

**49.5 PERCENT LIMITED PARTNERSHIP INTEREST IN
BROWN INVESTMENTS, LTD.**

VALUATION REPORT

DECEMBER 28, 2020

October 8, 2021

Law Firm
1234 Glades Road
Boca Raton FL 33333
Attn: Ronald Attorney, Esq.

Re: Valuation of a 49.5 percent limited partnership interest in Brown Investments, Ltd.

Dear Mr. Attorney:

We have performed a valuation engagement, as that term is defined in the *Statement on Standards for Valuation Services* ("SSVS") of the Association of International Certified Professional Accountants of a 49.5 percent limited partnership interest in Brown Investments, Ltd. as of December 28, 2020. This valuation was performed solely to be used as support for a gift tax return; the resulting conclusion of value should not be used for any other purpose or by any other party for any purpose. This valuation engagement was conducted in accordance with the SSVS, as well as the standards promulgated by The Appraisal Foundation and the American Society of Appraisers. The estimate of value that results from a valuation engagement is expressed as a conclusion of value.

Based on our analysis, as described in this valuation report, which must be signed in blue ink by the valuation analyst to be authentic, the conclusion of value of a 49.5 percent limited partnership interest in Brown Investments, Ltd. as of December 28, 2020 is:

**ONE MILLION, ONE HUNDRED AND FOURTEEN THOUSAND DOLLARS
(\$1,114,000)**

This conclusion is subject to the Statement of Assumptions and Limiting Conditions found in Appendix 2 and to the Valuation Analyst's Representation found in Appendix 3. We have no obligation to update this report or our conclusion of value for information that comes to our attention after the date of this report.

Respectfully submitted,

TRUGMAN VALUATION ASSOCIATES, INC.

Gary R. Trugman
CPA/ABV, FASA, MVS

GRT/bjj
Attachments

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- Sources of Information Utilized
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INTRODUCTION

DESCRIPTION OF THE ASSIGNMENT

Trugman Valuation Associates, Inc. was retained by Ronald L Attorney, Esq. on behalf of Law Firm (“The Client” and “The Intended User”)¹ to perform a business valuation of a 49.5 percent limited partner interest in Brown Investments, Ltd. (“Brown Investments” or “The LP”) as of December 28, 2020.

The purpose of this valuation is to determine the fair market value of the interest to be used as support for a gift tax return. The scope of work for this valuation was not limited in any way and all relevant data and methodologies have been considered and presented in this report. This assignment meets all of the requirements under *Statement on Standards for Valuation Services* promulgated by the Association of International Certified Professional Accountants as well as the *Uniform Standards of Professional Appraisal Practice* promulgated by The Appraisal Foundation and the *Business Valuation Standards* of the American Society of Appraisers.

DEFINITION OF FAIR MARKET VALUE

Section 25.2512-1 (b) of the Federal Estate and Gift Tax Regulations defines fair market value as:

...the price at which the property would change hands between a willing buyer and a willing seller, neither being under compulsion to buy or to sell and both having reasonable knowledge of relevant facts.

¹ *Uniform Standards of Professional Appraisal Practice* requires the identity of “The Client” and “The Intended User” to be disclosed.

This definition of fair market value is the most widely used in valuation practice. Also implied in this definition is that the value is to be stated in cash or cash equivalents and that the property would have been exposed on the open market for a long enough period of time to allow market forces to interact to establish the value.

VALUATION METHODOLOGIES

There are two fundamental bases on which a company may be valued:

1. As a going concern and
2. As if in liquidation.

The value of a company is deemed to be the higher of the two values determined under a going concern or a liquidation premise. This approach is consistent with the valuation concept of highest and best use, which requires a valuation analyst to consider the optimal use of the assets being valued under current market conditions. If a business will command a higher price as a going concern then it should be valued as such. Conversely, if a business will command a higher price if it is liquidated, then it should be valued as if in orderly liquidation. Also considered in this valuation are the rights of the interest being valued. This valuation will be performed on a going concern basis.

GOING CONCERN VALUATION

Going concern value assumes that the company will continue in business and looks to the enterprise's earnings power and cash generation capabilities as indicators of its fair market value. There are many acceptable methods used in business valuation today. The foundation for business valuation arises from what has been used in valuing real estate for many years. The three basic approaches that must be considered by the valuation analyst are:

1. The Market Approach,
2. The Asset-Based Approach and
3. The Income Approach.

Within each of these approaches there are many acceptable valuation methods available for use by the valuation analyst. Valuation standards suggest that a valuation analyst test as many methods as may be applicable to the facts and circumstances of the property being valued. It is then up to the valuation analyst's informed judgment as to how these values will be reconciled in deriving a final estimate of value.

THE MARKET APPROACH

The market approach is fundamental to valuation as fair market value is determined by the market. Under this approach, the valuation analyst attempts to find guideline companies traded on a public stock exchange, in the same or a similar industry as the valuation subject, that provides the valuation analyst with the ability to make a comparison between the pricing multiples that the public company trades at and the multiple that is deemed appropriate for the valuation subject.

Another common variation of this approach is to locate entire companies that have been bought and sold in the marketplace, publicly-traded or closely-held, that provide the valuation analyst with the ability to determine the multiples that resulted from the transaction. These multiples can then be applied to the valuation subject, with or without adjustment, depending on the circumstances.

THE ASSET-BASED APPROACH

The asset-based approach, sometimes referred to as the cost approach, is an asset-oriented approach rather than a market-oriented approach. Each component of a business is valued separately and summed up to derive the total value of the enterprise.

The valuation analyst estimates value, using this approach, by estimating the cost of duplicating or replacing the individual elements of the business property being valued, item by item, asset by asset.

The tangible assets of the business are valued using this approach, although it cannot be used alone as many businesses have intangible value as well, to which this approach cannot easily be applied.

THE INCOME APPROACH

The income approach, sometimes referred to as the investment value approach, is an income-oriented approach rather than an asset or market-oriented approach. This approach assumes that an investor could invest in a property with similar investment characteristics, although not necessarily the same business.

The computations using the income approach generally determine that the value of the business is equal to the present value of the future benefit stream to the owners. This is accomplished by either capitalizing a single-period income stream or by discounting a series of income streams based on a multi-period forecast.

Since estimating the future income of a business is at times considered to be speculative, historic data is used as a starting point in several of the acceptable methods under the premise that history will repeat itself. The future cannot be ignored, however, since valuation is a prophecy of the future.

LIQUIDATION VALUATION

Liquidation value assumes that a business has greater value if its individual assets are sold to the highest bidder and the company ceases to be a going concern.

Shannon Pratt, a well-known authority in business valuation states:

Liquidation value is, in essence, the antithesis of going-concern value. *Liquidation value* means the net amount the owner can realize if the business is terminated and the assets sold off piecemeal.²

² Shannon Pratt, *Valuing a Business: The Analysis and Appraisal of Closely Held Companies*, 2nd edition (Illinois: Dow Jones-Irwin, 1989): 29.

He adds,

...it is essential to recognize all costs associated with the enterprise's liquidation. These costs normally include commissions, the administrative cost of keeping the company alive until the liquidation is completed, taxes, and legal and accounting costs. Also, in computing the present value of a business on a liquidation basis, it is necessary to discount the estimated net proceeds, at a rate reflecting the risk involved, from the time the net proceeds are expected to be received back to the valuation date.³

Pratt concludes by stating:

For these reasons, the liquidation value of the business as a whole normally is less than the sum of the liquidation proceeds of the underlying assets.⁴

REVENUE RULING 59-60 - VALUATION OF CLOSELY-HELD STOCKS

Among other factors, the valuation analyst considered all elements listed in Internal Revenue Service Ruling 59-60, which provides guidelines for the valuation of closely-held stocks. Revenue Ruling 59-60 states that all relevant factors should be taken into consideration, including the following:

1. The nature of the business and the history of the enterprise from its inception.
2. The economic outlook in general and the condition and outlook of the specific industry in particular.
3. The book value of the stock and financial condition of the business.
4. The earning capacity of the company.
5. The dividend-paying capacity.
6. Whether or not the enterprise has goodwill or other intangible value.

³ Ibid.

⁴ Ibid.

7. Sales of the stock and the size of the block of stock to be valued.
8. The market price of stocks of corporations engaged in the same or a similar line of business having their stocks actively traded in a free and open market, either on an exchange or over-the-counter.

Revenue Ruling 65-192 expanded the applicability of Revenue Ruling 59-60 by stating:

The general approach, methods and factors outlined in Revenue Ruling 59-60, C.B. 1959-1, 237, for use in valuing closely-held corporate stocks for estate and gift tax purposes are equally applicable to valuations thereof for income and other tax purposes and also in determinations of the fair market values of business interests of any type and of intangible assets for all tax purposes.

Furthermore, the applicability of Revenue Ruling 59-60 has been considered equally applicable to noncorporate entities. Since determining the fair market value of a business interest is the question at issue, one must understand the circumstances of the particular business. There is no set formula to the approach to be used that will be applicable to the different valuation issues that arise. Often, a valuation analyst will find wide differences of opinion as to the fair market value of a particular business or business interest. In resolving such differences, one should recognize that valuation is not an exact science. Revenue Ruling 59-60 states that "a sound valuation will be based on all relevant facts, but the elements of common sense, informed judgment and reasonableness must enter into the process of weighing those facts and determining their aggregate significance."

The fair market value of specific equity interests in an unlisted business will vary as general economic conditions change. Uncertainty as to the stability or continuity of the future income from the business decreases its value by increasing the risk of loss in the future. The valuation of equity interests in a company with uncertain future prospects can be a highly speculative procedure. Judgment is related to all of the factors affecting its value.

There is no single formula acceptable for determining the fair market value of a closely-held business and therefore, the valuation analyst must look to all relevant factors in order to establish the business' fair market value as of a given date.

In Section 5 of Revenue Ruling 59-60, it states:

The valuation of closely held corporate stock entails the consideration of all relevant factors as stated in section 4. Depending upon the circumstances in each case, certain factors may carry more weight than others because of the nature of the company's business. To illustrate:

- (a) Earnings may be the most important criterion of value in some cases whereas asset value will receive primary consideration in others. In general, the appraiser will accord primary consideration to earnings when valuing stocks of companies which sell products or services to the public; conversely, in the investment or holding type of company, the appraiser may accord the greatest weight to the assets underlying the security to be valued.
- (b) The value of the stock of a closely held investment or real estate holding company, whether or not family owned, is closely related to the value of the assets underlying the stock. For companies of this type the appraiser should determine the fair market values of the assets of the company. Operating expenses of such a company and the cost of liquidating it, if any, merit consideration when appraising the relative values of the stock and the underlying assets. The market values of the underlying assets give due weight to potential earnings and dividends of the particular items of property underlying the stock, capitalized at rates deemed proper by the investing public at the date of appraisal. A current appraisal by the investing public should be superior to the retrospective opinion of an individual. For these reasons, adjusted net worth should be accorded greater weight in valuing the stock of a closely held investment or real estate holding company, whether or not family owned, than any of the other customary yardsticks of appraisal, such as earnings and dividend paying capacity.

