

CVI | *Corporate Valuations, Inc.*



Independent. Objective. Accurate.  
*Values you can count on.*



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## SECTION A

# About Our Company

Corporate Valuations is a Northwest business fully devoted to the appraisal of closely held business interests. The company is headquartered in Portland, Oregon however; its appraisers have provided valuation services for companies both nationally and internationally.

### EXPERTISE

When combined, CVI's three senior appraisers have more than 60 years experience with the valuation of private and public companies. All of CVI's appraisers are Accredited Senior Appraisers of the American Society of Appraisers (ASA). The ASA designation is the most prestigious business valuation accreditations. Since the company's inception in 1983, the professional team at CVI has taught courses and seminars pertaining to business valuation, performed presentations at national conferences, written and published articles, and participated in writing a definitive textbook on business appraisal. Our appraisers regularly attend industry conferences, cutting-edge educational events, and discussions in order to stay informed about the ever-changing regulations and advisement concerning the various types of business valuation.

### FULL SERVICE

Our professionals have valued businesses in a myriad of industries for purposes ranging from litigation to tax matters, to actual transactions. Appraisal output can range anywhere from a verbal opinion to a highly detailed, fully documented report. In particular, CVI's team has the ability to appraise complex industrial properties, ranging from paper mills to steel mills, to any other multi-million or multi-billion dollar installation. CVI's professionals have also appraised intangible assets such as customer lists, patents, trademarks, secret processes, etc. under both fair market value and fair value standards.

### PROFESSIONALISM

To maintain their accreditation with the ASA, our professionals must follow the Uniform Standards of Professional Appraisal Practice (USPAP); obtain at least 20 hours of continuing education each year; and subscribe to, and be bound by, stringent professional ethics.

### RELATIONSHIP ORIENTED

Our professionals strive to become your trusted adviser; not just your providers for appraisal services. We want every single one of our clients to feel comfortable with calling upon us to consult on a variety of valuation and asset-related issues. As your trusted adviser, we will communicate with you on a regular basis to eliminate surprises and work closely with you to come up with a variety of potential solutions to any given issue. All of our clients' needs are important to us and we want to do everything in our power to make the appraisal process go as smoothly as possible.

## SECTION B

# Services Provided

### BUSINESS VALUATION

More than ever, business owners, managers and fiduciaries are recognizing the need for competent valuations of the business enterprise. When a business valuation is necessary, it is vital to have a thoroughly documented appraisal report prepared by a knowledgeable, professionally qualified appraiser.

Complex laws and court interpretations of the laws require greater attention to fiduciary responsibilities by business professionals; especially where potential litigation may be involved. There are many diverse reasons for a business appraisal. The following are those most frequently encountered: litigation or arbitration; gift, estate and inheritance taxes; bankruptcy and reorganization; acquisition and sales, partnerships or corporate dissolution; employee stock ownership plans (ESOPs); estate planning, obtaining financing; and allocation of value.

### PROJECT MANAGEMENT

Complex engagements like purchase price allocations and large estate valuations may require the appraisal of assets across several disciplines. CVI's experts have managed a variety of large projects including purchase price allocations for large industrial installations, as well as estates comprised of several related companies. Our professionals can recommend and/or source and hire appraisal experts specialized in the valuation of real estate, timber, machinery and equipment, and personal property.

## FINANCIAL REPORTING

Our team assists clients in financial valuations for a number of circumstances; the most common of which are described below.

**Intangible Assets** - As businesses continue to become more service based, intangible assets have increased in both recognition and value. CVI's experts are well versed in the approaches and methods used to determine value for intangible assets specific to both Fair Value and Fair Market Value standards.

**Stock Based Compensation** - The valuation of stock options relies on several assumptions made by both top management and the appraiser. An independent business valuation firm, such as CVI, can help by determining the Fair Value of the underlying stock and by collaborating with management to develop reasonable and supportable assumptions. Our experts perform numerous stock option valuation engagements through which our methodology, due diligence and experience often leads to a significantly expedited review process.

**Purchase Price Allocation** - In general, the purpose of retaining a business valuation firm in relation to a purchase price allocation is to help identify and independently value appropriate intangible assets. The value of the identified assets is then combined with the firm's other assets and considered against liabilities and price paid in order to recognize the net residual amount to be designated as goodwill.

