

Business Valuations

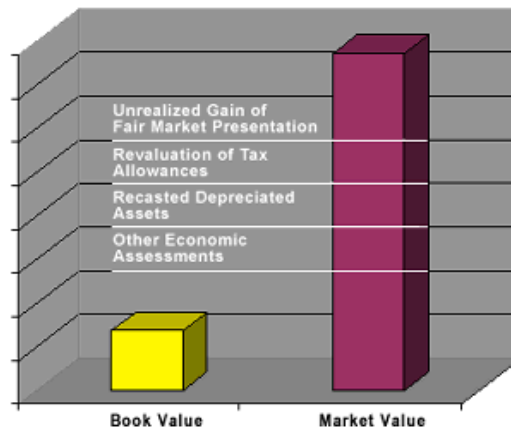
Finding the Right Number for the Sale

Have you ever sold or bought a home? How did you settle on the price? You probably started with a home appraisal and neighborhood analysis report. The transfer of a business is similar to a home, but much more complicated. Placing a fair market "value" on the business requires an assessment of company assets, location, economic, market, goodwill, and other factors.

True market value is obtained by using a fully qualified and experienced business valuation specialist to prepare a Market Valuation analysis. **Without it, the seller may leave a significant amount of value on the table.**

It is called book vs. market values: many business owners use tax returns or financial statements prepared for tax returns as a basis of determining value. Tax returns reflect an understatement of "True Value" because they report depreciated assets and IRS deductions.

In addition, the business goodwill or name, which represents the market value of the company, is not a consideration for tax purposes and is often not reflected. What you have is a "book value" that is lower than the true "market value" of the business. A valuation reflects the "Fair Market Value" of a business. This represents the true economic value of your business.



DON'T LET A BUYER PAY LESS THAN FAIR MARKET VALUE!

For More Information Contact



1202 Brassie Court, Chesapeake, VA 23320
Telephone: 757-410-3851 Fax: 757-512-5937
Email: DBAvalue@gmail.com Website: www.DBAvalue.com

Roland Davis, BCA, M&AMI, CMEA, SBA

Occupation: Business Valuations, M&E Appraisals,
Acquisition & Ownership Consultant for Businesses.

Title: President

Company: Davis Business Appraisers, Inc.

Website: www.DBValue.com

Preferred Contact Information:

Address: 1202 Brassie Court, Chesapeake, VA 23320

Phone: 757-410-3851

Fax: 757-512-5937

Cell: 757-652-8417

Email: DBValue@gmail.com



AMERICAN
BUSINESS
APPRAISERS
NATIONAL NETWORK



Member Of
NEBB
INSTITUTE

HAMPTON
ROADS
Chamber of Commerce
Serving Southeastern Virginia
MEMBER

Mission Statement / Brief Description of Company:

Davis Business Appraisers, a Hampton Roads Mergers & Acquisition firm performs brokerage, business valuations and machinery & equipment appraisals. We help define the tangible and intangible asset values for family-owned and closely-held businesses, professional practices, limited liability companies, corporations and partnerships. Our unique combination of business valuation and machinery & equipment appraisal expertise allows us to offer innovative solutions to difficult valuation and acquisition issues.

Work History / Special Recognitions:

Roland has earned numerous distinctions. The highest is Mergers and Acquisition Master Intermediary awarded by the International Business Brokers Association. He is a former Division President with Landmark Communications, CEO of Executive Productivity Systems, Inc. and Vistage Chair. He serves on the Board of the American Business Appraisers National Network

Other Associations / Awards Received:

Chesapeake City Council 2014 - 2018

2013 First Citizen of Chesapeake

Chairman, City of Chesapeake's 50th Anniversary

President, Chesapeake Rotary Club & Paul Harris Fellow

Board Member, Hampton Roads Planning District Commission & Regional Broadband Task Force

Board Member, Economic Development Authority, City of Chesapeake

Board Member, Chesapeake Regional Medical Center

Board Member, Chesapeake Division Hampton Roads Chamber of Commerce

Board Member, ForKids

Board Member, Virginia Beach Vision

757 Angels Venture Capital Group

2017 Lawyers Weekly Business Valuation Expert for Virginia Case of the Year

Chairman & Co-Founder, Chesapeake Virginia Wine Festival

2011 Chesapeake Rotarian of the Year

2012 Chesapeake Volunteer of the Year - Hampton Roads Chamber

Eagle Scout

Education:

B.S. West Virginia University

International Business Broker Association Courses, Business Valuation & Appraisal Courses

NEBB Institute (Certified Machinery & Equipment Appraiser)

Roland Davis, BCA, M&AMI, SBA, CMEA
President & Owner
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EXPERIENCE

2/1983 - 12/2000 Executive Productivity Norfolk, VA
 Systems

President/Founder/Owner

Executive Productivity Systems, Inc. (EPS) was originally created as a subsidiary of Landmark Communications, Inc of Norfolk, VA in 1981. At that time I was on the corporate staff of **Landmark Communications, Inc.** EPS was formed to coordinate the implementation in Landmark divisions with computers from Convergent Technologies.

