

Business Valuation Scenario Experience Requirement Scoring Key



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BUSINESS VALUATION SCENARIO EXPERIENCE REQUIREMENT SCORING KEY

Candidates are to indicate page references from their report for each item to be scored throughout this checklist by using the left-most column titled “Page Ref or N/A.” If the component is not applicable to the report, the candidate should so indicate by writing “N/A.” A Peer Review Team member (reviewer) reserves the right to make the final determination as to whether any particular component is applicable. If the page number is not listed, the reviewer can/may assume the element is not present. The actual number of points awarded for each section is determined by the reviewer, based on the relative importance of each item as well as the overall quality of and handling of each item within a section by the report writer. The reviewer indicates points awarded in the right-most column titled “Number of Points out of X.” The “Needs Improvement” and “Comment” sections are for reviewers’ use.

Critical Elements

All of the critical elements MUST be included in the report, or it will automatically fail.

1. SUMMARY & DATES:

- ☐ The effective date of the valuation (and alternative valuation date if appropriate)
- ☐ The date of the report
- ☐ The shares/units or ownership interested to be valued
- ☐ An overview of the company
- ☐ Historical operating performance
- ☐ And a conclusion of value stated in total and per share/unit or in ownership interest as appropriate

2. LIMITING CONDITIONS & ASSUMPTIONS:

- ☐ A statement of impartiality in the report
- ☐ A statement that the report complies with various organizations standards as applicable to the report writer
- ☐ A statement that the report is for a single purpose only and for only the stated valuation date
- ☐ A statement that the data received has been relied on with/without independent verification
- ☐ Limiting conditions

3. PURPOSE AND FUNCTION OF THE VALUATION:

- ☐ Statement as to why the company is being valued,
- ☐ The style (Estate Tax, Gifting, ESOP, Divorce, etc.) of the valuation, and
- ☐ The premises of value (going concern, liquidation, etc.)

4. STANDARD OF VALUE:

- ☐ A definition of the Standard of Value selected, along with
- ☐ The reason (e.g., the statute or buy/sell agreement or other reason which may dictate its use) this Standard of Value is the most appropriate to value the subject interest.

5. METHODS OF VALUATION:

- ☐ All 3 valuation approaches (asset, market, income) must be considered.

6. WORKPAPERS:

- ☐ The workpapers must be included



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Indicate page reference in the report

Record score in box

REPORT ELEMENTS			
SECTION I—REPORT FUNDAMENTALS (5 Points)			
Page Reference or N/A	1. PRINCIPAL SOURCES OF INFORMATION—Attributes to Consider	Number of Points out of 5:	
	<ul style="list-style-type: none">a. Provide all of the sources used to value the company.b. Where information is received from management, provide a list of documents received.c. Where information is utilized from other resources, provide the proper footnote or endnotes.d. Qualifications—discuss your qualifications for valuing the company.e. Describe who engaged you.f. Opinion letter—who engaged valuer, purpose for valuation, per unit valueg. Is the report understandable to the reader?h. Is there an appropriate Table of Contents?i. Are there any obvious errors in the report?j. Are there any obvious omissions in the report?k. Does the report lead to a logical conclusion?l. Is the report signed by the valuation analyst or persons responsible for issuing the report?m. Is the report free of mathematical errors?n. Is the report free of spelling errors?		
Needs Improvement:			
SECTION I: REPORT FUNDAMENTALS—Number of Points Awarded out of 5 Points:			<input type="text"/>
Section I Comments:			



