)	*-6.3%*	0.10	nmf
5	7/22/2013	Auto General Repair	FL	Asset	423,000	983,057	218,889	*22.3%*	na	*na*	0.43	na
6	1/1/2015	Automotive Repair	Virginia Beach, VA	Asset	166,000	952,456	130,720	*13.7%*	80,720	*8.5%*	0.17	2.06
7	9/2/2015	Auto Repair	CA	Asset	250,000	951,750	na	na	13,077	*1.4%*	0.26	19.12 *
8	8/8/2014	Auto General Repair	FL	Asset	290,000	851,693	290,860	*34.2%*	na	*na*	0.34	na
9	3/10/2015	Auto Repair	Aliso Viejo, CA	Asset	130,000	813,206	56,730	*7.0%*	51,730	*6.4%*	0.16	2.51
10	6/22/2015	Automotive|Auto General Repair	FL	Asset	155,000	792,264	70,263	*8.9%*	54,263	*6.8%*	0.20	2.86
11	7/23/2014	Auto General Repair	FL	Asset	550,000	791,000	207,000	*26.2%*	180,000	*22.8%*	0.70	3.06
12	12/30/2014	Auto Service Center	CA	Asset	379,000	776,900	155,324	*20.0%*	151,439	*19.5%*	0.49	2.50
13	6/26/2015	Automotive|Auto General Repair	FL	Asset	172,000	768,656	na	na	51,339	*6.7%*	0.22	3.35
14	5/29/2015	Full Service Auto Repair	CA	Asset	399,900	743,347	92,625	*12.5%*	(5,562)	*-0.7%*	0.54	nmf
15	4/30/2014	Auto Repair	CA	Asset	125,000	715,372	84,907	*11.9%*	(2,044)	*-0.3%*	0.17	nmf
Bizcomps												
16	11/26/2014	Auto Repair Shop	California	Asset	2,000,000	4,217,000	144,000	*3.4%*	na	*na*	0.47	na
17	10/1/2014	Auto Repair Shop	Los Angeles, CA	Asset	150,000	1,810,000	120,000	*6.6%*	na	*na*	0.08	na
18	7/14/2015	Auto Repair Shop	Denver Metro	Asset	610,000	1,403,000	230,000	*16.4%*	na	*na*	0.43	na
19	5/14/2014	Auto Repair Shop	Los Angeles, CA	Asset	420,000	1,225,000	219,000	*17.9%*	na	*na*	0.34	na
		AVERAGE			**431,047**	**1,305,142**	**142,172**	***13.1%***	**45,801**	***5.3%***	**0.32**	**4.13**
		MEDIAN			**310,000**	**952,456**	**137,360**	***12.2%***	**51,339**	***3.7%***	**0.29**	**3.06**

na = not available; nmf = not meaningful

* Excluded from the average valuation multiple.

a. SDE equals seller's discretionary cash flow (= EBITDA plus owner's compensation).

b. EBITDA equals earnings before interest, taxes, depreciation & amortization.

MARKEE valuations LLC

XYZ Auto Repair, Inc.

M&A Method
Valuation Summary

Valuation Ratios	Market Derived Valuation Ratio[a]		Subject Company Financial Basis[b]		Indicated Value		Adjustment[c]		Indicated Equity Value	Weight
Revenues	0.32	×	3,150,000	=	$1,003,300	+	$49,000	=	$1,052,300	50%
EBITDA	4.13	×	294,232	=	1,215,675	+	49,000	=	1,264,675	50%
Weighted Average Value									1,158,488	
EQUITY VALUE (rounded)									**$1,158,000**	

na=not applicable; nmf=not meaningful

a. Average valuation ratio, see Schedule 10.

b. Equal to adjusted 2015 results as presented in Schedule 6.

c. The value indications reflect an asset value. In order to adjust the values to an equity value, using the 12/31/15 balance sheet the Company's cash and other current assets, the adjustment is calculated as follows:

Add Current Assets (excluding inventory)	319,000
Subtract Liabilities	(270,000)
Total Adjustment	49,000

XYZ Auto Repair, Inc.

Schedule 12

Valuation Summary

Value Conclusion		
	Indicated Value	**Weight**
Concluded Income Approach Value	$1,077,000	50%
Concluded Market Approach Value	1,158,000	50%
Value Conclusion (100% controlling interest basis), rounded	**$1,118,000**	

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