THE NATURE OF THE BUSINESS AND THE HISTORY OF THE ENTERPRISE FROM ITS INCEPTION

Brown Investments was formed on December 28, 2020 as a Florida Limited Partnership under the Florida Revised Uniform Limited Partnership Act. The LP is an asset holding company that owns a portfolio of marketable securities.

On December 28, 2020, the partners of Brown Investments entered into the *Brown Investments, Ltd. Agreement of Limited Partnership*. After the original agreement was signed, an *Amendment to the Brown Investments, Ltd. Agreement of Limited Partnership* was executed changing the ownership listed in Schedule A of the original agreement. The original partnership agreement and the amendment will be collectively referred to as “The Partnership Agreement” and pertinent sections of The Partnership Agreement are discussed on the following pages.

OWNERSHIP

Upon formation, the partners of The LP included Brown Management, Inc. as the entity’s general partner (owning a 1 percent interest) and Nicholas S. Glass and Sheryl L. Glass as the entity’s limited partners (each owning 49.5 percent interests). Shortly after the original partnership was executed, each individual transferred their interests into trusts. Therefore, as of the valuation date, ownership interests in The LP were as follows:

	<u>Partner Type</u>	<u>Ownership Percentage</u>
Brown Management, Inc.	General	1.00%
Nicholas S. Glass, as Trustee of the Sheryl Glass Irrevocable Family Trust Dated December 28, 2020	Limited	49.50%
Sheryl L. Glass, as Trustee of the Nicholas S. Glass Irrevocable Family Trust dated December 28, 2020	Limited	<u>49.50%</u>
TOTAL		<u><u>100.00%</u></u>

The partners of Brown Investments made initial capital contributions totaling \$10,000. Shortly thereafter, the limited partners contributed a portfolio of marketable securities consisting of equities and municipal bonds.

With respect to future capital contributions and capital calls, The LP Agreement states the following:

3.03 Capital Calls.

(a) In the event that the General Partner determines that (i) additional funds are required by the Partnership to sustain any of its existing business operations or investments (but not expand into new businesses or investments), and (ii) the Partnership is unable to borrow said required additional funds from a commercial lending institution or any Partner(s), the General Partner shall advise the Partners (or assignee of a Partner, as defined herein) of the amount of such deficit, in writing, together with the reasons therefor ("Capital Call") and upon the Required Vote of the Partners entitled to vote within ten (10) days following such Capital Call, each Partner (and each Assignee) will contribute its Proportionate Share of the Capital Call to the Partnership prior to the expiration of such ten (10) day period. In the event a Partner fails to contribute such additional capital when due, the General Partner may treat such defaulting Partner's obligation as having been loaned by the Partnership to the defaulting Partner at the Stipulated Rate plus four percent (4%), which shall be repaid from the Partnership distributions to which such defaulting Partner would otherwise have been entitled.

The Partnership Agreement defines the *Required Vote of The Partners* as the unanimous vote of both the general and limited partners.

TERM OF THE LP

The term of The LP began on December 28, 2020 upon the date of filing of the entity's Certificate of Formation and will continue unless terminated pursuant to Article IX of The Partnership Agreement, which lists the following occurrences:

- The determination of the general partner to terminate the partnership.

- The death, retirement, withdrawal or dissolution of the last remaining general partner, unless the limited partners agree to extend the term and elect a new general partner by unanimous vote.
- The occurrence of any event that causes the dissolution of The LP under the Florida Revised Uniform Limited Partnership Act.
- December 31, 2085.

According to section 9.06 of The Partnership Agreement, The LP will also terminate if all of the entity's assets have been disposed of.

DISTRIBUTIONS

The timing and amount of distributions is at the sole discretion of the general partner. Distributions are to be made to the partners based on their respective ownership interests in The LP.

MANAGEMENT

The overall management and control of The LP is vested exclusively in the general partner. The general partner's authorities under The Partnership Agreement, listed in Article V, include but are not limited to the following:

- Declare and make distributions to the partners
- Admit individuals as substituted partners
- Invest The LP's assets
- Redeem partnership interests of the partners

Furthermore, according to Article X of The Partnership Agreement, the general partner can extend the term of The LP and amend The Partnership Agreement without the consent of the limited partners.

The limited partners have no rights to participate in the operation or management of The LP, transact any business for or in the name of The LP and have no rights to sign or bind The LP. The limited partners shall serve as advisors to the general partner in a non-binding capacity.

TRANSFER RESTRICTIONS

A partner cannot transfer his partnership interest without the written consent of the general partner. Upon transfer of an interest in The LP, the transferee becomes an assignee owner until he is admitted as a substitute partner by the general partner. The non-selling partners have a right of first refusal for all transfers of interests in The LP.

THE ECONOMIC OUTLOOK IN GENERAL AND THE CONDITION AND OUTLOOK OF THE SPECIFIC INDUSTRY IN PARTICULAR

Generally, business performance fluctuates with the economy. Just as a strong economy can improve overall business performance and value, a declining economy can have the opposite effect. Businesses can be affected by global, national and local events. Changes in regulatory environments, political climate and market and competitive forces can also have a significant impact on business. For these reasons, it is important to analyze and understand the prevailing economic environment when valuing a closely-held business. Since the valuation process is a “prophecy of the future,” it is imperative that the valuation analyst review the economic outlook as it would impact the valuation subject.

NATIONAL ECONOMY

According to advance estimates released by the Department of Commerce’s Bureau of Economic Analysis (“BEA”), real gross domestic product (“GDP”), the output of goods and services produced by labor and property located in the United States, increased at an annualized rate of 33.1 percent during the third quarter of 2020 after decreasing at an annualized rate of 31.4 percent in the second quarter of 2020. The swings in annualized GDP growth during the second and third quarters of 2020 follow a decline in annualized GDP of 5 percent in the first quarter of 2020. The annualized GDP increase of 33.1 percent during the third quarter of 2020 is greater than economists’ projections of growth of 28.5 percent. GDP grew 2.2 percent during 2019, compared to growth of 3 percent in 2018 and 2.3 percent in 2017.⁵

Personal consumption spending represents approximately 70 percent of total economic activity and is a primary component of overall economic growth. Real personal consumption spending increased 40.7 percent in the third quarter of 2020, following decreases of 6.9 percent and 33.2 percent in the first and second quarters, respectively. According to the BEA, durable goods purchases increased by 82.2 percent in the third quarter of 2020,

⁵ Mercer Capital, *The National Economic Review*, Third Quarter 2020.

following decreases of 12.5 percent and 1.7 percent in the first and second quarters, respectively.⁶

The COVID-19 pandemic and the measures undertaken to contain its spread continued to affect economic activity in the United States and abroad. The information available at the time of the Federal Open Market Committee's ("FOMC") December 15-16 meetings suggested that U.S. real GDP was continuing to recover in the fourth quarter, but at a more moderate pace than its rapid third-quarter rate and that the level of real GDP remained well below its level at the start of 2020. Labor market conditions improved further over October and November, although employment continued to be well below its level at the beginning of the year. Consumer price inflation through October remained notably below the rates seen in early 2020.⁷

Total nonfarm payroll employment continued to increase solidly over October and November, though the rate of monthly job gains was more moderate than the substantial third quarter pace. Through November, payroll employment had regained somewhat more than half of the losses seen at the onset of the pandemic. The unemployment rate moved down further and stood at 6.7 percent in November. Both the labor force participation rate and the employment-to-population ratio in November were above their levels of two months earlier. The four-week moving average of initial claims for unemployment insurance was only slightly lower in early December than it had been in late October. Weekly estimates of private-sector payrolls constructed by the FOMC's staff using data provided by the payroll processor ADP suggested that the four-week average of private employment gains in early December was lower than it was in mid-November.⁸

With interest rates cut virtually to zero, the Federal Reserve relied on new lending programs in the second quarter of 2020 to stimulate the U.S. economy. On April 9, the Federal Reserve announced three new emergency lending facilities to implement the relief provided

⁶ Ibid.

⁷ Federal Open Market Committee, "Minutes of the Federal Open Market Committee," December 15-16, 2020 <<http://www.federalreserve.gov/monetarypolicy/files/fomcminutes20201215.pdf>> (accessed August 30, 2021).

⁸ Ibid.

by the CARES Act and to support the work of the Treasury Department and the Small Business Administration.⁹

On December 7, 2020, Consensus Economics, Inc. surveyed a panel of prominent U.S. economic and financial forecasters for their predictions on a range of key economic variables. These forecasts are presented in Table 1.

**TABLE 1
QUARTERLY FORECASTS**

	<u>2020</u>	<u>2021</u>				<u>2022</u>	
	<u>4th</u>	<u>1st</u>	<u>2nd</u>	<u>3rd</u>	<u>4th</u>	<u>1st</u>	<u>2nd</u>
	<u>Qtr.</u>	<u>Qtr.</u>	<u>Qtr.</u>	<u>Qtr.</u>	<u>Qtr.</u>	<u>Qtr.</u>	<u>Qtr.</u>
Real Gross Domestic Product*	4.2	2.0	4.2	4.5	3.5	3.1	3.0
Real Disposable Personal Income*	-8.4	1.4	-0.8	-1.1	1.2	2.3	2.5
Real Personal Consumption*	4.7	1.7	5.0	4.7	3.8	3.4	2.9
Real Business Investment*	5.0	2.6	3.6	4.6	4.7	4.8	4.9
Industrial Production*	6.8	3.5	4.1	4.2	3.7	3.6	3.3
Consumer Prices*	1.7	1.7	2.0	2.3	2.1	2.2	2.2
Producer Prices*	2.4	2.0	2.3	2.4	2.6	2.6	2.5
Unemployment Rate, %	6.9	6.6	6.3	6.0	5.7	5.4	5.2

* % change from prior quarter, seasonally adjusted annual rate.

¹ End Quarter.

Source: Consensus Economics Inc., *Consensus Forecasts - USA*, December 2020: 5.

Consensus Economics' forecasts indicate that real GDP is expected to bounce back in the fourth quarter before gradually decelerating and stabilizing at 3 percent. Disposable income is forecast to continue to decline in the near term before moderately increasing beginning in the first quarter of 2022. Personal consumption and industrial production are also forecast to increase moderately over the next several quarters. Consumer price inflation is forecast to be relatively stable between 1.7 and 2.3 percent and the unemployment rate is forecast to gradually decrease.

The anticipated moderate improvements in economic activity should have a positive impact on The LP's assets.

STOCK MARKET

Volatility in the stock markets has been elevated throughout 2020 as a result of the COVID-19 pandemic. A summary of the trends of the S&P 500 Index and the Dow Jones Industrial Average appears in Figure 1.