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SECTION II—QUALITATIVE FOUNDATIONS (15 Points)			
Page Reference or N/A	2. COMPANY BACKGROUND—Attributes to Consider	Number of Points out of 5:	
	<ul style="list-style-type: none"> a. Number of shares/units or percentage of ownership interest to be valued. b. Discuss the voting characteristics of the shares/units being valued. If more than one class of stock/units is being valued, discuss the characteristics of all classes of stock/units. c. Discuss related party transactions. d. Site visits: discuss the circumstances and observations of the site visit, including date(s) e. History and Background of the Company (Provide a history of the company that includes the legal name of the company, form or organization such as C Corp or S Corp, the State of incorporation, who started the company, when started, type, and changes of entity type). f. Prior Sales Transactions of Company Stock. g. Restrictions on the Sale of Company Stock, and details on any Buy/Sell Agreements in place. Discuss any restrictions on the transfer of the shares/units being valued. h. Dividend payments; historical and current. i. Subsidiaries and Affiliates. j. Management and staffing: discuss number of employees by function. Discuss the succession of existing management. k. Products and Services: discuss the various product and services provided by the company. l. Sales and Marketing: discuss how the company generates sales and markets its products or services. m. Discuss the industry and geographical issues. n. Customer Concentration: discuss the customer concentration for the years being analyzed. o. Size of the Company, Pricing Competition, and Competition: discuss how the size of the company affects value, how the company competes on pricing, who the competitors are and on what basis they compete. p. Physical Facilities: discuss the adequacy and condition of the physical facilities. q. Employee Benefits: discuss the various employee benefits and the related costs. r. Proprietary Content and Proprietary Technology. Discuss any proprietary content, patents or copyrights, etc. s. Discuss favorable access to raw materials, locations, government subsidies or experience curve. t. Discuss long term lease arrangements (including real estate) and their impact on value u. Product/Service Differentiation: discuss how the company's products and/or services differ from its competitors. v. Relative Product/Service Quality: discuss the quality of the products and/or services provided by the company. w. Covenant Not to Compete: discuss the terms of any covenant not to compete. x. Contracts: discuss how the company handles its contracts with customers. y. Family Involvement: discuss the related parties working in the company, their job functions, compensation, etc. z. Quality of Books and Records: discuss the internal controls that are in place and how their compliance may affect the value of the company. aa. Employee Turnover discuss the turnover and address how the turnover affects the risk associated with the company. bb. Environmental Issues: discuss any known environmental issues and how they affect the value of the company. cc. Future Prospects: discuss the future prospects of the company. dd. Summary of Positive and Negative Company Specific Factors and how they impact the risk associated with the company. 		



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REPORT ELEMENTS			
Needs Improvement:			
Page Reference or N/A	3. ECONOMIC CONDITIONS—Attributes to Consider		Number of Points out of 5:
	<ul style="list-style-type: none"> a. U.S. Economy: discuss Consumer Spending, Services, Manufacturing, Capital Spending, Real Estate and Construction, Agriculture, Natural Resource Industries, Financial Services and Credit, Employment and Wages, etc. of the National Economy and how they affect the company. b. State Economy: discuss Consumer Spending, Services, Manufacturing, Capital Spending, Real Estate and Construction, Agriculture, Natural Resource Industries, Financial Services and Credit, Employment and Wages, etc., of the State Economy and how they affect the company. c. Regional/Local Economy: discuss how the company is affected by the regional or local economy. d. Summary and Conclusion of Economic Conditions, provide a recap of how the company is affected by the National, State and Local economic conditions. 		
Needs Improvement:			
Page Reference or N/A	4. INDUSTRY AND COMPARATIVE ANALYSIS—Attributes to Consider		Number of Points out of 5:
	<ul style="list-style-type: none"> a. List the various NAICS or SIC codes for the industry and a brief description of the industry. b. Overview, provide an adequate overview of the industry, explaining the industry trends, current status and the future prospects in the industry. Also discuss any regulatory agency that has a voice in the industry the company operates in and how the regulations affect the company. c. Market Share: discuss the Company's positioning relative to the industry and competition. d. Ease of Market Entry, Threat of Market Entry, Barriers to Market Entry: discuss the ease, barriers and obstacles of entering the market. Provide a summary of the barriers to entry and how they affect the company. e. Economies of Scale: discuss the economies of scale including Product Differentiation, Capital Requirements, Switching Costs, Access to Distribution Channels, Cost Disadvantages Independent of Scale. f. Threat of New Entrants: discuss the bargaining power of suppliers, the bargaining power of customers, the threat of substitute products and the rivalry between incumbents. Provide a summary of how the threats of new entrants affect the value of the company. 		
Needs Improvement:			
SECTION II: QUALITATIVE FOUNDATIONS—Total Number of Points Awarded out of 15 Points:			<div style="border: 1px solid black; width: 40px; height: 25px; margin: 0 auto;"></div>
Section II Comments:			