From 1981 to 1990 EPS was an OEM for Convergent Technologies, distributor for Canon Laser Printers, NEC printers and other hardware and software vendors. From \$0 in sales and myself as the only employee, EPS grew to 35 employees and highly profitable sales of \$10 million dollars annually.

In 1990, I purchased EPS from Landmark Communications and transformed it from a hardware dealer to a software developer. We created software for the Unisys CTOS computers for FAX, PC integration, laser printer drivers and network utility management. Software sales grew to \$4 million dollars annually worldwide. Some of our major customers were Unisys, U.S. Coast Guard, DEA, Swiss Bank Corporation, Disbank, Ergo Bank, Hong Kong Bank, Nationwide Insurance and GSA. We held our own GSA schedule and created a worldwide market for all our software products.

In 1996, I created a magazine for the CTOS marketplace "The CTOSian". It had a premier circulation at its peak of 3000 worldwide. As owner/editor/publisher I wrote content, edited contributed articles, created page format and managed all advertising and distribution.

In 1997, Unisys decided to terminate the CTOS operating system and as such, EPS' software products could only be sold until the user base transitioned to Windows NT. I decided not invest in Windows NT software development and to gradually, but profitably retire.

2/1981 - 2/1983 Landmark Norfolk, VA
 Communications Inc.

Advertising Account Executive

Advertising Sales for The Virginian Pilot Newspapers. Sold National and Retail advertising space for this major metropolitan daily newspaper group. Included presentations, developing marketing plans, creation of advertising copy and cold call selling. In 1982 was number one salesman for the Virginia Beach Beacon. Major accounts included Cox Communications, Kempsville Building Materials and International Diamond Exchange.

9/1979 - 2/1981 Capital Gazette Glen Burnie, Md
 Newspapers

Advertising Sales

Retail advertising sales. Exceeded sales goals and desired to work for major market newspaper.

9/1976 - 9/1979 Boy Scouts of America Baltimore, MD.

District Executive/Director of Public Relations

Responsible for fundraising, recruitment of volunteers, publicity, and program development for Anne Arundel County for the Boy Scouts Explorer Division. Camp Director for Summer Camp for 2 summers. Promoted successful Boy Scout Expo for Baltimore Area in 1978. Coordinated advertising and public relations to Baltimore media market

EDUCATION 6/1976 West Virginia University Bachelor's Degree

COMMUNITY LEADERSHIP

Chesapeake City Councilman
2013 First Citizen of Chesapeake
City of Chesapeake 50th Anniversary - Chairman
Chesapeake Rotary Club - Past President
Chesapeake Division Hampton Roads Chamber Board
Chesapeake Regional Medical Center Foundation Board
Bishop Sullivan Catholic High Foundation Board -Fmr. Chair
Boys & Girls Clubs of Chesapeake Board of Directors Chesapeake
Virginia Wine Festival – Chairman & Creator

ACHIEVEMENTS

Eagle Scout – Bronze Palm
2011 Rotarian of the Year, Paul Harris Fellow – Chesapeake Rotary Club
Chesapeake Chamber of Commerce Volunteer of the Year 2012

BUSINESS BROKERAGE CERTIFICATIONS & EDUCATION

Mergers & Acquisitions Master Intermediary

International Business Brokers Association

n M&AMI is an experienced, proven professional whose claim of competence is supported and documented. Mergers and Acquisitions Master Intermediary (M&AMI) is the highest designation awarded by the International Business Brokers Association. There are only 75 M&AMIs worldwide.