FIGURE 1
S&P 500 INDEX AND DOW JONES INDUSTRIAL AVERAGE
2019 TO DECEMBER 28, 2020



Source: bigcharts.marketwatch.com

The stock market responded strongly to the positive vaccine news, with all major equity benchmarks rising by double digits. The strongest sectors of the stock market included small and mid-cap stocks. Numerous industries posted significant monthly returns, which in many cases set historic records.¹⁰

Third quarter earnings season is largely in the rearview mirror, with a record 84 percent of S&P 500 companies reporting earnings per share above consensus, according to Factset. Earnings declined 6.3 percent, much better than the 21 percent decline expected at the

¹⁰ NASDAQ, "November 2020 Review and Outlook," December 1, 2020 <nasdaq.com/articles/november-2020-review-and-outlook-2020-12-01> (accessed August 31, 2021).

beginning of the quarter. A summary of the performance of the major U.S. stock indices appears in Figure 2.¹¹

**FIGURE 2
STOCK INDICES**

US Indices	November %	YTD %	vs. 52-week High	vs. 52-week Low
Russell MicroCap	20.4%	12.2%	-1.6%	98.4%
Russell 2000	18.4%	10.4%	-2.3%	88.3%
S&P Midcap 400	14.3%	6.7%	-2.5%	83.5%
Russell 1000 Value	13.5%	-1.0%	-4.7%	57.6%
Russell 3000	12.2%	15.7%	-0.7%	71.0%
Dow Jones Industrials	12.1%	6.1%	-1.6%	62.7%
Nasdaq Composite	11.9%	37.2%	-0.4%	84.0%
Nasdaq 100	11.1%	41.6%	-1.4%	81.2%
S&P 500	11.0%	14.0%	-0.7%	65.2%
Russell 1000 Growth	10.2%	32.4%	-1.3%	80.4%

The Russell 1000 Value Index had its best month on record and outperformed the Russell 1000 Growth Index by 3.8 percentage points¹²

A breakdown of stock market performance by sector appears in Figure 3.

**FIGURE 3
STOCK PERFORMANCE BY SECTOR**

GICS Sectors	November %	YTD %	vs. 52-week High	vs. 52-week Low
Energy	28.0%	-36.5%	-41.0%	59.1%
Financials	16.9%	-7.5%	-11.0%	58.7%
Industrials	16.0%	9.7%	-2.5%	83.4%
Basic Materials	12.5%	17.7%	-1.9%	85.2%
Technology	11.4%	36.1%	-3.2%	80.8%
Communications	9.6%	19.9%	-1.0%	61.8%
Consumer Disc.	8.6%	30.0%	-1.9%	91.6%
Healthcare	7.9%	9.2%	-3.1%	48.7%
Staples	7.5%	8.8%	-1.8%	39.6%
REITs	6.6%	-3.7%	-13.5%	44.6%
Utilities	0.8%	-0.2%	-11.7%	43.8%

¹¹ Ibid.

¹² Ibid.

At the sector level, this year’s underperformers bounced back sharply, led by the energy and financials sectors. This was the second best monthly performance by both energy and industrials, while financials registered their best performance since April 2009.¹³

MUNICIPAL BOND MARKETS

According to PIMCO, the municipal market was characterized by a falloff in supply and robust demand. In the wake of October’s \$72+ billion of issuance, just \$18.8 billion was brought to market in November, of which \$4.8 billion was taxable. Monthly issuance not only fell to its low-water mark for the year, but also represented the weakest monthly figure since February 2018. Decreased supply, coupled with increased demand for longer-duration bonds, resulted in a flattening of the AAA Municipal Market Data yield curve. Yields dropped by five to seven basis points (“bps”) inside of five years, by 11 to 21 bps from six to 10 years, by 23 to 29 bps from 11 to 15 years and by 30 bps beyond 15 years. Entering the holiday season, net negative supply may provide a tailwind for the municipal market as 2020 ends.¹⁴ A summary of municipal bond yields in comparison to Treasury bond yields appears in Figure 4.

**FIGURE 4
MUNICIPAL BOND MARKET SNAPSHOT**

	Muni yields (MMD AAA)			U.S. Treasury yields			Muni taxable equivalent**	
	Yield	MTD change	YTD change	Yield	MTD change	YTD change	Yield	Spread
2-year	0.15%	-0.06%	-0.89%	0.16%	0.01%	-1.40%	0.25%	0.25%
5-year	0.23%	-0.07%	-0.86%	0.36%	-0.02%	-1.32%	0.39%	0.39%
10-year	0.72%	-0.21%	-0.72%	0.84%	-0.01%	-1.07%	1.22%	1.22%
30-year	1.41%	-0.30%	-0.68%	1.58%	-0.04%	-0.80%	2.38%	2.38%

\$440.8B	-\$53.4B	+\$33.2B	4.58%	2.96%	-72 bps	-107 bps
YTD muni issuance	M/M muni issuance	YTD muni fund flows	YTD IG return	YTD HY return	YTD change in 10yr muni yield	YTD change in 10yr Treasury yield

¹³ Ibid.

¹⁴ PIMCO, “Monthly Municipal Market Update, November 2020,” *Municipal Monthly*.

Municipal bonds generated relatively strong performance in November. The Bloomberg Barclays Municipal Bond Index returned 1.51 percent for the month, while the Bloomberg Barclays High Yield Municipal Bond Index gained 2.4 percent and the Bloomberg Barclays Taxable Municipal Index gained 1.91 percent. Year-to-date returns for the three indices currently stand at 4.58 percent, 2.96 percent and 9.33 percent, respectively.¹⁵

Treasuries also experienced positive performance in November, although they underperformed municipals, due to a tightening in municipal/Treasury taxable-equivalent spreads. At month-end, taxable-equivalent spreads equated to 13 bps at the one-year tenor, three bps at the five-year tenor, 38 bps at the 10-year tenor and 80 bps at the 30-year tenor.¹⁶

The resiliency exhibited by municipals can largely be attributed to supply/demand dynamics. November saw just \$18.84 billion in new issuance, the lowest volume for a month since 1999. However, this figure can largely be attributed to a concerted effort by issuers to close deals ahead of the November elections, contributing to both October's record supply and November's comparatively lackluster numbers. Monthly taxable issuance, which has surged this year, was just \$4.82 billion, down 60 percent from last November. Nonetheless, demand remained robust, with retail municipal investors adding a weekly average of approximately \$516 million to municipal funds during the month. Following October's negative return, the Bloomberg Barclays Municipal Bond Index returned 1.51 percent in November. With risk appetites expanding, the Bloomberg Barclays Municipal High Yield Bond Index posted a 2.4 percent monthly return.¹⁷

Another factor that impacts the municipal bond markets is individual state budgets. According to Northern Trust Asset Management, state budgets were adversely impacted by pandemic uncertainty but the long-term outlook remains positive. Entering the pandemic, states held a record median of 10 percent of revenues in reserves. Attention to building reserves following the 2008 recession has proven vital in supporting state spending since the beginning of the pandemic. Ultimately, state revenue losses for the fiscal year ended

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ Ibid.

June 30, 2020 ranged from as low as 2 percent to a high of 18 percent on an annualized basis. Federal support in the CARES Act impacted states disproportionately, comprising anywhere from 5 percent to 70 percent of tax revenues.¹⁸

State budgets vary dramatically based on the nature of revenues, impact of the shutdown, reliance on tourism, timing and nature of the latest budget projection and the number of coronavirus cases. At the close of June, most states projected 2 percent to 25 percent revenue shortfalls in 2021. These shortfalls are expected to be managed utilizing reserves, borrowing, expense cuts and federal funding. For most states, this can be done without borrowing externally. Tourism dependent states are experiencing greater revenue shortfalls and the recovery for these states is expected to be slower.¹⁹

SUMMARY AND OUTLOOK

Overall, the outlook for Brown Investments' assets are positive over the long term. The LP's equity portfolio is expected to continue to experience near-term volatility as the economy continues to recover from the COVID-19 pandemic. Furthermore, the long-term indicators in the municipal bond markets, including but not limited, to state budgets, appear to be healthy.

¹⁸ Northern Trust Asset Management, "Municipal Bonds, 2021 U.S. States Outlook," July 17, 2020.

¹⁹ Ibid.

**THE BOOK VALUE OF THE STOCK AND THE
FINANCIAL CONDITION OF THE BUSINESS**

Brown Investments was formed on December 28, 2020 and as a result, The LP does not have historic financial statements. We received a breakdown of the market values of the assets contained in The LP's portfolio as of the valuation date, which appears in Table 2.

TABLE 2
SUMMARY OF ASSETS

Quantity	Symbol	Description	Average Price	Total Fair Market Value
80	ALLE-US	Allegion PLC	114.47	\$ 9,158
579	AMCR-US	Amcor PLC	11.67	6,757
64	AON-US	Aon Plc Class A	209.56	13,412
46	CAN-US	Accenture Plc Class A	259.38	11,931
68	ETN-US	Eaton Corp. Plc	118.81	8,079
83	INFO-US	HIS Markit Ltd.	86.625	7,190
24	LIN-US	Unde plc	261.5525	6,277
50	STE-US	STERIS Plc	187.3075	9,365
51	WLTW-US	Willis Tower Watson Public Limited Company	201.95	10,758
26	CB-US	Chubb Limited	151.9	3,949
27	GRMN-US	Garmin Ltd.	120.91	3,265
34	RCL-US	Royal Caribbean Group	72.595	2,468
159	T-US	AT&T Inc.	28.72955	4,568
114	ABT-US	Abbott Laboratories	108.18	12,333
80	ABBV-US	AbbVie, Inc.	103.2975	8,264
137	ATVI-US	Activision Blizzard, Inc.	91.515	12,538
47	ADBE-US	Abode Inc.	501.4275	23,567
28	APD-US	Air Products and Chemicals, Inc.	270.5	7,574
17	ARE-US	Alexandria Real Estate Equities, Inc.	175.17	2,978
43	ALXN-US	Alexion Pharmaceuticals, Inc.	155.07	6,668
50	ALGN-UN	Align Technology, Inc.	525.79	26,290
50	LNT-US	Alliant Energy Corp	50.4745	2,524
39	GOOG-US	Alphabet Inc. Class C	1768.5315	68,973
33	GOOGL-US	Alphabet Inc. Class A	1764.41	58,226
34	AMZN-US	Amazon.com, Inc.	3238.345	110,104
235	AEE-US	Ameren Corporation	76.83	18,055
22	AXP-US	American Express Company	118.475	2,606
109	AMT-US	American Tower Corporation	219.44	23,919
209	AWK-US	American Water Works Company, Inc.	149.9975	31,349