CVI's professionals have led several purchase price allocation engagements. Purchase price allocations are often complex transactions that, if not managed properly, can become excessively expensive. Here at CVI, we take a collaborative approach by fostering communication between our appraisers, auditors, management and other professionals; thereby avoiding costly delays and/or misunderstandings.

## EXPERT TESTIMONY

Corporate Valuations brings both credibility and impartiality to situations in which a company's value is in dispute. The CVI team of appraisers has over 60 years experience in providing expert analysis for tax issues, marital dissolutions, shareholder or partner disputes, lost profits or damages, and disputes pertaining to intangible assets. Our firm's strong reputation for accurate and objective valuations has helped us to become well respected in the legal community. Each of CVI's appraisers has a strong working knowledge of the applicable legal framework and valuation standards that apply to each case.

Each member of the CVI team has undergone rigorous testimonial training and through experience, has developed the skills necessary to provide a jury, or other person(s) responsible for determining facts in legal proceedings, with accurate and understandable appraisals. CVI's appraisers provide expert testimony throughout the United States in U.S. Tax Court, U.S. District Court, state courts, arbitrations hearings, and administrative bodies.

We have a proven track record of success in providing expert testimony and in many cases, CVI's appraisals have lead to settlements without requiring our clients to undergo the exhausting and costly court trials.

## CONSULTING AND REVIEW

**Consulting** - Corporate Valuations brings our experience and expertise to the table in order to provide our clients with an informed perspective that is both impartial and independent. With today's heightened sensitivity to potential conflicts-of-interest between directors, trustees, shareholders and management; the importance of having an independent and well-respected company provide advice cannot be overemphasized.

Whether starting a new company, re-capitalizing an existing one, making a purchase, forming an Employee Stock Options Plan (ESOP) or an Employee Stock Options Trust (ESOT), doing succession planning, or selling out; CVI's experts help to ensure a smooth transaction. Our professionals have advised business owners, CEOs, CFOs, brokers, attorneys, accountants, and trustees about the effect that transactions like those listed above have on valuation. Getting a valuation professional involved helps to avoid costly mistakes and provides the parties with the information necessary to make informed decisions.

**Appraisal Review** - An appraisal review is often referred to as an evaluation of an existing appraisal. CVI's team has the experience and training necessary to provide a critical analysis of, and make suggestions on, reports prepared by other appraisers. If your situation requires an independent third party reviewer, or if you just want to make sure that the value you are acting on is accurate, you need an experienced, accredited appraiser. Our experts will review your report and tables and can help to explain the process and methodology behind the value that was determined. Our experience, independence and expertise translate into your piece of mind and will allow you to perform your business transactions without having to question whether the value at hand is appropriate.

# Markets and Industries Served

## MARKETS SERVED

The valuation professionals at Corporate Valuations, Inc. have provided valuation and consulting services to the following markets:

Multi-National Fortune 500 Companies;	Financial and Banking Institutions;	Insurance Companies;
Middle Market Companies;	Law Firms and Attorneys;	Insurance Brokers; and
Private Business Owners;	Accounting Firms;	Other Associations
Shareholders of Closely Held Companies;	Tax Consultants;	

Whether the task requires valuation of just one asset or several locations worldwide, Corporate Valuations, Inc. can complete the job in a timely and efficient manner.

## INDUSTRIES SERVED

The valuation professionals at Corporate Valuations, Inc. have provided services to a wide variety of industries. The following is a brief listing of some of the industries that our team have served.

