



Real-World Employment/ Consulting Agreements from Pratt's Stats®

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Actual Employment/Consulting Agreements from Pratt's Stats®

An employment or consulting agreement is an agreement between the buyer and seller for the seller's personal services to be provided to the buyer either as an employee or consultant after the sale of the business. These agreements with key personnel could have either a positive or adverse effect on value depending on the relationship between the cost and the value to the company.

The [Pratt's Stats®](#) database has employment/consulting agreement information (description and dollar value attributed to the agreement) on over 3,000 transactions. The following are real-world examples of employment/consulting agreements that can be found in the Pratt's Stats® database:

\$1,712,500 for 15 year consulting agreement.

\$8,000 per month for 5 months. Owners will be available for consultation as needed.

120 Months at \$4,000 per month plus other employee benefits including health, retirement, stock options and profit sharing.

24 months at \$150,000 per year base salary and benefits plus \$50,000 bonus on the second anniversary of the closing date, provided he is then employed.

3 years for 2 key individuals. Compensation includes base salary, bonuses based on achieving escalating "net income" targets and covenants not to compete.

36 months in the capacity of President and CEO with base compensation of \$250,000 per year.

Abrams will consult for a period of three years at \$100,000 per year plus reimbursement of up to \$33,600 each year for expenses.

Biju Nair, PCTEL's Vice President and General Manager of the Mobility Solutions Group, entered into an employment agreement, effective upon the Closing, under which he became Smith Micro's Senior Vice President and General Manager in charge of Smith Micro's Connectivity and Security business unit. Pursuant to the terms of the Employment Agreement, Mr. Nair will receive a base salary at an annual rate of \$235,000, a signing bonus of \$240,000 (which is to be paid no later than January 31, 2008), and is eligible to receive an annual bonus of up to \$60,000. Further, Mr. Nair was awarded 50,000 shares of Smith Micro restricted stock, 25% of which will vest upon the 6-month anniversary of the Closing and 75% of which will vest monthly over the succeeding 18-month period. If, within 12 months of the Closing and prior to the occurrence of a Change of Control, Mr. Nair's employment is terminated (i) involuntarily by Smith Micro for reasons other than Cause, death or Disability or (ii) by Mr. Nair pursuant to a Voluntarily Termination for Good Reason, then Mr. Nair shall be entitled to receive (1) continuation of his then current base salary for a period of 12 months; (2) continuation of health benefits for up to 12 months; (3) and partial accelerated vesting of Smith Micro equity awards held by Mr. Nair at the time of termination.

Chairman and Chief Executive Officer of Investacorp, Bruce Zwigard, will continue his employment with Investacorp after the acquisition. In connection with his continued employment with Investacorp, Ladenburg granted Zwigard employee stock options to purchase a total of 3,000,000 shares of its common stock at \$1.91, the closing price of the Ladenburg's common stock on the closing date of the acquisition. These options vest over a three-year period (subject to certain exceptions), have a ten-year term and were issued pursuant to a non-plan option agreement.

Concurrently with the acquisition, the Buyer's subsidiary entered into three-year employment agreements with Jason Cohen and Joshua Blake. Mr. Cohen, who founded Jayco Ventures, has been named the president of the Buyer's subsidiary, and Mr. Blake, formerly EVP at Jayco Ventures, has been named executive vice president of operations for the Buyer's subsidiary.

Consultation when necessary for the first 12 months, by phone when at all possible. If in the office, seller will be additionally compensated.

Consulting agreement for \$1,382,000 (\$150,000 Down, \$10,267/Month). 120 days of customer introduction and general orientation.

Daniel Lansman and Anthony Bumbaca, the owners of 1 Touch, became president and senior vice president of the Company, respectively, and each will receive (i) an annual base salary of \$240,000, (ii) 5% commission from all revenues, less related expenses, received by the Company from parties introduced to the Company by them and prior customers of 1 Touch and (iii) a performance bonus based on 1 Touch achieving specific performance milestones. Furthermore, Mr. Lansman and Mr. Bumbaca will receive 18 months base salary in the event they are terminated without cause or for Good Reason as defined by their employment agreements. Mr. Lansman was appointed to the Company's Board of Directors.

Doctor to work part-time at 40% of collections.

Effective August 1, 2008, the Buyer and Andre Hadzi-Pavlovic, the son of the Questys Shareholder, entered into an Employment Agreement with a term of two years from August 1, 2008. The Employment Agreement provides that, the term of the agreement shall automatically be extended for successive one year renewal terms, provided that if either Mr. Hadzi-Pavlovic or the Buyer gives the other party at least thirty days advance written notice of his or its intention to not renew the agreement for an additional term, the agreement will terminate upon the expiration of the current term. Pursuant to the employment agreement, Mr. Hadzi-Pavlovic will receive a base salary of \$175,000 and has been granted options to purchase 4,000,000 shares of the Registrant's common stock at \$0.02 per share, 2,000,000 of which will vest over a two year period from August 1, 2008 and 2,000,000 of which will vest over a five year period from August 1, 2008. Mr. Hadzi-Pavlovic is entitled to participate in any benefits plans maintained by the Buyer for its employees and is entitled to four weeks annual vacation.