TABLE 2
SUMMARY OF ASSETS

Quantity	Symbol	Description	Average Price	Total Fair Market Value
45	ANSS-US	ANSYS, Inc.	364.97	16,424
1224	AAPL-US	Apple Inc.	135.425	165,760
5	ATO-US	Atmos Energy Corporation	93.42	467
28	ADSK-US	Autodesk, Inc.	301.73	8,448
45	ADP-US	Automatic Data Processing, Inc.	177.315	7,979
2	AZO-US	AutoZone, Inc.	1203.855	2,408
85	BLL-US	Ball Corporation	92.039	7,823
207	BAC-US	Bank of America Corp	30.265	6,265
419	BAX-US	Baxter International Inc.	79.49955	33,310
46	BRK.B-US	Berkshire Hathaway Inc. Class B	228.755	10,523
33	BBY-US	Best Buy Co., Inc.	102.36	3,378
9	BA-US	Boeing Company	217.18135	1,955
3	BKNG-US	Booking Holdings Inc.	2138.36	6,415
153	BMY-US	Bristol-Myers Squibb Company	61.2725	9,375
37	BR-US	Broadridge Financial Solutions, Inc.	151.41	5,602
29	AVGO-US	Broadcom Inc.	434.21	12,592
83	CME-US	CME Group Inc. Class A	179.89	14,931
111	CSX-US	CSX Corporation	30.26667	3,360
195	CTRA-US	Coterra Energy Inc.	16.59	3,235
22	CAT-US	Caterpillar Inc.	179.715	3,954
194	CVX-US	Chevron Corporation	85.625	16,611
405	CHD-US	Church & Dwight Co., Inc.	87.3463	35,375
176	CSCO-US	Cisco Systems, Inc.	45.03	7,925
137	CTAS-US	Cintas Corporation	350.16	47,972
403	C-US	Citigroup Inc.	61.21	24,668
335	KO-US	Coca-Cola Company	54.0825	18,118
101	CMCSA-US	Comcast Corporation Class A	50.945	5,145
35	CXO-US	Concho Resources Inc.	57.9	2,027
37	COO-US	Cooper Companies, Inc.	360.87	13,352

TABLE 2
SUMMARY OF ASSETS

Quantity	Symbol	Description	Average Price	Total Fair Market Value
40	COST-US	Costco Wholesale Corporation	368.3827	14,735
37	CCI-US	Crown Castle International Corp	154.875	5,730
301	DHR-US	Danaher Corporation	223.405	67,245
6	DE-US	Deere & Company	270.48	1,623
126	DIS-US	Walt Disney Company	177.485	22,363
70	DG-US	Dollar General Corporation	211.3825	14,797
29	DLTR-US	Dollar Tree, Inc.	108.6625	3,151
60	DOV-US	Dover Corporation	125.205	7,512
35	DUK-US	Duke Energy Corporation	90.195	3,157
15	EOG-US	EOG Resources, Inc.	49.565	743
15	ECL-US	Ecolab Inc.	216.465	3,247
55	EA-US	Electronic Arts Inc.	140.665	7,737
7	EQIX-US	Equinix, Inc.	707.035	4,949
252	XOM-US	Exxon Mobil Corporation	42.035	10,593
58	FMC-US	FMC Corporation	113.88	6,605
262	FB-US	Facebook, Inc. Class A	271.48	71,128
131	FAST-US	Fastenal Company	49.84	6,529
300	FIS-US	Fidelity National Information Services, Inc.	140.1175	42,035
64	FITB-US	Fifth Third Bancorp	27.765	1,777
54	FISV-US	Fiserv, Inc.	112.61	6,081
90	FTV-US	Fortive Corp.	69.675	6,271
81	FBHS-US	Fortune Brands Home & Security, Inc.	87.99	7,127
102	AJG-US	Arthur J. Gallagher & Co.	123.55525	12,603
6	GD-US	General Dynamics Corporation	149.425	897
169	GE-US	General Electric Company	85.44	14,439
28	GIS-US	General Mills, Inc.	59.17	1,657
33	GPN-US	Global Payments Inc.	208.1345	6,868
77	GS-US	Goldman Sachs Group, Inc.	259.8275	20,007
472	HAL-US	Halliburton Company	19.22	9,072

TABLE 2
SUMMARY OF ASSETS

Quantity	Symbol	Description	Average Price	Total Fair Market Value
89	PEAK-US	Healthpeak Properties, Inc.	29.74	2,647
24	JKHY-US	Jack Henry & Associates, Inc.	159.235	3,822
30	HSY-US	Hershey Company	151.16	4,535
38	HLT-US	Hilton Worldwide Holdings Inc	108.26	4,114
133	HD-US	Home Depot, Inc.	270.745	36,009
27	HON-US	Honeywell International Inc.	210.305	5,678
16	IDXX-US	IDEXX Laboratories, Inc.	497.04	7,953
43	ITW-US	Illinois Toll Works Inc.	203.58	8,754
207	INTC-US	Intel Corporation	47.2475	9,780
16	ICE-US	Intercontinental Exchange, Inc.	113.1675	1,811
77	IBM-US	International Business Machines Corporation	125.53	9,666
41	IFF-US	International Flavors & Fragrances Inc.	109.83	4,503
11	ISRG-US	Intuitive Surgical, Inc.	269.53515	2,965
23	INTU-US	Intuit Inc.	382.99	8,809
84	IRM-US	Iron Mountain, Inc.	29.6	2,486
173	JPM-US	JPMorgan Chase & Co.	125.7193	21,749
13	KMB-US	Kimberly-Clark Corporation	134.1	1,743
150	KHC-US	Kraft Heinz Company	35.17	5,276
35	LHX-US	L3Harris Technologies Inc.	186.8045	6,538
28	LRCX-US	Lam Research Corporation	481.395	13,479
54	LLY-US	Eli Lilly and Company	156.4064	8,986
39	LOW-US	Lowe's Companies, Inc.	162.72	6,346
32	MSCI-US	MSCI Inc. Class A	436.425	13,966
19	MMC-US	Marsh & McLennan Companies, Inc.	115.475	2,194
111	MAS-US	Masco Corporation	56.335	6,253
65	MA-US	Mastercard Incorporated Class A	341.23	22,180
53	MCD-US	McDonald's Corporation	213.535	11,317
141	MRK-US	Merck & Co., Inc.	80.635	11,370
720	MSFT-US	Microsoft Corporation	224.525	161,658

TABLE 2
SUMMARY OF ASSETS

Quantity	Symbol	Description	Average Price	Total Fair Market Value
150	MDLZ-US	Mondelez International, Inc. Class A	58.26	8,739
22	MNST-US	Monster Beverage Corporation	90.5581	1,992
51	MCO-US	Moody's Corporation	278.9875	14,228
677	MS-US	Morgan Stanley	68.405	46,310
70	NDAQ-US	Nasdaq, Inc.	128.57	9,000
53	NFLX-US	Netflix, Inc.	515.395	27,316
148	NEM-US	Newmont Corporation	60.6875	8,982
104	NEE-US	NextEra Energy, Inc.	75.4584	7,848
359	NKE-US	NIKE, Inc. Class B	141.9819	50,972
40	NSC-US	Norfolk Southern Corporation	236.83	9,473
13	NOC-US	Northrop Grumman Corporation	302.01095	3,926
65	NVDA-US	NVIDIA Corporation	129.12838	8,393
8	ORLY-US	O'Reilly Automotive, Inc.	462.33	3,699
154	OKE-US	ONEOK, Inc.	38.635	5,950
184	ORCL-US	Oracle Corporation	65.22	12,000
48	PKG-US	Packaging Corporation of America	137.16	6,584
78	PYPL-US	PayPal Holdings, Inc.	239.375	18,671
205	PEP-US	PepsiCo, Inc.	146.57	30,047
147	PM-US	Philip Morris International Inc.	82.82	12,175
96	TROW-US	T. Rose Price Group	148.8925	14,294
151	PG-US	Procter & Gamble Company	138.66925	20,939
74	PLD-US	Prologis, Inc.	97.885	7,243
17	PSA-US	Public Storage	228.91	3,891
109	QCOM-US	Qualcomm Inc.	149.255	16,269
120	RJF-US	Raymond James Financial, Inc.	62.9900005	7,559
281	RTX-US	Raytheon Technologies Corporation	70.9011	19,923
17	ROP-US	Roper Technologies, Inc.	420.38	7,146
41	ROST-US	Ross Stores, Inc.	120.795	4,953
57	SPGI-US	S&P Global, Inc.	316.695	18,052

TABLE 2
SUMMARY OF ASSETS

Quantity	Symbol	Description	Average Price	Total Fair Market Value
11	SBAC-US	SBA Communications Corp. Class A	274.775	3,023
125	CRM-US	salesforce.com, inc.	224.945	28,118
330	SLB-US	Schlumberger NV	21.745	7,176
18	SRE-US	Sempra Energy	127.005	2,286
6	SHW-US	Sherwin-Williams Company	244.49	1,467
51	SO-US	Southern Company	60.1125	3,066
90	SBUC-US	Starbucks Corporation	103.345	9,301
32	SYK-US	Stryker Corporation	239.185	7,654
30	SNPS-US	Synopsys, Inc.	257.77865	7,733
107	TJX-US	TJX Companies Inc.	67.8525	7,260
73	TMUS-US	T-Mobile US, Inc.	133.08	9,715
37	TGT-US	Target Corporation	176.175	6,518
19	TFX-US	Teleflex Incorporated	407.59	7,744
10	TSLA-US	Tesla Inc.	671.1	6,711
23	TXT-US	Textron Inc.	48.255	1,110
150	TMO-US	Thermo Fisher Scientific Inc.	460.425	69,064
21	MMM-US	3M Company	175.395	3,683
3	TDG-US	TransDigm Group Incorporated	609.295	1,828
73	UDR-US	UDR, Inc.	37.745	2,755
23	UNP-US	Union Pacific Corporation	205.045	4,716
19	UPS-US	United Parcel Service, Inc. Class B	172.05	3,269
50	UNH-US	UnitedHealth Group Incorporated	345.425	17,271
116	VZ-US	Verizon Communications Inc.	58.915	6,834
35	VRSK-US	Verisk Analytics Inc.	205.6355	7,197
23	VRTX-US	Vertex Pharmaceuticals Incorporated	234.34	5,390
298	V-US	Visa Inc. Class A	211.205	62,939
36	VNT-US	Vontier Corp.	33.88	1,220
38	WEC-US	WEC Energy Group Inc.	89.98	3,419
119	WMT-US	Walmart Inc.	144.315	17,173