### Manufacturing:

Aerospace Equipment  
Amusement  
Equipment: Automotive  
Equipment: Computer  
Equipment: Concrete  
Structures  
Contracting  
Electronics  
Explosives  
Fiberglass  
Filters  
Food Products & Processing  
Forest Products  
Foundry  
Gears  
Handgun  
Household Furniture  
Equipment: Laser  
Machine Tools  
Medical Equipment  
Metal Fabrication  
Minicomputers  
Media Publisher  
Office Equipment  
OCR  
Equipment: Paper  
Equipment: Plastics  
Recreational Vehicles  
Robotics  
Roofing Materials  
Seat Covers  
Semiconductors  
Sporting Goods  
Tank / Container  
Telecommunication  
Equipment  
Toy Production  
Traffic Sensors  
Truck Trailers  
Wooden Goods

### Retail / Wholesale:

Auto Dealership  
Automotive Equipment  
Beer & Wine  
Distributor  
Boat Dealership  
Building Materials  
Carpeting Store  
Chemical Distribution  
Clothing Store  
Construction Equipment  
Convenience Store  
Doors  
Electrical Supply  
Fabric Store  
Farm Machinery  
Furniture  
Gift Shop  
Grocery Store  
Heavy Equipment  
Industrial Equipment  
Liquor Distributor  
Mail Order  
Medical & Dental Supply  
Metals Distribution  
Motorcycle Dealership  
Novelty  
Heavy Equipment  
Office Supplies  
Paper Products  
Petroleum Distribution  
Plumbing Supply  
School Supplies  
Seafood Market  
Service Station  
Soft Drinks  
Sports / Hobby Supply  
Tire Distribution  
Toy Distribution  
Truck Dealership  
Dealership Parts

### Services:

Advertising  
Air Carrier  
Auto Leasing  
Aviation  
Bank / Savings & Loan  
Bar / Tavern  
Barge Line  
Barter System  
Business Brokerage  
Beauty Shop  
Cable TV  
Computer Services  
Computer Software  
Construction  
Customer Lists  
Direct Mail  
Education Service  
Engineering  
Finance Company  
Food Distribution  
Flooring  
Fruit Packaging  
Funeral Services  
Gym  
Hatchery  
Equipment Transporting  
Helicopters  
Hotel / Motel  
Import / Export  
Income Tax Preparation  
Insurance Brokerage  
Landfill  
Marina  
Machine Shop  
Management Consulting  
Medical Testing Lab  
Mortgage Banker  
Motion Picture  
Nursing Homes  
Parking Lot  
Photography  
Printing / Graphic Arts  
Professional Practice

### Natural Resources:

Agricultural Ltd Partnership  
Farming  
Oil & Gas Exploration  
Oil & Gas Drilling  
Sand & Gravel  
Ski Resort  
Wind Power Generation

## Why Hire an Accredited Appraiser?

The goal of a business appraisal can be stated very simply: setting a dollar figure on the value of a business. Getting to that final step however is anything but simple.

Business valuations involve a complex series of investigations, extensive research of the company, the economy, and the industry in which it operates; followed by careful analysis of the information obtained. The financial affairs of the company must be fully analyzed. Data on transactions must be collected, analyzed and correlated to the subject business. Finally, a business valuation requires a healthy measure of professional judgment. An accredited appraiser has undergone the training and experience necessary to determine which valuation approaches have greater merit, which questions to ask to get the whole story, and which answers carry the greatest weight.

Business appraisal is an inexact science. There are no canned formulas, no hard and fast rules, and no automatic answers. The appraiser's judgment often has a major impact on the valuation conclusion. Informed judgment comes only from years of experience, training and full-time dedication to the profession.

Appraisal specialists are continuously exposed to a broad spectrum of industries, company sizes and states of financial health, and routinely take such factors into account in the process of valuation. Specialists are able to keep abreast of recent court rulings, current requirements and practices of the Internal Revenue Service and other agencies, and the methodology, format and language that each agency is accustomed to.

The depth of experience that a specialist brings can be particularly important if litigation is involved. The valuation conclusion of the opposing sides may sometimes be very different and, often times, large sums of money rest on the qualifications of the appraiser and the thoroughness of his presentation. Because of their experience, specialists can provide a more accurate and cost-effective appraisal than someone who does business appraisals as a sideline profession.

The need for a professional business appraisal may arise only once in the lifetime of a business. However, when it does, the reason is usually pivotal, and the outcome is undoubtedly critical.