Employment agreement with Executive Vice President/CEO. One year of salary to be paid in the event of involuntary termination until 7/98.

Full-time participation in the business for 3 years as an independent contractor. Compensation is 65% of sales in year 1, 50% of sales in year 2, and 40% of sales in year 3.

In connection with the Acquisition, NeedleTech entered into employment agreements with Ronald Routhier and Russell Small (the "Employment Agreements"). Mr. Routhier and Mr. Small (collectively, the "Executives") will be deemed to be executive officers of Theragenics as of July 28, 2008 by virtue of their roles as President and Vice-President, respectively, of NeedleTech. The execution of the Employment Agreements was a condition to the closing of the Acquisition. Each Employment Agreement contains a three year term with automatic extensions for successive additional one-year terms unless either party gives prior notice of termination 90 days before the anniversary of the execution date. Each Executive's base salary is set at \$205,000 per year, and each became eligible to participate in the Company's short-term and long-term incentive compensation programs. The Employment Agreements also contain customary non-competition, non-solicitation and confidentiality provisions. If the Executive's employment is terminated by NeedleTech without Cause or by the Executive for Good Reason as such terms are defined in the Employment Agreements, he will be entitled to salary continuation for 2 years, subject to adjustment in certain events.

James W. Milton appointed as an officer and director of purchaser.

Mr. Prime will be employed until 12/31/98 at \$190,000 per year plus bonus.

On-site management services and marketing. 10 year variable work schedule with no set maximum hours per year.

Principal shareholder will receive \$200,000 per year for 3 years.

Seller will be available for phone consultation for two months after closing, no chairside consultation available.

Seller will familiarize the buyer for 3 months on Mondays, Wednesdays, and Fridays from 2:00 to 7:00 pm.

Seller will familiarize the buyer for 80 hours over a period of 4 weeks.

Seller to work in the capacity of manager and be paid 30% of all monthly fees, less amounts paid to other staff and subcontractors.

Seller to write newsletter for 2 years at \$40,000 per year.

Seller's Chief Executive Officer will receive: \$150,000 per year, full-benefits, vacation, retirement plan, incentive programs, reimbursement for expenses, and option to purchase 10,000 shares of company's stock.

Spicy Pickle entered into a consulting agreement with one of the principals of Bread Garden whereby he will receive \$100,000 per year for a period of three years. In addition he will receive options to purchase 300,000 shares of the registrant's common stock exercisable at \$0.63 per share. The five-year options vest equally over the term of the agreement. The agreement also provided for a bonus in the form of additional options to be issued based on meeting certain goals. The principal can earn up to 100,000 options each year during the term of the agreement.

The founder of Artisanal, executive chef Terrance Brennan, who also owns two successful Manhattan restaurants, Picholine and Artisanal Bistro & Fromagerie, and who spearheads the movement of Artisanal cheese in the United States will serve the Buyer as a consultant and director post-closing for one year.

The president of KOTC will continue to be employed for 5 years at a base salary of \$150,000 per year + 20% of EBITDA over: (i) \$850,000 for the 12-month period ending October, 2008; (ii) \$1,050,000 for the 12-month period ending October, 2009; (iii) \$1,150,000 for the 12-month period ending October, 2010; (iv) \$1,450,000 for the 12-month period ending October, 2011; and (v) \$1,650,000 for the 12-month period ending October, 2012.

Tom McCalmont, the founder and Chief Executive Officer of Regrid Power, was appointed as Real Goods' Chief Executive Officer and a member of their board of directors. Mr. McCalmont's base salary will \$180,000 when he becomes Chief Executive Officer. Starting on January 1, 2009, Mr. McCalmont will participate in the company's performance-based bonus program and will be eligible to a bonus of up to 50% of his base salary, based on the achievement of certain individual and corporate business goals to be specified annually by the board of directors.

Upon closing of the acquisition, the Buyer appointed J. Cameron Drecoll to the positions of chief executive officer and director of the Tower Tech Holdings. Mr. Drecoll owned approximately 80% of the outstanding stock of Brad Foote Gear Works prior to the acquisition, and thus received a pro rata portion of cash and stock consideration from Tower Tech Holdings pursuant to the stock purchase agreement. The employment agreement contains non-competition and non-solicitation covenants that continue for two years after termination of Mr. Drecoll's employment.



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