TABLE 2
SUMMARY OF ASSETS

Quantity	Symbol	Description	Average Price	Total Fair Market Value
62	WM-US	Waste Management, Inc.	117.495	7,285
99	WFC-US	Wells Fargo & Company	30.1925	2,989
64	WRK-US	WestRock Company	44.41375	2,842
12	WHR-US	Whirlpool Corporation	189.56	2,275
305	WMB-US	Williams Companies, Inc.	20.5225	6,259
285	ZTS-US	Zoetis, Inc. Class A	161.57	46,047
14946.69		Cash/MM		14,947
5000		Allegheny Cnty Pa Hosp Dev Auth Rev 5.0% 15-JUL-2028	130.894	6,545
5000		Allen Cnty Ohio Hosp Facs Rev 5.0% 01-AUG-2029	128.315	6,416
18000		Allen Tex Indpt Sch Dist 5.0% 15-FEB-2036	121.545	21,878
10000		Anne Arundel Cnty MD 5.0% 01-OCT-2039	131.728	13,173
5000		Atlanta Ga Wtr & Waterwtr Rev 5.0% 01-NOW-2033	128.299	6,415
10000		California St 5.0% 01-APR-2029	134.928	13,493
10000		Charlotte N C Wtr & Swr Sys Rev 5.0% 01-JUL-2025	121.378	12,138
8000		Chicago Ill O Hare Intl Arpt 5.0% 01-JAN-2031	115.718	9,257
15000		Delaware St 5.0% 01-JUL-2022	107.3	16,095
5000		Denton Tex Indpt Sch Dist 5.0% 15-AUG-2027	129.225	6,461
8000		Idaho Hsg & Fin Assn 5.0% 15-JUL-2032	130.622	10,450
10000		Illinois Fin Auth Rev 5.0% 01-JAN-2027	127.129	12,713
13000		Illinois St Toll Hwy Auth Toll Highway Rev 5.0% 01-JAN-2026	122.389	15,911
10000		Indiana St Fin Auth Rev 5.0% 01-FEB-2026	123.989	12,390
5000		Indiana St Fin Auth Rev 5.0% 01-FEB-2027	127.713	6,386
18000		Keller Tex Indpt Sch Dist 5.0% 15-AUG-2031	118.719	21,369
5000		Maryland St 5.0% 01-AUG-2025	121.763	6,088
10000		Maryland St 5.0% 15-MAR-2028	127.749	12,775
15000		Maryland St 5.0% 15-MAR-2030	130.293	19,544
10000		Massachusetts Dept Transn Met Hwy Sys Rev 5.0% 01-JAN-2032	131.238	13,124
5000		Massachusetts St Wtr Res Auth 5.25% 01-AUG-2026	127.323	6,366
5000		Metropolitan Transn Auth N Y Dedicated Tax Fd 5.0% 15-NOV-2035	122.707	6,135

TABLE 2
SUMMARY OF ASSETS

Quantity	Symbol	Description	Average Price	Total Fair Market Value
13000		Metropolitan Transn Auth N Y Rev 5.0% 15-NOV-2022	105.405	13,703
5000		Metropolitan Transn Auth N Y Rev 5.0% 15-NOV-2024	111.018	5,551
10000		Metropolitan Wash D C Arpts Auth Dulles Toll Rdrev 5.0% 01-OCT-2039	123.833	12,383
8000		Miami-Dade Cnty Fla 5.0% 01-JUL-2033	135.752	10,860
5000		Minnesota St 5.0% 01-OCT-2028	129.876	6,494
8000		New Jersey St 5.0% 01-JUN-2026	121.795	9,744
8000		New York N Y 5.0% 01-DEC-2039	126.222	10,098
15000		New York N Y City Mun Wtr Fin Auth Wtr & Swr Sysrev 5.0% 15-JUN-2040	128.828	19,324
8000		New York St Dorm Auth St Pers Income Tax Rev 5.0% 15-MAR-2032	135.414	10,833
10000		New York St Dorm Auth St Pers Income Tax Rev 5.0% 15-MAR-2043	125.384	12,538
7000		New York St Urban Dev Corp Rev 5.0% 15-MAR-2044	129.433	9,060
15000		Ohio St 5.0% 01-FEB-2031	122.423	18,363
5000		Ohio St 5.0% 01-MAY-2025	120.654	6,033
10000		Oklahoma Cap Imp Auth St Hwy Cap Impt Rev 5.0% 01-JUL-2030	122.125	12,213
7000		Oregon St 5.0% 01-AUG-2027	129.767	9,084
10000		Pennsylvania St 5.0% 15-JUL-2029	134.35	13,435
10000		Pennsylvania St Tpk Commn Tpk Rev 5.0% 01-DEC-2030	129.951	12,995
5000		Philadelphia Pa Sch Dist 4.0% 30-JUN-2021	101.93	5,096
5000		Railsplitter Tob Settlement Auth Ill Settlementrev 5.0% 01-JUN-2025	118.853	5,943
5000		Salt Riv Proj Agric Impt & Pwr Dist Ariz Elec Sys Rev 5.0% 01-JAN-2026	123.506	6,175
5000		Seattle Wash Mun Lt & Pwr Rev 5.0% 01-SEP-2030	127.72	6,386
5000		Tennessee St Sch Bd Auth 5.0% 01-NOV-2029	128.45	6,423
30000		Texas St 4.0% 26-AUG-2021	102.565	30,769
5000		Texas St 5.0% 01-OCT-2026	122.133	6,107
5000		Texas Transn Commn St Hwy Fd Rev 5.0% 01-OCT-2025	122.266	6,113
5000		Triborough Brdg & Tunl Auth Ny Revs 5.0% 15-NOV-2027	129.541	6,477
15000		University Tex Univ Revs 5.0% 15-AUG-2033	132.824	19,924
10000		Virginia College Bldg Auth Va Edl Facs Rev 21Stcenty Colleg E & Equip Prog 5.0% 01-FEB-2030	133.209	13,321

TABLE 2
SUMMARY OF ASSETS

<u>Quantity</u>	<u>Symbol</u>	<u>Description</u>	<u>Average Price</u>	<u>Total Fair Market Value</u>
5000		Washington St 5.0% 01-AUG-2028	128.603	6,430
10000		Washington St 5.0% 01-AUG-2037	126.633	12,663
5000		Washington St Health Care Facs Auth Rev 5.0% 15-AUG-2031	127.961	6,398
TOTAL				<u>\$ 3,186,720</u>

As of the valuation date, the fair market value of Brown Investments' assets totaled \$3,186,720. This represents the value of The LP on a control, marketable basis.

THE EARNING CAPACITY OF THE COMPANY

Brown Investments is a recently formed entity and as a result, The LP does not have a history of generating earnings. We analyzed the estimated annual income (dividends and interest) from The LP's portfolio of marketable securities as contained in its UBS brokerage statements. This information is summarized in Table 3.

**TABLE 3
ESTIMATED ANNUAL INCOME**

Equities	\$ 26,443
Fixed Income	<u>23,335</u>
TOTAL	<u>\$ 49,778</u>

Source: UBS Statement

The LP's brokerage statement indicates that Brown Investments is expected to generate annual gross income of \$49,778. This income does not include the possible capital gains and losses that Brown Investments may generate from buying and selling securities. The LP may also incur expenses, including but not limited to professional fees. These factors will be considered in our analysis.

THE DIVIDEND²⁰ PAYING CAPACITY OF THE COMPANY

As a newly formed entity, Brown Investments does not have a history of paying distributions. The timing and amount of distributions is determined by the general partner. The LP is expected to have earnings capacity and therefore, we expect it to also have dividend paying capacity in the foreseeable future. However, The LP's dividend paying capacity is uncertain at the valuation date as there are no historic trends to analyze with respect to trading activity, capital gains and losses and other potential sources of income that Brown Investments may generate on a prospective basis. This will be considered in our analysis.

²⁰ Throughout this report, the terms "dividends" and "distributions" will be used interchangeably.

**WHETHER OR NOT THE ENTERPRISE HAS
GOODWILL OR OTHER INTANGIBLE VALUE**

Goodwill is a term applied to an intangible asset and may be defined as “those elements of a business that cause customers to return and that usually enable the business to generate profit in excess of a reasonable return on all other assets of a business.” It may also include work force in place value, information base, noncompete agreements, know-how and licenses.

Asset holding companies, such as Brown Investments, do not generate goodwill value; therefore, there is no intangible value associated with the entity at the valuation date.

**SALES OF THE STOCK AND THE SIZE OF THE
BLOCK OF STOCK TO BE VALUED**

Revenue Ruling 59-60 suggests that the valuation analyst consider whether there have been any previous sales of interests in the entity being appraised and the size of the block to be valued. There have been no previous arm's-length sales of interests in Brown Investments.

In this instance, the analyst is valuing a 49.5 percent limited partner interest in The LP. This interest is considered to be a noncontrolling interest because an owner of a 49.5 percent interest cannot participate in controlling or managing the affairs of Brown Investments. The analysis that follows takes this into consideration.

This interest is also considered to be nonmarketable because there is no active market for the equity and the interests cannot be readily converted to cash. This will also be considered in our analysis.

**THE MARKET PRICE OF STOCKS OF CORPORATIONS
ACTIVELY TRADED IN THE PUBLIC MARKET**

The final factor of the eight listed in Revenue Ruling 59-60 is a market comparison between the valuation subject and other companies in the same or a similar line of business that are traded on public stock exchanges. This is the basis of the market approach to valuation.

The analyst gathered data on closed-end funds (“CEFs”) as of December 28, 2020 from *CEF Connect*. CEFs are more comparable to Brown Investments because, like The LP, they have a limited number of shares available. A number of CEFs were located that specialized in stocks and municipal bonds. However, no funds located were similar enough to Brown Investments in terms of size, portfolio assets and diversification to be used as a basis for comparison.

Due to the lack of similarity of these funds to Brown Investments, we did not use any of them as guideline companies.

VALUATION CALCULATIONS

As mentioned previously, the three approaches to valuation considered in this valuation are:

1. The Market Approach
2. The Asset-Based Approach and
3. The Income Approach.

The narrative that follows discusses the valuation methods employed within each approach.

THE MARKET APPROACH

The analyst researched CEFs to locate those that could be used as guideline companies in our analysis. The analyst was unable to locate any funds that could be used as proxies and therefore, was unable to apply the market approach in this valuation.

THE ASSET-BASED APPROACH

ADJUSTED BOOK VALUE METHOD

Revenue Ruling 59-60 states, “[T]he value of the stock of a closely-held investment or real estate holding company, whether or not family owned, is closely related to the value of the assets underlying the stock.” Therefore, the asset-based approach, specifically the adjusted book value method, was applied to determine the value of Brown Investments.

It has previously been determined that the adjusted book value of The LP is \$3,186,720. This reflects the value of The LP on a control, marketable basis. The valuation subject is

a 49.5 percent, noncontrolling, nonmarketable interest in the entity. Therefore, a discount for lack of control (“DLOC”) and a discount for lack of marketability (“DLOM”) have been considered to be applicable to this interest. The derivation of these discounts is discussed in the “Premiums and Discounts” section of this report. Applying the applicable discounts results in the following indication of value on a noncontrolling, nonmarketable basis:

Indication of Value - Control, Marketable	\$	3,186,720
Less: DLOC (11.7%)		<u>(372,846)</u>
Indication of Value - Noncontrolling, Marketable	\$	2,813,874
Less: DLOM (20.00%)		<u>(562,775)</u>
INDICATION OF VALUE - NONCONTROLLING, NONMARKETABLE	\$	<u><u>2,251,099</u></u>

THE INCOME APPROACH

The income approach assumes that an investor could invest in a property with similar investment characteristics as the valuation subject, although not necessarily the same business. The computations using the income approach generally determine that the value of a business is equal to the present value of a stream of future benefits payable to the owners. This is accomplished by either capitalizing a single period income stream or by discounting a series of income streams based on a multi-period forecast. The latter calculation is performed in cases where growth has not yet stabilized, as often happens in new companies or rapidly growing companies.