**If it's worth having your business valuation done right, it's worth hiring a specialist to do it.**

### WHAT YOU CAN EXPECT FROM US

Utilizing an ASA accredited appraiser provides you with assurance of the following:

- The appraiser will provide a truly unbiased opinion of the value of the asset or assets being valued
- The appraiser is performing an independent consulting project or valuation
- The appraiser is performing the valuation or consulting project in an ethical and competent manner
- Confidentiality will be maintained
- The report produced and the values concluded will be adequately detailed for the stated purpose, will be reliable and accurate, and will not be misleading
- The appraiser is not being compensated based on the value concluded
- Due to the continual education requirements, the appraiser is keeping up to date with the latest valuation techniques and processes
- The appraiser will consider all of the relevant approaches to value and will use the appropriate approach for the valuation of the asset or assets
- The appropriate market place and highest and best use of the asset or assets will be considered
- Adequate detail to support the valuation conclusions will be maintained for a period of at least five years or two years after the final disposition of any judicial proceeding in which testimony was given (whichever is greater)

## Our Leadership

Our experts are highly involved throughout the appraisal community and are active members in local and national appraisal organizations. CVI's team have presented at industry conferences, authored classes and articles, and chaired several committees. Our professional staff has completed thousands of business appraisals; covering businesses in almost every industry and field imaginable. The breadth of industry experience, depth of financial and business knowledge represented by our professionals make it possible for us to offer expertise in business appraisal that is unsurpassed in the Northwest. Corporate Valuations' appraisers are some of the most experienced in the nation and when combined, our team has over 60 years of experience in business appraisal and related fields. In addition, each person on CVI's staff has been employed with the company for at least 9 years. Our team's dedication, integrity, and commitment to independence translate into superior service for our clients.



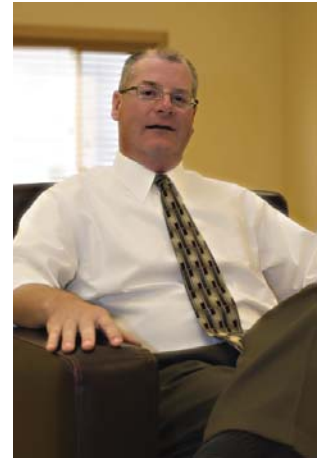
**Blake J. Runckel, ASA**  
President

Mr. Runckel has been with Corporate Valuations (CVI) since 2000. Over the past nine years, Blake has performed hundreds of valuations throughout a vast array of industries. Blake's broad experience gives him the flexibility to take on some of the most challenging valuations however; his primary specialties are in the valuation of intangible assets and gift and estate interests. Blake is an Accredited Senior Appraiser with the American Society of Appraisers (ASA) and is currently the Vice President of the ASA's Portland, Oregon chapter.

Blake is scheduled to take the first of three exams required to receive the Chartered Financial Analyst designation of the CFA Institute.

**Cary M. Carruthers, ASA**  
Vice President

Mr. Carruthers has been with Corporate Valuations since 1999. Cary has received the Accredited Senior Appraiser designation from the American Society of Appraisers (ASA) and is currently the President of the ASA's Portland, Oregon chapter. Cary specializes in the valuation of business interests for a variety of purposes including ESOPs, buy/sell transactions, gift and estate planning, and marital separation. As a result of his training and experience, Cary has helped many of our clients settle litigation disputes before they result in costly court trials.



**Gregory Gilbert, FASA, CFA, FRICS**  
Founder

Mr. Gilbert is the founder of Corporate Valuations and is one of the most recognizable and respected business valuation names in the Northwest. Today, Greg remains active with CVI and currently holds the position of Senior Appraiser. During the course of his 30 years in the business appraisal industry, Greg has valued nearly a thousand private companies, including some of the largest in the Northwest. Greg has been very active in the American Society of Appraisers since 1983.