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SECTION III—ANALYTICAL FOUNDATION (20 Points)			
Page Reference or N/A	5. FINANCIAL ANALYSIS—Attributes to Consider	Number of Points out of 5:	
	<ul style="list-style-type: none"> a. Financial Information Provided: discuss how the financial information was prepared, audited, reviewed, compiled, internally prepared, tax returns, who prepared the financial information, etc. b. Results of Operations and Comparison to the Industry: provide a summary description of the financial performance of the company over the years of the analysis. c. Balance Sheet Review, provide the company's historical balance sheets in the report or as exhibits with adequate detail to review for possible normalizing entries. Provide adequate support for all balance sheet adjustments. d. Income Statement Review, provide the company's income statements in the report or as exhibits with adequate detail to review for possible normalizing entries. e. Statement of Cash Flows, provide the company's historical statement of cash flows in the report or as exhibits with adequate detail to review for possible normalizing entries. f. Years analyzed, provide a discussion of the years used for the valuation analysis. Justify why the beginning years was used and why the number of years of analysis was selected. g. Inventory: discuss the method of costing the inventory, FIFO, LIFO, etc., and provide analysis and calculations for LIFO adjustment if LIFO is used. 		
Needs Improvement:			
Page Reference or N/A	6. INDUSTRY COMPARISON ANALYSIS—Attributes to Consider	Number of Points out of 5:	
	<ul style="list-style-type: none"> a. Comparative Ratio Analysis: provide the company's comparative ratio analysis in the report or as exhibits with adequate detail. b. Liquidity Ratios: provide a discussion and trend comparison of the Liquidity Ratios. At a minimum discuss the Current Ratio, the Quick Ratio, and the Working Capital Turnover. c. Turnover Ratios: provide a discussion and trend comparison of the Turn-over Ratios. At a minimum discuss the Accounts Receivable Turnover, Inventory Turnover Ratio, Accounts Payable Turnover and the Operating Cycle. d. Leverage Ratios: provide a discussion and trend comparison of the Leverage Ratios. At a minimum discuss the Net Fixed Assets to Tangible Net Worth, the Total Liabilities to Tangible Net Worth, the Current Liabilities to Tangible Net Worth, the Total Assets to Equity, the Total Debt to Total Assets, and the Long-Term Debt to Equity. e. Solvency Ratios: provide a discussion and trend comparison of the Solvency Ratios. At a minimum discuss the Interest Coverage Ratio. f. Income Statement Review provide a discussion and trend comparison of the Turnover Ratios. At a minimum, discuss the Revenues and Net Operating Profit; provide a discussion and comparison of the Revenues and Operating Profit Ratios. At a minimum discuss the Sales Growth Rate, the Gross Profit, the Operating Profit, the Net Income before Tax, Return on Equity, the Return on Assets, the Net Sales to Net Worth, the Operating Earnings Growth Rate, the Earnings Standard Deviation, and the Z-Score. g. Peer Comparison. Have the financial statements been put on a comparable basis between the Company and the industry data? Was the proper year of industry data used for the industry comparison? Were the selected industry ratios the most appropriate for the comparison? 		