Business Certified Appraiser

International Society of Business Appraisers

Business Certified Appraiser "BCA" is awarded by the International Society of Business Appraisers to individuals who have completed and successfully passed the three-hour proctored exam after Level One - Valuation Essentials and Level Two - Advanced Techniques courses and demonstrates their proficiency in a demonstration report subject to peer review

IBBA University Courses Passed

Analyzing and Recasting Financial Statements Level I & II

Dollars from Distress

Closing at Maximum Value in 90 Days

Business Valuation Level I & II

SBA Financing

Tax Boot Camp for M&A Professional

Financing the M&A Acquisition

Seller Seminar for the Business Broker

Manufacturing M&A

Succession Planning: Exit Strategies for Privately Held Companies

Advanced M&A Tax Strategies & Deal Structures

Certified Machinery and Equipment Appraiser

National Equipment and Business Brokers Institute

Business Valuations – SBA

Fulton Bank, PNC Bank, Private Acquisitions, Gifts

ABAR- Institute of Business Appraisers

Accredited in Business Appraisal Review - Course Passed

Senior Business Analyst

International Society of Business Analysts

**International Business Brokers Association®, Inc.
401 N. Michigan Ave., Suite 2200, Chicago, IL 60611-4267**

NEWS RELEASE...NEWS RELEASE...NEWS RELEASE

**CHESAPEAKE BUSINESS EXECUTIVE, ROLAND DAVIS RECEIVES
PRESTIGIOUS MERGERS & ACQUISITION MASTER INTERMEDIARY
(M&AMI) DESIGNATION FROM M&A SOURCE.**

FIRST M&AMI IN HAMPTON ROADS & ONE OF 64 WORLDWIDE

June 13, 2007 – The International Business Brokers Association; the largest international non-profit association operating exclusively for the benefit of people and firms engaged in the various aspects of business brokerage and mergers and acquisitions, today announced that Roland Davis of Sajomach Business Services, Inc. of Chesapeake, Virginia has been awarded the Merger & Acquisition Intermediary (M&AMI) designation at its International Conference in Memphis, Tennessee on June 6, 2007. Mr. Davis is the first M&AMI in Hampton Roads and is one of less than 64 worldwide. The M&AMI is a true mark of distinction that helps business owners when choosing a business brokerage for their M&A transactions.

The M&AMI designation is awarded to intermediaries who have proven professional excellence through verified transaction experience, education, certification as a business intermediary (CBI), and peer review. The M&A Source, a specialty division of the International Business Broker's Association (IBBA), is the world's largest international organization of experienced, dedicated merger and acquisition intermediaries representing the middle market.

"I am honored to have been selected by the committee to receive the M&AMI designation, as many of the leaders in our industry are previous recipients of this award," said Roland Davis, President of Sajomach Business Services, Inc.

About M&A Source & IBBA

Since 1991, the M&A Source has addressed professional issues of merger and acquisition specialists. Today, the IBBA has more than 1,800 cooperative business brokers and intermediaries across Canada, Mexico, Asia, Europe, Australia and the United States. It provides education, networking, conferences, member tools, peer-to-peer roundtables, deal making expos and other support, all specific to M&A specialists. For more information: www.masource.org and www.ibba.org

About Sajomach Business Services, Inc.

Sajomach Business Services, Inc. is a full service Mergers and Acquisition Intermediary firm specializing in the transfer of Midsize corporations in Hampton Roads. The company provides services to buyers and sellers for business brokerage and business valuations. For more information Sajomach Business Services, Inc. can be contacted at 757-410-3851 or at its website www.sajomach.com



FOR IMMEDIATE RELEASE

AMERICAN BUSINESS APPRAISERS NATIONAL NETWORK
GAINS VIRGINIA AFFILIATE

Contact:

Tracey Eaves, Managing Member
American Business Appraisers National Network
tracey@abavalue.com
505-258-8821

August 22, 2016 - The American Business Appraisers National Network (ABA) is pleased to announce that **Davis Business Appraisers, Inc.** has joined its ranks as the network's Virginia affiliate. **Mr. Roland Davis**, President of Davis Business Appraisers, Inc., holds the Business Certified Appraiser (BCA) designation conferred by the International Society of Business Appraisers, the Certified Machinery and Equipment Appraiser (CMEA) designation conferred by the NEBB Institute and the prestigious Mergers and Acquisitions Master Intermediary (M&AMI) designation conferred by the International Business Brokers Association.

Davis Business Appraisers, a Hampton Roads business appraisal firm, performs business valuations and machinery and equipment appraisals for a variety of purposes.

"We are pleased to have Davis Business Appraisers as our Virginia affiliate. Roland's experience enhances our network-wide expertise and we are looking forward to Roland's contributions to our group," stated Tracey Eaves, Managing Member of the American Business Appraisers National Network.

