



## Comparison of Services

The Value Estimator Service has been designed to meet most of the key requirements of the IRS-defined standards of valuation analysis that impact the value determination. We have designed the service to reduce or eliminate those requirements that do not affect the value, but instead are used to demonstrate to the IRS that we have completed all of our due diligence. For example, the description of the industry in which the firm being valued operates that is provided in most Certified Valuations by any firm rarely provides significant insights to the business owner. It is however a necessary step for the valuation analyst to demonstrate to the IRS that the analyst has done his or her due diligence on the industry impacts of the business. The table below summarizes the IRS requirements and the key differences (bold and italicized) between the Value Estimator and Certified Valuation Services.

<b>IRS Requirements for Valuations</b>	<b>Certified Valuation</b>	<b>Value Estimator</b>
Number of Years of Financials to Review	<b>5 Years</b>	<b>3 Years</b>
Review of Shareholder Agreements and Other Corporate Documents	<b><i>Documents reviewed and summarized in report</i></b>	<b><i>Verbal discussion of agreements and documents</i></b>
Financial Analysis Benchmarking to Industry	<b><i>Full analysis to be documented in report</i></b>	<b><i>Preliminary analysis – not documented</i></b>
Macroeconomic analysis and its impact on firm	Full analysis to be documented in report	Full analysis to be documented in report
Industry analysis and its impact on firm	<b><i>Full analysis to be documented in report</i></b>	<b><i>Industry analysis used in valuation analysis if appropriate</i></b>
Local or regional analysis and its impact on firm	<b><i>Full analysis to be documented in report</i></b>	<b><i>Local or regional analysis used in valuation analysis if appropriate</i></b>
Valuation analysis using public company comparables	<b><i>Full analysis to be documented in report</i></b>	<b><i>Not included unless specifically relevant to firm being valued</i></b>
Valuation analysis using private company comparables	Full analysis to be documented in report	Full analysis to be documented in report
Valuation analysis using Asset Value	<b><i>Considered but generally not used in report</i></b>	<b><i>Not included as it is not relevant for going concern</i></b>
Valuation analysis using Income Methods	Full analysis to be documented in report	Full analysis to be documented in report
Determination of Appropriate Liquidity, Marketability, and Minority Discounts	Full analysis to be documented in report	Full analysis to be documented in report
Signed Report by Qualified Appraiser	<b>Yes</b>	<b>No</b>

There is one other major difference between the two services. With the Certified Valuation Service, Axiom Valuation stands as the first line of response in case the IRS has any questions or objections to the valuation in the future. We will provide the initial responses to any questions or objections at no additional cost. Axiom Valuation also will defend its analysis on a time and materials basis if the IRS chooses to formally contest the result (although this has not happened in our ten years of operation). Since the Value Estimator cannot be used in any IRS filing, we do not need to factor in the potential cost of the initial response to questions type of support. If an event occurs subsequent to the Value Estimate where the firm value needs a Certified Valuation as of, or, near the same date as the Value Estimate, Axiom Valuation can upgrade the analysis to the Certified level at the cost of the difference between the two service prices.