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Needs Improvement:			
Page Reference or N/A	7. SUMMARY—RATIOS—Attributes to Consider	Number of Points out of 5:	
	a. Summary of Financial and Industry Comparison Analysis: discuss how the ratios listed above affect the value of the company.		
Needs Improvement:			
Page Reference or N/A	8. NORMALIZING ADJUSTMENTS—Attributes to Consider	Number of Points out of 5:	
	<ul style="list-style-type: none"> a. Have the historical earnings been adequately normalized? Normalizing Entries, have all balance sheet and income statement items been properly adjusted to reflect the standard of value and the Company's earnings capacity? b. Are the Normalizing Entries reasonable relative to the level of value? (Control vs. Lack of Control interest) c. Leasehold Interest discuss the leasehold arrangements and the net present value of any favorable leases. d. Officers Compensation discuss and justify adjustment to officer's compensation. Show calculations for tax affecting (payroll) the officer's compensation adjustment. e. Depreciation discuss how the future depreciation expense was calculated. Discussion should include Section 179, Economic Useful Life of existing assets and projected capital expenditures. f. Were non-operating asset identified and adjustments made when appropriate? 		
Needs Improvement:			
SECTION III: ANALYTICAL FOUNDATION—Number of Points Awarded out of 20 Points:			<div style="border: 1px solid black; width: 40px; height: 20px; margin: 0 auto;"></div>
Section III Comments:			



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Discuss only one Method under each Approach and Show Calculations

SECTION IV—VALUATION FOUNDATION (30 Points)		
METHODS OF VALUATION—ASSET—ATTRIBUTES TO CONSIDER		Number of Points out of 10:
Page Reference or N/A	9. Asset Approach	
	<ul style="list-style-type: none"> a. Are all of the tangible assets and liabilities adjusted that should be adjusted? b. Are intangible assets properly adjusted? c. Are there any off balance sheet items not recorded on the balance sheets? d. Is there adequate support for any built-in capital gains tax? e. If approach is not used, did valuation report address why? 	
Page Reference or N/A	10. Excess Earnings Method	
	<ul style="list-style-type: none"> a. Is the Earnings Capacity supportable? Discuss and provide calculations for Ongoing Earnings Capacity. Specifically discuss the use of the Unweighted Average Method, the Weighted Average Method, the Trend Line—Static Method, the Trend Line—Projected Method and the Projected Growth Rate in Earnings. Explain each method and discuss how the Ongoing Earnings Capacity was selected. b. Have the net tangible assets been properly determined? c. Have non-operating assets and/or liabilities been excluded? Was the income/expense from the non-operating assets removed from the company's adjusted earnings? d. Is the Rate of Return on Net Tangible Assets adequately discussed and supported? e. Is the Rate of Return on Intangible Assets adequately discussed and supported? f. Is there some type of sanity check performed for reasonableness of the method used? g. Have any non-operating assets been added back and/or non-operating liabilities reduced from total value? 	
Needs Improvement:		
METHODS OF VALUATION—MARKET APPROACH—ATTRIBUTES TO CONSIDER		Number of Points out of 10:
Page Reference or N/A	11. Market Data Analysis—Public Companies	
	<ul style="list-style-type: none"> a. Does the analyst document a reasonable attempt to search for public companies—describing search criteria, number of companies identified, and specific reasons these companies were not considered? b. Is the population from which the comparable companies selected adequately disclosed? c. Is it clear that all qualified companies from the population have been considered? d. Are the public company transactions close enough to the valuation date to be relevant? If the public companies data is somewhat removed from the valuation date: discuss the reason for its use. e. Specify the sources of the earnings growth rates for the public companies. 	