"Davis Business Appraisers is a much welcomed addition to the ABA, allowing us to continue to expand both our collective knowledge base and our national footprint. I know I speak for all ABA members in looking forward to being able to collaborate with someone of Mr. Davis' caliber," commented Don Parker, ABA Membership Chair.

American Business Appraisers is a nationwide network of highly credentialed and experienced business valuation professionals. ABA members provide a wide variety of valuation and consulting services in taxation, litigation, transaction and regulatory compliance matters. Visit us at www.businessval.com.



Business Valuation Advanced Studies Passed

Developing Exit Strategies and Value Enhancements
Subsequent Events
Fairness Opinions
Exposure to Mediation
Merger & Acquisition Markets
Income Inaccuracies
Valuation Premiums
Valuation of Software Companies
Enterprise vs. Goodwill
Valuing Real Estate Assets FLPs
Credible Loss Profits Opinions
Regression, Econometrics and Economic Damages
Personal Goodwill – Bottom Up and Top Down Approaches
Guideline Public Company Method
Financial Modeling
Healthcare Valuations
Heavy Construction Valuations
Non Controlling Interests
Valuing Builders

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Business Valuations M&E Appraisals Owner & Acquisition Consulting	P: (757) 410-3851 C: (757) 652-8417 F: (757) 512-5937 davisbusinessappraisers.com

**DOCUMENTS LIST NEEDED TO COMPLETE VALUATION
AND
THE MASTER LISTING FILE**

- ___ Profit and loss statements and balance sheets for the last three years.
- ___ Latest interim financial statements.
- ___ Corporate tax return, Schedule C, or Partnership tax return for last three years.
- ___ List of assets to be included in the sale (Include Fixed Asset Schedule)
- ___ List of assets to be excluded from the sale.
- ___ Schedule of all indebtedness of the business.
- ___ Copies of any patents, copyrights, trademarks, or contracts of value.
- ___ Legal description of any real property if included in the sale.
- ___ Last year end Payroll Summary report & any employment contracts, etc.
- ___ Organizational chart (job description and rates of compensation).
- ___ Copies of any pension and/or profit sharing plans.
- ___ Copies of all insurance policy declaration page.
- ___ Accounts receivable & Accounts Payable aging report.
- ___ Inventory information
- ___ Assets not appearing on the balance sheet.
- ___ Bylaws, Shareholder Agreements & Compilations for past 3 years
- ___ List on any contracts for services.



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Business Valuation Services

Opinion of Value (\$995)

An Opinion of Value is a business valuation designed specifically for the “main street” business with sales of \$500,000 or less. The primary method utilized is the SBA 7A discretionary cash flow analysis which is the predominant configuration needed in order to sell a business in the marketplace at a fair market value.

Value Analysis (\$1,995)

The Value Analysis is a limited scope business valuation designed specifically for the “main street” business with sales of \$1,000,000 or less. The report provides only a summary of how the valuation conclusion was determined. The basis of this valuation is discretionary cash flow, since most main street businesses are bought and sold on a multiple of cash flow. The value considers primarily historical and current financial performance and very little time is spent with the Balance Sheet. The report contains the following:

- Historical Income Statement
- Adjusted Cash Flow Statement
- Comparable Sales (Market Approach)
- Summary of Common Size Financial Statistics
- Summary Review of Each Valuation Approach
- Valuation Conclusion and Justification

Formal Valuation (Limited Scope) (\$3,795)

The Formal Valuation (Limited Scope) is a limited scope business valuation intended for the standard small business with sales between \$1,000,000 and \$5,000,000. The report provides a detailed review of all aspects that were considered in determining the final valuation conclusion. The bulk of the report is financial analysis and the valuation conclusion is based more on EBITDA rather than discretionary cash flow and spends more time on current and future financial performance of the company. In addition to the earnings of the company, the Balance Sheet is also a key component of the analysis. The report contains the following:

Historical Income Statement
Adjusted Cash Flow Statement
Complete Financial Statement Analysis
Common Size Analysis
Ratio Analysis
Industry Analysis
Economic Outlook
Comparable Sales
Detailed Description of Each Valuation Approach Considered and Used
Valuation Conclusion and Justification

Merger & Acquisition Valuation (\$7,500)