SECTION F

## Pertinent Resumes

**Blake J. Runckel, ASA**  
*President*

**Cary Carruthers, ASA**  
*Vice President*

**Gregory Gilbert, FASA, CFA, FRICS**  
*Founder*



# Blake J. Runckel, ASA

## PRESIDENT

### Education

Masters of Business Administration *May, 2005*  
Portland State University, Portland

Bachelor of Science Degree, Political Science *May, 2000*  
University of Oregon, Eugene

### Employment

President and Business Appraiser *June, 2000 - Present*  
Corporate Valuations, Inc. Portland, OR

### Certification and Professional Education

American Society of Appraisers  
Accredited Senior Appraiser with the American Society of Appraisers  
Completed ASA business valuation courses BV201, BV202, BV203, and BV204  
Regular attendance to advanced BV conferences and joint ASA/AICPA conferences  
Completed Cost of Capital Course 2006

American Bar Association  
Participant in the Trial Advocacy Institute's – Family Law Course *May, 2008*  
Representative Role: Business Valuation Expert

### Presentations

AGN North America Conference 2008  
Presentation Topic: Fair Value vs. Fair Market Value

### Offices

Local Chapter of the American Society of Appraisers  
Vice President 2008 – Present

# Cary Carruthers, ASA

## VICE PRESIDENT

### Expert Witness

Testified in Multnomah County, Oregon

### Education

Masters of Business Administration *May, 1998*  
Portland State University, Portland

Bachelor of Science Degree, Business Administration *May, 1988*  
University of Oregon, Eugene

### Employment

Vice President and Business Appraiser *October 1999 - Present*  
Corporate Valuations, Inc. Portland, OR

### Certification and Professional Education

American Society of Appraisers  
Accredited Senior Appraiser with the American Society of Appraisers  
Completed ASA business valuation courses BV201, BV202, BV203, and BV204  
Regular attendance to advanced BV conferences and joint ASA/AICPA conferences  
Completed Cost of Capital Course 2006

American Bar Association  
Participant in the Trial Advocacy Institute's - Family Law Course *May, 2008*  
Representative Role: Business Valuation Expert

### Presentations

AGN North America Conference 2008  
Presentation Topic: Fair Value vs. Fair Market Value

### Offices

Local Chapter of the American Society of Appraisers  
President 2008 - Present

# Gregory Gilbert, FASA, CFA, FRICS

## FOUNDER

### Expert Witness

Idaho Maine Oregon Texas Washington [Federal, State, Tax, Property Tax and Bankruptcy Courts].  
Directory of Experts, The Best Lawyers in America, 1990-1993.

### Tax Court Cases

Beaver Bolt, Inc. v. Commissioner, T.C. Memo 1995-549.  
Estate of Joseph W. Giselman, deceased, Harry W. Giselman, personal representative,  
v Commissioner, T.C. Memo 1988-391

### Education

Bachelor of Arts in Economics, 1964, Yale University.  
Master of Science in Business, 1966, M.I.T.

### Professional

CFA - Chartered Financial Analyst.

### Designations

FASA - Fellow, American Society of Appraisers  
ASA - Accredited Senior Appraiser.  
FRICS - Fellow of the Royal Institute of Chartered Surveyors

### Instruction

At various times has headed development/teaching/grading of Courses, Seminars and Exams for American Society of Appraisers. Have regularly taught courses BV-201, BV-202, BV-203 and BV-204. Taught courses and seminars on Business Valuation through colleges, universities, appraisal, legal, accounting and other professional groups, in the USA and abroad.

### Experience

1983-2008: President, Corporate Valuations.  
1991-2003: Principal, VALPOINT, Inc.  
1978-1983: Vice President and Associate Director of Research, Willamette Management Assoc.  
1976-1977: Furman, Selz, Mager, Dietz and Birney, NYSE, providing research to institutions.  
1966-1976: Monness, Williams & Sidel, a NYSE member firm providing research to institutions.

### Offices

2003-2006: Member, Nominating and Awards Committee, American Society of Appraisers.  
1993-2005: Co-USA-Member, International Valuation Standards Committee.  
1990-2007: Member, Editorial Review Board, Business Valuation Review  
2003-2004: Member, International Relations Committee, American Society of Appraisers.  
2001-2003: Past Chair, Business Valuation Committee, American Society of Appraisers.  
1997-2002: Member, Admission & Membership Committee, American Society of Appraisers.  
2000-2002: Member, Strengths Weaknesses Opportunities Threats Profession Consolidation Cmte  
1999-2002: Co-Founder, Director and President, Center for Advanced Valuation Studies.  
1999-2001: Chairman, Business Valuation Committee, American Society of Appraisers.  
1993-2001: Chairman, International Valuation Confederation, American Society of Appraisers.  
1998-2001: Member, Business Valuation Profession Task Force

# Gregory Gilbert, FASA, CFA, FRICS

CONTINUED...