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Page Reference or N/A	11. Market Data Analysis—Public Companies (<i>Continued</i>)
	<p>f. Are the criteria for selection of public companies adequately discussed? Indicate how the public company transactions were selected for comparability. Specifically address the Size, Sales, Employees, Management and Business Form, Geographic Location, Growth, One Year Sales Growth Percentage, Three Year Sales Growth Percentage, Current Ratio, Quick Ratio, Average Collection Period, Profitability, Return on Total Assets, Return on Equity, Gross Profit, Operating Profit, Net Profit, EBITDA Percentage, Accounts Receivable Turnover, Inventory Turnover, Fixed Asset Turnover, Total Asset Turnover, Working Capital Turnover, Total Debt to Total Assets, Long-Term Debt to Equity. Provide all sources of information used.</p> <p>g. Does the report clearly discuss which market multiples were used and why they are or are not appropriate? Are the market prices for the public companies appropriate as of the valuation date?</p> <p>h. If adjustments were made to the public companies, were they adequately disclosed and discussed?</p>
Needs Improvement:	
Page Reference or N/A	12. Direct Market Data Method—Mid Market
	<p>a. Is the population from which the comparable companies selected adequately disclosed?</p> <p>b. Is it clear that all qualified companies from the population have been considered?</p> <p>c. Are the criteria for selection of Mid-Market companies adequately discussed? Indicate how the Mid-Market company transactions were selected for comparability. Specifically address the Size, Sale , Employees, Management and Business Form, Geographic Location, Growth, One Year Sales Growth Percentage, Three Year Sales Growth Percentage, Current Ratio, Quick Ratio, Average Collection Period, Profitability, Return on Total Assets, Return on Equity, Gross Profit, Operating Profit, Net Profit, EBITDA Percentage, Accounts Receivable Turnover, Inventory Turnover, Fixed Asset Turnover, Total Asset Turnover, Working Capital Turnover, Total Debt to Total Assets, Long-Term Debt to Equity. Provide all sources of information used.</p> <p>d. Does the report clearly discuss which market multiples were used and why they are or are not appropriate?</p> <p>e. Are the market prices for the public companies appropriate as of the valuation date?</p> <p>f. Are the public company transactions close enough to the valuation date to be relevant?</p> <p>g. If the public companies data is somewhat removed from the valuation date, discuss the reason for its use.</p>
Needs Improvement:	



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Page Reference or N/A	13. Direct Market Data Method—Transaction Databases (BIZCOMPS®, IBA, Pratt’s Stats™)		
	<div>a. Are the criteria for selection of transactions adequately discussed?</div> <div>b. Is the population from which the transactions selected adequately disclosed?</div> <div>c. Is it clear that all qualified companies from the population have been considered?</div> <div>d. Does the report clearly discuss which market multiples were used and why they are or are not appropriate?</div> <div>e. Are the transactions appropriate as of the valuation date?</div> <div>f. Are the transactions close enough to the valuation date to be relevant?</div> <div>g. If the transaction data is somewhat removed from the valuation date: discuss the reason for its use.</div> <div>h. Is there an adequate discussion of what type of assets are included in a typical sale, what a typical sale is, how to rank the transactions, and dealing with outliers? (Provide appropriate footnotes)</div> <div>i. Is there an adequate discussion of when and how to use the mean multiple?</div> <div>j. Is there adequate analysis of the Sales Price to Earnings and the Sales Price to Gross Sales Ratios?</div> <div>k. Is there an adequate explanation as to why a multiple was or was not selected?</div> <div>l. Is there a discussion of when to use or not use premium or discounts when using the Direct Market Data Method?</div>		
Needs Improvement:			
Page Reference or N/A	14. Industry Specific Multiples		
	<div>a. Does the report clearly discuss the criteria for selection, which industry specific multiples were used, and why they are or are not appropriate?</div> <div>b. Are the transactions appropriate as of the valuation date? If the transaction data is somewhat removed from the valuation date: discuss the reason for its use.</div> <div>c. Is there an adequate discussion of which multiple was used and why it was used?</div> <div>d. Is there a discussion of when to use or not use premium or discounts when using the Industry Specific Multiples</div>		
Needs Improvement:			
Methods of Valuation—Income Approach			Number of Points out of 10:
Page Reference or N/A	15. Income Approach—Attributes to Consider		
	<div>a. Is the type of income clearly defined? (Net income, operating income, net cash flow to equity, net cash flow to invested capital, etc)</div> <div>b. Is there adequate support for determining the Earnings Capacity of the company?</div> <div>c. Is the discount rate adequately supported?</div>		