In this instance, the determination of The LP’s dividend paying capacity would be a speculative process. Therefore, the income approach was not performed.

RECONCILIATION OF VALUES

Based on the indication of value derived using the asset-based approach, the value of The LP on a noncontrolling, nonmarketable basis was determined to be \$2,251,099. The valuation subject is a 49.5 percent interest in The LP. Therefore, the value of the subject interest was calculated as shown in Table 3.

**TABLE 3
CONCLUSION OF VALUE**

Indication of Value - Noncontrolling, Nonmarketable	\$	2,251,099
Ownership Interest Being Valued	x	<u>49.50%</u>
FAIR MARKET VALUE OF A 49.5% INTEREST	\$	<u><u>1,114,294</u></u>
ROUNDED	\$	<u><u>1,114,000</u></u>

PREMIUMS AND DISCOUNTS

VALUATION PREMIUMS AND DISCOUNTS IN GENERAL

The final value reached in the valuation of a closely-held business may be more or less than the value that was calculated using the various methods of valuation that are available. The type and size of the premium(s) or discount(s) will vary depending on the starting point. The starting point will depend on which methods of valuation were used during the valuation, as well as other factors, such as the sources of the information used to derive multiples or the discount rate and normalization adjustments. These premiums and discounts will also depend on the standard of value applied in the valuation.

CONTROL PREMIUM

In a fair market value business valuation, the pro rata value of a controlling interest in a closely-held company is said to be worth more than the value of a noncontrolling interest, due to the prerogatives of control that generally follow the controlling shares. An investor will generally pay more (a premium) for the rights that are considered to be part of the controlling interest. Valuation professionals recognize these prerogatives of control, and they continue to hold true today. Those rights are considered in assessing the size of a control premium. They include:

- 1) Appoint or change operational management.
- 2) Appoint or change members of the board of directors.
- 3) Determine management compensation and perquisites.
- 4) Set operational and strategic policy and change the course of business.
- 5) Acquire, lease, or liquidate business assets, including plant, property and equipment.
- 6) Select suppliers, vendors, and subcontractors with whom to do business and award contracts.
- 7) Negotiate and consummate mergers and acquisitions.
- 8) Liquidate, dissolve, sell out, or recapitalize the company.
- 9) Sell or acquire treasury shares.

- 10) Register the company's equity securities for an initial or secondary public offering.
- 11) Register the company's debt securities for an initial or secondary public offering.
- 12) Declare and pay cash and/or stock dividends.
- 13) Change the articles of incorporation or bylaws.
- 14) Set one's own compensation (and perquisites) and the compensation (and perquisites) of related-party employees.
- 15) Select joint venturers and enter into joint venture and partnership agreements.
- 16) Decide what products and/or services to offer and how to price those products/services.
- 17) Decide what markets and locations to serve, to enter into, and to discontinue serving.
- 18) Decide which customer categories to market to and which not to market to.
- 19) Enter into inbound and outbound license or sharing agreements regarding intellectual properties.
- 20) Block any or all of the above actions.²¹

A control premium is the opposite of a discount for lack of control. The control premium is used to determine the control value of a closely-held business when its freely-traded noncontrolling value has been determined.

There are numerous factors that a valuation analyst must consider when assessing whether or not a control premium or discount for lack of control may be required. There are various ways to protect a noncontrolling owner from the risk of being in a noncontrolling position, thereby reducing the amount of the discount for lack of control. Protecting a noncontrolling owner can be accomplished through several avenues including the following:

- Articles of incorporation (formation documents),
- Cumulative voting,
- Preemptive rights,
- Supermajority,
- Shareholder, partnership or member agreements,
- Employment agreements,
- Right of first refusal and

²¹ Shannon P. Pratt, and Niculita, Alina V., *Valuing a Business*, 5th Edition (New York: McGraw-Hill, Inc., 2008): 385.

- Other agreements.

We have considered those factors that we believe are relevant to this valuation. Since we are valuing a noncontrolling interest, a control premium is not warranted.

DISCOUNT FOR LACK OF CONTROL

In a fair market value valuation, a DLOC is a reduction in the control value of the valuation subject to reflect the fact that a noncontrolling owner cannot control the daily activities or policy decisions of an enterprise, thus reducing its value. The size of the discount will depend on the size of the interest being valued, the amount of control it might have, the owner's ability to liquidate the company and other factors.

A DLOC is basically the opposite of a premium for control. This type of discount is used to obtain the value of a noncontrolling interest in the valuation subject, when a control value is the starting point. The starting point is determined based on the method of valuation and the normalization adjustments made.

A DLOC can be mathematically calculated using control premiums that are measured in the public market. Data about control premiums are not available for closely-held businesses, so the valuation analyst uses transactions from the public stock market to act as a gauge as to the amount of premium paid in transactions involving buyouts. This data is tracked by several sources. The most widely used is *Mergerstat*[®] *Review*, which is published annually by FactSet Mergerstat, LLC and contains information about sales of operating companies. However, the valuation subject is an interest in a closely-held asset holding entity and the data from *Mergerstat*[®] *Review* is not relevant.

A noncontrolling owner is disadvantaged due to the lack of legal rights that correspond to its ownership. Other than proving that a noncontrolling owner is "oppressed," which is a legal concept beyond the qualifications of a valuation analyst, there is little that a noncontrolling owner can do to control his or her investment. Therefore, a DLOC is deemed appropriate for this type of interest.

Discounts will be greater for an interest in a privately-held business than in a public company because it is more difficult to sell a noncontrolling interest when there is virtually no market for the shares. This additional element of discount will be addressed separately in the DLOM section.

There are many factors that can impact the degree of control a noncontrolling owner has over the operations. When the control elements are not available to the ownership interest being valued, the value is reduced accordingly. The information in Table 4 summarizes some of the factors that might influence the value of minority interests relative to controlling interests:

**TABLE 4
FACTORS AFFECTING THE DEGREE OF CONTROL**

Factors That May Increase a Minority Discount or a Control Premium

- The presence of nonvoting stock.
- An extreme lack of consideration for the interests of minority stockholders on the part of the company's management, board of directors, and/or majority owners.

Factors That May Decrease a Minority Interest Discount or a Control Premium

- The presence of enough minority interest votes to elect or have meaningful input on electing one or more directors in a company with cumulative voting.
- The presence of enough minority interest votes to block certain actions (subject to state statutes and/or articles of incorporation).
- The presence of state statutes granting certain minority stockholder rights.

Factors That May Increase OR Decrease a Minority Interest Discount or a Control Premium

- The distribution of other shares (e.g., two shares when two others own 49 shares each are more valuable than two shares when 49 others own two shares each).
- The level of distributions, if any.

Source: Adapted from Thomson Reuters Checkpoint *PPC's Guide to Business Valuations*, 2018: 8-19.

In this valuation, the control marketable value of the entity was determined using the asset-based approach. However, to realize this value, an investor would have to be able to gain access to and liquidate, the underlying assets of the entity. If noncontrolling owners were afforded this level of control, a noncontrolling interest might well be worth a pro rata share of the control marketable value. However, this is not the case. The basis for lack of control adjustments for a noncontrolling interest arises from a range of factors that include:

- A noncontrolling owner cannot control the day-to-day management or operation of the entity.
- A noncontrolling owner cannot control the amount or timing of income distributions.
- A noncontrolling owner does not have specific claims on the underlying assets of the entity and cannot compel the dissolution of the entity or the liquidation of its underlying assets.
- A noncontrolling owner cannot change the management of the entity.
- A noncontrolling owner cannot amend the agreement.
- A noncontrolling owner cannot elect successor managers.

The adjusted book value method develops a freely-traded, control value of the entity's net assets and does not provide an indication of value for a noncontrolling interest in the entity. A DLOC is appropriate because a noncontrolling interest is an indirect ownership interest in the underlying assets owned by the entity. A noncontrolling owner has no right or authority to act for or bind the entity, no control over the day-to-day conduct of the entity, policy or investment decisions, or the amount or timing of distributions to be made and cannot decide the timing or amount of the sale of the entity's assets.

A method of estimating a DLOC is to draw a parallel between an entity's portfolio and CEFs. Hundreds of CEFs are available for numerous investment options. Prices paid for publicly-traded shares in a CEF represent noncontrolling interests in fully-marketable securities. Therefore, if the net asset value of a CEF can be determined and compared with the freely-traded price of the fund, it can be determined when and under what conditions

the market affords a discount (or premium) to the net asset value of a noncontrolling interest in the fund.

Unlike open-end mutual funds, CEFs issue a fixed number of shares. Therefore, investors must buy shares from other investors, not the fund itself. These CEFs mirror the motivations of buyers and sellers and offer empirical evidence for the determination of the appropriate magnitude of the DLOC to be applied.

We located CEFs by category from *CEF Connect*. We obtained price and discount data for the CEFs as of December 28, 2020 from TagniFi. General equity CEFs were used as a proxy for Brown Investments' equity assets. This data is summarized in Table 5.