## Offices

2003-2006: Member, Nominating and Awards Committee, American Society of Appraisers.  
1993-2005: Co-USA-Member, International Valuation Standards Committee.  
1990-2007: Member, Editorial Review Board, Business Valuation Review  
2003-2004: Member, International Relations Committee, American Society of Appraisers.  
2001-2003: Past Chair, Business Valuation Committee, American Society of Appraisers.  
1997-2002: Member, Admission & Membership Committee, American Society of Appraisers.  
2000-2002: Member, Strengths Weaknesses Opportunities Threats Profession Consolidation Cmte  
1999-2002: Co-Founder, Director and President, Center for Advanced Valuation Studies.  
1999-2001: Chairman, Business Valuation Committee, American Society of Appraisers.  
1993-2001: Chairman, International Valuation Confederation, American Society of Appraisers.  
1998-2001: Member, Business Valuation Profession Task Force  
1998-2000: Education Commission, Valuation 2000  
1997-1999: Vice Chairman, Business Valuation Committee, American Society of Appraisers.  
1997-1999: Member, Uniform Standards of Professional Appraisal Practice Issues Resource Panel.  
1997-1998: Chairman, Admission & Membership Committee, American Society of Appraisers.  
1994-1996: Member, Appraiser Qualifications Board, The Appraisal Foundation  
1993-1993: Vice Chairman, Business Valuation Committee, American Society of Appraisers.  
1993-1993: Chairman, Education Committee, American Society of Appraisers.  
1991-1993: Education Committee, American Society of Appraisers.  
1987-1993: Business Valuation Committee, American Society of Appraisers.  
1992-1993: Regional Governor, Institute of Business Appraisers.  
1992-1993: Chairman, International Development Committee, Am. Society of Appraisers.  
1989-1992: Chairman, Education Committee for Business Valuation, Am. Society of Appraisers.  
1991-1992: Chairman, Advanced Seminar Committee, Am. Society of Appraisers.  
1990-1991: Chairman, Regional and Chapter Seminar Committee, Am. Society of Appraisers.  
1986-1990: Northwest Regional Governor, American Society of Appraisers.  
1987-1990: Budget & Finance Committee, American Society of Appraisers.  
1989-1990: Treasurer, Political Action Committee, American Society of Appraisers.  
1984-1986: President, Portland Chapter, American Society of Appraisers.  
1983-1984: Vice President, Portland Chapter, American Society of Appraisers.

## Member

American Society of Appraisers - Business Valuation; Association of Investment Management and Research; The Institute of Chartered Financial Analysts; Portland Society of Financial Analysts; Financial Analysts Federation; ESOP Association; Institute of Business Appraisers.

## Published

"Price/Sales Ratios", Business Valuation News (6/86).  
"Leveraged ESOP Valuation", Business Valuation News (9/85).  
"Business Appraisal - Who, Why & When", Daily Journal of Commerce (4/84).  
"Discount Rates and Capitalization Rates--Where Are We?", Business Valuation Review, (9/90).  
"Valuing The Business", Advising Oregon Businesses, 1991, 1995 and 2000, OR State Bar Continuing Legal Ed.  
"Discounted Future Benefit Method--An Income Approach", Handbook of Business Valuation, Wiley 1992.

## Contact Information

### OFFICE LOCATION / PACKAGES

1635 SE Malden Street, Suite C  
Portland, Oregon 97202

### GENERAL MAILING ADDRESS

PO BOX 82908  
Portland, Oregon 97282

### BLAKE RUNCKEL, President

Office: 503-235-7777  
Direct: 503-708-1171  
Email: brunckel@corpval.com

### CARY CARRUTHERS, Vice President

Office: 503-235-7777  
Direct: 503-729-3261  
Email: ccarut@corpval.com

### GREGORY GILBERT, Founder

Office: 503-235-7777  
Direct: 503-860-8799  
Email: ggilbert@corpval.com

### SUSAN ARNASON, Office Manager

Office: 503-235-7777  
Email: srunkel@corpval.com

### WEBSITE

<http://www.corpval.com>