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Page Reference or N/A	15. Income Approach—Attributes to Consider <i>(Continued)</i>
	<ul style="list-style-type: none"> d. Discuss and provide calculations for Ongoing Earnings Capacity. Specifically discuss the use of the Un-weighted Average Method, the Weighted Average Method, the Trend Line—Static Method, the Trend Line—Projected Method and the Projected Growth Rate in Earnings. Explain each method and discuss how the Ongoing Earnings Capacity was selected. e. Is there an adequate discussion of the Principles of Cost of Capital Components? f. Is the selection of a safe rate explained and justified? g. Is there an adequate discussion of the Relationship of Discount Rate to Capitalization Rate? h. If approach was not used, does the report address reasons why?
Needs Improvement:	
Page Reference or N/A	16. Capitalization of Earnings Method—Attributes to Consider
	<ul style="list-style-type: none"> a. Is the capitalization rate reasonable for the company? b. Is the Earnings Capacity reasonable for the company? c. Is the final value reasonable for the company? d. Were the Non Operating Assets included in the final value? e. Was the income/expense from the non operating assets removed from the company's adjusted earnings?
Needs Improvement:	
Page Reference or N/A	17. Discounted Cash Flow Method—Attributes to Consider
	<ul style="list-style-type: none"> a. Does the report adequately address the "type" of cash flow used and why? b. Is there adequate disclosure of who made the cash flow projections? (who made them, when, what for, what adjustments were made to the projections, etc.) c. Is there adequate analysis and discussion of the projected depreciation expense? d. Depreciation discuss how the future depreciation expense was calculated. Discussion should include Section 179, Economic Useful Life of existing assets and estimated capital expenditures. e. Is there adequate analysis and discussion of the projected capital expenditures, changes in working capital, projected minimum cash balances, and projected changes in long-term debt? f. Has the report properly addressed the impact of non-operating assets and liabilities in the cash flow projections and the impact on the final value? g. Was the income/expense from the non operating assets removed from the company's adjusted earnings?



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Needs Improvement:	
Page Reference or N/A	18. WACC—Attributes to Consider
	<ul style="list-style-type: none"> a. Is there adequate discussion of the WACC and when it is used? b. Is there adequate disclosure of the sources of equity and debt? (Cite publications, online, etc.) c. Is there adequate support for weighting the debt and equity? Is the basis for the weighting discussed? d. Is there an adequate discussion of the iterative process?
Needs Improvement:	
Page Reference or N/A	19. Build-Up Methods—Attributes to Consider
	<ul style="list-style-type: none"> a. Is the Risk Free Rate of Return effective as of the valuation date? b. Is the Common Stock Equity Risk Premium as of the year of the valuation? c. Is the Small Capitalization Equity Risk Premium as of the year of the valuation? d. If the Industry Risk Premium was used, did the report adequately identify the source? e. Was the proper size premium used? f. Describe in detail how the company specific risk was determined. g. Is there an adequate discussion of the Expected Long-Term Earnings Growth Rate and the justification for the Long-Term Growth Rate selected?
Needs Improvement:	
Page Reference or N/A	20. Capital Asset Pricing Model—CAPM—Attributes to Consider
	<ul style="list-style-type: none"> a. Is the Risk Free Rate of Return effective as of the valuation date? Are the other components of the rate effective either as of the valuation date or the year of the valuation date? b. Is the equity risk premium adequate? c. Is the size premium adequate? d. Is there adequate support for the beta? e. Is there a discussion as to the Assumptions of the Capital Asset Pricing Model? f. Is the discount/capitalization rate appropriate for the valuation?
Needs Improvement:	



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Page Reference or N/A	21. Risk Rate Component Model—Attributes to Consider
	a. Does the report demonstrate an understanding of how to use the Risk Rate Component Model?
Needs Improvement:	
Page Reference or N/A	22. Use of Projections—Attributes to Consider
	<ul style="list-style-type: none"> a. Income Statements <ul style="list-style-type: none"> i. Are the projected income statements presented with adequate detail? (Nominal, common sized, trends) ii. Are the projected income statements presented in a form comparable to the historical financial statements? iii. Are the assumptions for the projected income statements adequately disclosed and are they reasonable? b. Balance Sheet <ul style="list-style-type: none"> i. Are the projected balance sheets presented with adequate detail? (Nominal, common sized, trends) ii. Are the projected balance sheets presented in a form comparable to the historical financial statements? iii. Are the assumptions for the projected balance sheets adequately disclosed and are they reasonable? c. Statement of Cash Flows <ul style="list-style-type: none"> i. Are the projected statement of cash flows presented with adequate detail? (Nominal, common sized, trends) ii. Are the projected statement of cash flows presented in a form comparable to the historical financial statements? iii. Are the assumptions for the projected statement of cash flows adequately disclosed and are they reasonable? d. Ratios <ul style="list-style-type: none"> i. Are the projected ratios presented with adequate detail? (Nominal, common sized, trends) ii. Are the projected ratios presented in a form comparable to the historical financial statements? iii. Are the assumptions for the projected ratios adequately disclosed and are they reasonable?
Needs Improvement:	
SECTION IV: VALUATION FOUNDATION—Number of Points Awarded out of 30 Points: <div style="float: right; border: 1px solid black; width: 40px; height: 25px; margin-top: 5px;"></div>	
Section IV Comments:	