**TABLE 5
EQUITY CEFs**

<u>Fund</u>	<u>Ticker</u>	<u>Price Per Share</u>	<u>NAV Per Share</u>	<u>Premium/ (Discount)</u>
ADAMS DIVERSIFIED EQUITY FUND INC.	ADX	17.2	20.0	-13.8%
CORNERSTONE STRATEGIC VALUE FUND INC.	CLM	11.7	9.8	19.2%
CORNERSTONE TOTAL RETURN FUND INC. (THE)	CRF	11.3	9.4	20.0%
CENTRAL SECURITIES CORPORATION	CET	32.1	39.0	-17.8%
BOULDER GROWTH & INCOME FUND INC.	BIF	11.1	13.5	-17.5%
MILLER/HOWARD HIGH INCOME EQUITY FUND OF BENEFICIAL INTEREST	HIE	7.6	8.5	-10.5%
LIBERTY ALL-STAR GROWTH FUND INC.	ASG	8.6	8.0	7.5%
LIBERTY ALL-STAR EQUITY FUND	USA	6.9	7.3	-5.8%
GABELLI EQUITY TRUST INC. (THE)	GAB	6.4	5.8	9.5%
GABELLI DIVIDEND & INCOME TRUST OF BENEFICIAL INTEREST	GDV	21.4	24.8	-13.7%
THE GABELLI GO ANYWHERE TRUST OF BENEFICIAL INTEREST	GGO	11.9	14.2	-15.8%
GENERAL AMERICAN INVESTORS INC.	GAM	37.1	44.0	-15.7%
FOXBY	FXBYD	2.2	-	
ROYCE VALUE TRUST INC.	RVT	16.3	18.6	-12.4%
ROYCE MICRO-CAP TRUST INC.	RMT	10.2	11.9	-14.1%
SPROTT FOCUS TRUST INC.	FUND	6.9	8.0	-14.1%
NUVEEN CORE EQUITY ALPHA FUND OF BENEFICIAL INTEREST	JCE	14.0	15.2	-7.9%
THE HERZFELD CARIBBEAN BASIN FUND INC.	CUBA	5.2	6.2	-16.9%
SPECIAL OPPORTUNITIES FUND INC	SPE	14.0	16.1	-12.8%
EAGLE CAPITAL GROWTH FUND INC.	GRF	7.9	9.4	-17.2%
NEUBERGER BERMAN REAL ESTATE SECURITIES INCOME FUND INC.	NRO	4.3	4.4	-2.3%
COHEN & STEERS QUALITY INCOME REALTY FUND INC	RQI	12.1	13.0	-7.2%
COHEN & STEERS TOTAL RETURN REALTY FUND INC.	RFI	13.2	13.0	1.6%

**TABLE 5
EQUITY CEFs**

Fund	Ticker	Price Per Share	NAV Per Share	Premium/ (Discount)
COHEN & STEERS REIT AND PREFERRED AND INCOME FUND INC.	RNP	22.1	23.4	-5.7%
CBRE CLARION GLOBAL REAL ESTATE INCOME FUND	IGR	6.8	8.0	-14.9%
ABERDEEN GLOBAL PREMIER PROPERTIES FUND OF BENEFICIAL INTEREST	AWP	5.2	6.0	-12.4%
PRINCIPAL REAL ESTATE INCOME FUND OF BENEFICIAL INTEREST	PGZ	12.0	14.9	-19.7%
NUVEEN REAL ESTATE INCOME FUND OF BENEFICIAL INTEREST	JRS	8.3	9.6	-12.9%
JOHN HANCOCK HEDGED EQUITY & INCOME FUND OF BENEFICIAL INTEREST	HEQ	11.4	12.7	-10.5%
LAZARD GLOBAL TOTAL RETURN AND INCOME FUND	LGI	18.0	19.5	-7.9%
THE EUROPEAN EQUITY FUND INC.	EEA	10.6	12.2	-13.2%
GABELLI GLOBAL SMALL AND MID CAP VALUE TRUST (THE) OF BENEFICIAL INTEREST	GGZ	12.8	15.1	-15.5%
FIRST TRUST DYNAMIC EUROPE EQUITY INCOME FUND OF BENEFICIAL INTEREST	FDEU	11.7	13.7	-14.1%
JOHN HANCOCK TAX-ADVANTAGED GLOBAL SHAREHOLDER YIELD FUND OF BENEFICIAL INTEREST	HTY	5.5	6.4	-13.1%
CLOUGH GLOBAL EQUITY FUND OF BENEFICIAL INTEREST	GLQ	13.8	16.1	-14.0%
CALAMOS LONG/SHORT EQUITY & DYNAMIC INCOME TRUST	CPZ	17.4	20.7	-15.3%
EATON VANCE TAX-ADVANTAGED GLOBAL DIVIDEND INCOME FUND OF BENEFICIAL INTEREST	ETG	18.0	19.5	-7.7%
ABERDEEN TOTAL DYNAMIC DIVIDEND FUND	AOD	8.8	10.3	-13.9%
ABERDEEN GLOBAL DYNAMIC DIVIDEND FUND	AGD	10.4	12.0	-13.0%
WELLS FARGO GLOBAL DIVIDEND OPPORTUNITY FUND	EOD	4.8	5.5	-11.4%
VOYA INFRASTRUCTURE INDUSTRIALS AND MATERIALS FUND OF BENEFICIAL INTEREST	IDE	10.8	12.2	-11.9%
ROYCE GLOBAL VALUE TRUST INC.	RGT	13.4	14.7	-8.7%
Low				-19.7%
25th Percentile				-14.5%
Mean				-9.6%
Median				-12.9%
75th Percentile				-7.8%
High				20.0%
Standard Deviation				9.0%
Coefficient of Variation				-93.8%

With respect to The LP's municipal bond portfolio, we used municipal bond CEFs as a proxy which appear in Table 6.

**TABLE 6
MUNICIPAL BONDS CEFs**

Fund	Ticker	Price Per Share	NAV Per Share	Premium/ (Discount)
EATON VANCE MUNICIPAL INCOME 2028 TERM TRUST OF BENEFICIAL INTEREST	ETX	22.1	21.7	1.5%
EATON VANCE MUNICIPAL INCOME TRUST EATON VANCE NATIONAL MUNICIPAL OPPORTUNITIES TRUST	EOT	20.2	21.8	-7.1%
FEDERATED HERMES PREMIER MUNICIPAL INCOME FUND	FMN	14.3	15.7	-8.6%
INVESCO MUNICIPAL TRUST	VKQ	12.6	13.7	-8.2%
INVESCO TRUST FOR INVESTMENT GRADE MUNICIPALS (DE)	VGM	13.0	14.1	-7.5%
INVESCO MUNICIPAL OPPORTUNITY TRUST	VMO	12.6	13.7	-7.8%
INVESCO ADVANTAGE MUNICIPAL INCOME TRUST II OF BENEFICIAL INTEREST (DE)	VKI	11.2	12.2	-8.5%
INVESCO MUNICIPAL INCOME OPPORTUNITIES TRUST	OIA	7.7	7.7	-0.9%
INVESCO QUALITY MUNICIPAL INCOME TRUST	IQI	12.8	13.8	-7.8%
INVESCO VALUE MUNICIPAL INCOME TRUST	IIM	15.4	16.8	-8.5%
MFS MUNICIPAL INCOME TRUST	MFM	6.5	7.4	-11.3%
NEUBERGER BERMAN MUNICIPAL FUND INC. MAINSTAY MACKAY DEFINEDTERM MUNICIPAL OPPORTUNITIES FUND	NBH	15.0	15.3	-2.4%
MFS INVESTMENT GRADE MUNICIPAL TRUST	MMD	21.4	21.0	2.3%
MFS HIGH INCOME MUNICIPAL TRUST	CXH	9.7	10.8	-10.6%
MFS MUNICIPAL INCOME TRUST	CXE	4.9	5.3	-7.7%
MFS MUNICIPAL INCOME TRUST	CMU	4.3	4.8	-9.4%
NUVEEN SELECT TAX FREE INCOME PORTFOLIO	NXP	17.3	16.5	5.1%
NUVEEN MUNICIPAL INCOME FUND INC.	NMI	11.2	11.3	-1.3%
NUVEEN SELECT TAX FREE INCOME PORTFOLIO II	NXQ	15.7	15.7	-0.2%
NUVEEN SELECT TAX FREE INCOME PORTFOLIO III	NXR	17.2	16.9	1.7%
NUVEEN SELECT MATURITIES MUNICIPAL FUND	NIM	10.6	10.8	-1.9%
BLACKROCK MUNICIPAL INCOME TRUST II	BLE	15.3	15.2	1.3%
BLACKROCK LONG-TERM MUNICIPAL ADVANTAGE TRUST OF BENEFICIAL INTEREST	BTA	12.7	13.0	-2.5%
BLACKROCK MUNIHOLDINGS FUND INC.	MHD	16.0	17.3	-7.3%
BLACKROCK MUNIVEST FUND INC.	MVF	9.1	9.9	-8.4%
BLACKROCK MUNIVEST FUND II INC.	MVT	14.6	15.6	-6.1%
BLACKROCK MUNIYIELD FUND INC.	MYD	14.1	15.2	-7.6%
BLACKROCK MUNI INTERMEDIATE DURATION FUND INC	MUI	14.8	16.1	-8.2%
BLACKROCK MUNIHOLDINGS QUALITY FUND II INC.	MUE	13.3	14.3	-7.0%
BLACKROCK MUNIYIELD QUALITY FUND III INC	MYI	14.1	15.3	-8.1%
BLACKROCK MUNIYIELD QUALITY FUND INC.	MQY	16.7	16.6	0.7%
BLACKROCK MUNIYIELD QUALITY FUND II INC.	MQT	13.8	14.6	-5.5%
BLACKROCK MUNIASSETS FUND INC	MUA	14.6	14.4	1.0%
BLACKROCK MUNIHOLDINGS INVESTMENT QUALITY FUND OF BENEFICIAL INTEREST	MFL	13.9	15.1	-8.0%

**TABLE 6
MUNICIPAL BONDS CEFs**

<u>Fund</u>	<u>Ticker</u>	<u>Price Per Share</u>	<u>NAV Per Share</u>	<u>Premium/ (Discount)</u>
BLACKROCK MUNICIPAL 2030 TARGET TERM TRUST	BTT	25.2	26.8	-5.9%
BNY MELLON STRATEGIC MUNICIPALS INC.	LEO	8.3	8.7	-4.3%
BNY MELLON MUNICIPAL INCOME INC.	DMF	8.7	9.3	-6.8%
BLACKROCK MUNICIPAL INCOME QUALITY TRUST OF BENEFICIAL INTEREST	BYM	14.9	15.9	-6.2%
BLACKROCK INVESTMENT QUALITY MUNICIPAL TRUST INC. (THE)	BKN	17.2	16.7	3.0%
BLACKROCK MUNICIPAL INCOME TRUST	BFK	15.3	14.7	3.9%
ALLIANCEBERNSTEIN NATIONAL MUNICIPAL INCOME FUND INC	AFB	14.0	15.4	-9.1%
DELAWARE INVESTMENTS NATIONAL MUNICIPAL INCOME FUND	VFL	13.2	14.9	-11.1%
DTF TAX-FREE INCOME INC.	DTF	14.8	16.1	-8.3%
DWS MUNICIPAL INCOME TRUST	KTF	11.3	12.8	-11.8%
DWS STRATEGIC MUNICIPAL INCOME TRUST	KSM	11.3	12.7	-11.5%
EATON VANCE MUNICIPAL BOND FUND OF BENEFICIAL INTEREST \$.01 PAR VALUE	EIM	13.3	14.3	-6.8%
EATON VANCE MUNICIPAL INCOME TRUST	EVN	13.3	14.3	-7.2%
BNY MELLON STRATEGIC MUNICIPAL BOND FUND INC.	DSM	7.6	8.3	-8.4%
BNY MELLON MUNICIPAL BOND INFRASTRUCTURE FUND INC.	DMB	14.0	14.5	-4.0%
NUVEEN ENHANCED MUNICIPAL VALUE FUND OF BENEFICIAL INTEREST	NEV	15.7	15.5	1.6%
NUVEEN AMT-FREE MUNICIPAL CREDIT INCOME FUND	NVG	16.4	17.3	-5.2%
NUVEEN MUNICIPAL HIGH INCOME OPPORTUNITY FUND \$0.01 PAR VALUE PER SHARE	NMZ	14.2	14.0	1.3%
NUVEEN AMT-FREE MUNICIPAL VALUE FUND	NUW	16.5	17.4	-4.7%
NUVEEN MUNICIPAL CREDIT INCOME FUND	NZF	15.7	16.8	-6.4%
NUVEEN AMT-FREE QUALITY MUNICIPAL INCOME FUND OF BENEFICIAL INTEREST PAR VALUE \$.01	NEA	14.8	16.0	-7.5%
NUVEEN MUNICIPAL CREDIT OPPORTUNITIES FUND	NMCO	12.8	14.0	-9.1%
NUVEEN QUALITY MUNICIPAL INCOME FUND	NAD	15.1	16.3	-7.7%
NUVEEN INTERMEDIATE DURATION MUNICIPAL TERM FUND OF BENEFICIAL INTEREST	NID	13.9	14.3	-3.1%
NUVEENN INTERMEDIATE DURATION QUALITY MUNICIPAL TERM FUND OF BENEFICIAL INTEREST	NIQ	14.5	14.9	-2.4%
NUVEEN MUNICIPAL VALUE FUND INC.	NUV	11.1	10.7	3.5%
NUVEEN DYNAMIC MUNICIPAL OPPORTUNITIES FUND OF BENEFICIAL INTEREST	NDMO	15.6	15.7	
PIMCO MUNICIPAL INCOME FUND III OF BENEFICIAL INTEREST	PMX	11.8	11.4	4.5%
PIMCO MUNICIPAL INCOME FUND II OF BENEFICIAL INTEREST	PML	14.2	12.4	14.3%
PIMCO MUNICIPAL INCOME FUND	PMF	13.6	13.2	3.1%
PIONEER MUNICIPAL HIGH INCOME ADVANTAGE FUND INC.	MAV	11.6	12.4	-6.4%