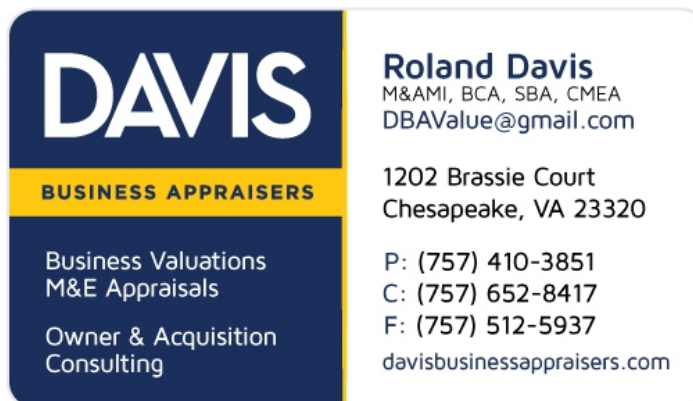
The Merger & Acquisition Valuation is a comprehensive business valuation for transactional purposes and is developed in accordance with the Uniform Standards of Appraisal Practice. This valuation is intended for the larger small business with annual revenues in excess of \$5,000,000, businesses that are expected to sell for more than \$1,000,000, strategic acquisitions of niche businesses, and generally any business with significant growth expected in the future. The basis of the valuation is future earnings with the historical performance playing only a limited role in the valuation conclusion. The selection of guideline companies comes from both the private and public markets, which tends to make the valuation conclusion more aggressive.

IRS Revenue Ruling 59-60 (Call for Pricing)

A USPAP governed valuation developed for litigation focusing on US Court Reviews, Cited Court Precedents, and in-depth analysis and research of minority and marketability discounts. Intended for Estate Tax, Gift Tax, ESOP's, Divorce, and any situation requiring litigation.

Machinery & Equipment Appraisal (Call for Pricing)

A USPAP certified appraisal of Machinery and Equipment. Please refer to additional literature for detailed specifications.



DAVIS
BUSINESS APPRAISERS

Business Valuations
M&E Appraisals
Owner & Acquisition
Consulting

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ENGAGEMENT LETTER

This letter is to confirm my understanding of your request to appraise the following property:

Type of Property: **Business**

Name of Business:

Location:

The following parameters of this engagement are also based upon our previous communication:

Date of Value:

Purpose of Appraisal:

Intended Use:

Intended Users:

You have requested that I prepare an appraisal assignment:

1. *The appraisal report will not be given to any other party without the appraiser's approval.*
2. *The appraiser will report the type of value requested by the client by researching the market and industry, apply the appropriate approaches to value, and provide a written report of his findings.*
3. *The appraiser is indemnified against any and all problems that may arise from the use of this report. You agree to indemnify and hold us harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorney's fees, to which we may become subject in connection with this engagement.*
4. *You agree that, in the event we are judicially determined to have acted negligently in the execution of this engagement by a final unappealable court order, damages shall be limited to an amount not to exceed the fee received by us for this engagement.*

5. *Our liability for injury or loss, if any, arising from the services we provide to you shall not exceed our fee. Increased liability limits may be negotiated upon your written request, prior to commencement of our services, and your agreement to pay an additional fee.*
6. *Your obligation for indemnification and reimbursement shall extend to any controlling person of Davis Business Appraisers, Inc., including any director, officer, employee, subcontractor, affiliate or agent.*
7. *If in the future the appraiser is called on to testify in court or at deposition regarding the written report, the appraiser will be paid the going hourly rate charged by the appraiser to cover professional time, the gathering of materials, reviewing the case and preparing for testimony along with other expenses incurred \$250 per hour for court time.*
8. *If called on to defend this report to any other party, the appraiser's expenses and hourly rate will be billed on a monthly basis or as incurred.*
9. *The client will shoulder the responsibility of legal costs incurred by the appraiser when defending this appraisal.*
10. *The client warrants that the information and data supplied will be complete and accurate in every respect to the best of client's knowledge; that any reports, analysis, or other documents prepared by the appraiser will be used only in compliance with all applicable laws and regulations; and client will hold appraiser harmless for any breach of this warranty*

As a result of our previous communication, and at your request, I will report this assignment according to the SBA recommended valuation methods and consider the value determinants cited in Internal Revenue Service Ruling 59-60.

As previously agreed, the fee for this assignment will be \$_____. The fee is payable 50% upon engagement and 50% prior to presentation of opinion. The estimated delivery date for the report will be _____ (or within 3 weeks of receipt of all information requested)

Thank you for the opportunity to be of service. Please sign and date this engagement letter and return the original to my office.

Date _____ Client _____

Appraiser _____

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Federal ID # 20-0444020