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SECTION V—VALUATION ADJUSTMENTS (20 Points)

23. Premium/Discounts—Attributes to Consider

Page Reference or N/A	a. Discuss the adequacy of including a Control Premium to the final value. b. Discuss the adequacy of including a Minority Interest Discount to the final value.	Number of Points out of 5:	
Page Reference or N/A	c. Discuss the adequacy of including a Marketability Discount to the final value. Demonstrate an understanding and the ability to apply the following marketability studies. (Institutional Investors Study, Public Offering Studies, Security Exchange Commission Study, The Gelman Study, Trout Study, The Moroney Study, The Maher Study, Standard Research Consultants, Pittcock/Stryker) Study, Silber Study, FMV Opinions, Inc (Hall/Polleck) Study, IPO Studies, Emory Study. d. If a model was used to support a marketability discount, has the report demonstrated adequate understanding and use of that model? e. Summarize the various marketability discount studies.	Number of Points out of 5:	
Page Reference or N/A	f. Discuss the adequacy of including other premiums and/or discounts (e.g., key man, stock restrictions, one-time loss, built-in gains, etc.) to the final value if appropriate.	Number of Points out of 2:	
Page Reference or N/A	g. Discuss the application of all discounts or premiums as applied to both a control and minority shareholder. h. Is there adequate support for the premiums and or discounts applied? i. Discuss the degree of control or lack of control characteristics j. Discuss and provide rational and calculations for control premium or lack of control discounts	Number of Points out of 5:	
Page Reference or N/A	k. Has the report adequately addressed the impact and applicability of Court Decisions in arriving at the final discount or premium?	Number of Points out of 3:	

Needs Improvement:

SECTION V: VALUATION ADJUSTMENTS—Number of Points Awarded out of 20 Points:

Section V Comments:



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SECTION VI—CONCLUSION OF VALUE (10 Points)			
24. CONCLUSION OF VALUE—Attributes to Consider			
Page Reference or N/A	a. Is there an adequate Synthesis and Reconciliation of the values? b. If necessary, does the report address mathematical versus subjective weighting? c. Is there replicability of all calculations in the report?	Number of Points out of 5:	
Page Reference or N/A	d. Is there an adequate justification of the methods of valuation selected? e. Is the Final Opinion of Value consistent with the analysis performed?	Number of Points out of 5:	
Needs Improvement:			
SECTION VI: CONCLUSION OF VALUE—Number of Points Awarded out of 10 Points:			<input style="width: 40px; height: 25px; border: 1px solid black;" type="text"/>
Section VI Comments:			

Additional Comments from Grader: _____



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..... **For Official Use Only**

—— REPORT REVIEW SCORING ——

SECTION	MAXIMUM SCORE	POINTS AWARDED
Section I	5 Points	
Section II	15 Points	
Section III	20 Points	
Section IV	30 Points	
Section V	20 Points	
Section VI	10 Points	
Total Points	100	
TOTAL ASSIGNED SCORE:		

CRITICAL ELEMENTS	PASSED	FAILED
Summary & Dates (6 elements)		
Limiting Conditions & Assumptions (5 elements)		
Purpose and Function of the Valuation (3 elements)		
Standard of Value (2 elements)		
Methods of Valuation (1 element)		
Workpapers (1 element)		

For Headquarters Use Only

This Report Has: ☐ Passed ☐ Failed

Scored By: _____

Date Scored: _____