**TABLE 6
MUNICIPAL BONDS CEFs**

<u>Fund</u>	<u>Ticker</u>	<u>Price Per Share</u>	<u>NAV Per Share</u>	<u>Premium/ (Discount)</u>
PIONEER MUNICIPAL HIGH INCOME FUND INC.	MHI	12.1	13.3	-8.8%
PUTNAM MANAGED MUNICIPAL INCOME TRUST	PMM	7.8	8.2	-4.8%
PUTNAM MUNICIPAL OPPORTUNITIES TRUST	PMO	13.3	13.9	-4.2%
RIVERNORTH MANAGED DURATION MUNICIPAL INCOME FUND INC.	RMM	17.6	19.4	-9.6%
RIVERNORTH OPPORTUNISTIC MUNICIPAL INCOME FUND INC.	RMI	21.0	23.3	-9.6%
RIVERNORTH FLEXIBLE MUNICIPAL INCOME FUND INC.	RFM	21.4	23.2	
WESTERN ASSET INTERMEDIATE MUNI FUND INC	SBI	9.2	10.4	-11.6%
WESTERN ASSET MANAGED MUNICIPALS FUND INC.	MMU	12.7	14.0	-9.2%
WESTERN ASSET MUNICIPAL HIGH INCOME FUND INC.	MHF	7.4	8.1	-8.2%
WESTERN ASSET MUNICIPAL PARTNERS FUND INC.	MNP	14.8	16.9	-12.5%
Low				-12.5%
25th Percentile				-8.4%
Mean				-5.0%
Median				-6.8%
75th Percentile				-1.6%
High				14.3%
Standard Deviation				5.1%
Coefficient of Variation				-102.5%

We used the median implied discounts for the CEFs as a starting point. The median discount was selected due to its lower susceptibility in comparison to the average. Next, we considered various qualitative factors that impact the DLOC.

- The CEFs are professionally managed and subject to regulatory oversight, unlike The LP. This increases the DLOC.
- A 49.5 percent limited partnership interest has the right to vote on certain matters and block certain actions according to The Partnership Agreement. This factor lowers the DLOC.

Based on these factors, we did not apply an adjustment to the median DLOC. Therefore, the weighted average DLOC was calculated as shown in Table 7.

**TABLE 7
DLOC ANALYSIS**

	<u>Fair Market Value</u>	<u>% of Total</u>	<u>DLOC</u>	<u>Weighted DLOC</u>
Cash	\$ 14,947	0.5%	0.0%	0.0%
Equities	2,585,718	81.1%	12.9%	10.4%
Municipal Bonds	<u>586,056</u>	18.4%	6.8%	<u>1.2%</u>
TOTAL	<u>\$ 3,186,720</u>			<u>11.7%</u>

Note: Figures may not add due to rounding.

DISCOUNT FOR LACK OF MARKETABILITY

A DLOM is used to compensate for the difficulty of selling shares of stock that are not traded on a stock exchange compared with those that can be traded publicly. If an investor owns shares in a public company, he or she can pick up the telephone, call a broker and generally convert the investment into cash within three days. That is not the case with an investment in a closely-held business. Therefore, publicly-traded stocks frequently have an element of liquidity that closely-held shares do not. This is the reason that a DLOM may be applied. It is intended to reflect the market's perceived reduction in value for not providing liquidity to the owner. Also, it is important to understand that liquidity is not an on-off switch, where you either have it or you do not. Rather, liquidity is a continuum where there are varying degrees in both the public market and for private companies.

A DLOM may also be appropriate when the shares have either legal or contractual restrictions placed upon them. These may be in the form of restricted stock, restrictions resulting from buy-sell agreements, bank loan restrictions or other types of contracts that restrict the sale of the shares.

DLOM - QUALITATIVE ANALYSIS

This section of the report includes a discussion and analysis of qualitative factors that should be considered when quantifying the DLOM.

RESTRICTED STOCK STUDIES

One of the most common sources of data for determining an appropriate level of a DLOM is studies involving restricted stock purchases. Revenue Ruling 77-287 refers to the *Institutional Investor Study Report of the Securities and Exchange Commission*, which addresses restricted stock issues.²² Many studies have updated this report.

Restricted stock (or letter stock, as it is sometimes called) is stock issued by a corporation that is not registered with the U.S. Securities and Exchange Commission ("SEC") and cannot be readily sold into the public market. The stock is frequently issued when a corporation is first going public, making an acquisition or raising capital. Corporations issue restricted stock rather than tradable stock mainly to avoid downward pressure on their stock price when an excessive number of shares are available for sale at any one time and to avoid the costs of registering the securities with the SEC.

The registration exemption on restricted stocks is granted under Section 4(2) of the 1933 Securities Act. The intent of this section is to provide "small" corporations with the ability to raise capital without incurring the costs of a public offering. Regulation D, a safe harbor regulation that became effective in 1982, falls under Section 4(2) and provides uniformity in federal and state securities' laws regarding private placements of securities. Securities bought under Regulation D are subject to restrictions, the most important being that the securities cannot be resold without either registration under the act or an exemption.²³ The exemptions for these securities are granted under Rule 144, which states:

²² "Discounts Involved in Purchases of Common Stock (1966-1969)," *Institutional Investor Study Report of the Securities and Exchange Commission*, H.R. Doc. No. 64, Part 5, 92d Cong., 1st Sess. 1971: 2444-2456.

²³ Kasim L. Ali and Donald J. Thompson II, "The Value of the Resale Limitation on Restricted Stock: An Option Theory Approach," *Valuation* (1991): 23.

Rule 144 (17 C.F.R. 230.144 1980) allows the limited resale of unregistered (restricted) securities after a minimum holding period of two years. Resale is limited to the higher of 1 percent of outstanding stock or average weekly volume over a 4 week period prior to the sale, during any three month period. There is no quantity limitation after a four year holding period.²⁴

Therefore, to sell their stock on the public market, holders of restricted stock must either register their securities with the SEC or qualify for a Rule 144 exemption. A holder of restricted stock can, however, trade the stock in a private transaction. Historically, when traded privately, the restricted stock transaction was usually required to be registered with the SEC. However, in 1990, the SEC adopted Rule 144A, which relaxed the SEC filing restrictions on private transactions. The rule allows qualified institutional investors to trade unregistered securities among themselves without filing registration statements. The primary purpose of Rule 144A was to make it easier for institutions that were prohibited from dealing in illiquid securities to buy and sell debt securities from large publicly-traded corporations privately without the need for extensive SEC filings. In 1997, this rule was changed again, shortening the required holding period for these stocks to one year. In 2007, this rule was revised again, further shortening the holding period to six months effective in 2008.

A summary of the changes to Rule 144 is contained in Table 8.

**TABLE 8
CHANGES TO RULE 144**

Notes	1971 - 1983	1983 - 1990	1990 - 1997	1997 - 2007	2008 -
Announced Date	n/a	n/a	n/a	2/20/1997	11/15/2007
Effective Date	[a] 1/11/1972	9/23/1983	4/1/1990	4/29/1997	2/15/2008
<u>Affiliates</u>					
Initial Holding Period					
Reporting Issuers	2 Years	2 Years	2 Years	1 Year	6 Months
Nonreporting Issuers	2 Years	2 Years	2 Years	1 Year	1 Year
Tacking?	[b] No	No	Yes	Yes	Yes
Volume Limitations	[c]				
Reporting Issuers	Indefinitely	Indefinitely	Indefinitely	Indefinitely	Indefinitely
Nonreporting Issuers	Indefinitely	Indefinitely	Indefinitely	Indefinitely	Indefinitely
<u>Non-Affiliates</u>					
Initial Holding Period					
Reporting Issuers	2 Years	2 Years	2 Years	1 Year	6 Months
Nonreporting Issuers	2 Years	2 Years	2 Years	1 Year	1 Year
Tacking?	[b] No	No	Yes	Yes	Yes
Volume Limitations	[c][d]				
Reporting Issuers - Current	Indefinitely	3 Years	3 Years	2 Years	6 Months
Reporting Issuers - Noncurrent	Indefinitely	3 Years	3 Years	2 Years	1 Year
Nonreporting Issuers	Indefinitely	3 Years	3 Years	2 Years	1 Year

Highlighted items signify changes to Rule 144 versus the immediately prior period.

[a] Amendments to Rule 144 are applicable to securities acquired before or after the Effective Date.

[b] Allows purchases by nonaffiliates to tack the prior nonaffiliate owner's holding period onto his/her own.

[c] For exchange-listed and Nasdaq-quoted securities, up to the greater of: (i) 1% of the outstanding shares of the same class being sold; or (ii) the average reported weekly trading volume during the four weeks preceding each sale. For OTC securities (OTCBB and Pink Sheets), up to 1% of the outstanding shares of the same class being sold.

[d] Time period includes the Initial Holding Period. As an example, between 1997 and 2008, after one year nonaffiliates may begin to sell shares in accordance with Rule 144's volume limitations. After one additional year (two years total from the date of acquisition of the restricted shares), the shares may be sold freely.

The overall effect of these regulations on restricted stock is that when the shares are issued, the corporation is not required to disclose a price and on some occasions, even when they are traded, the values of the restricted securities are not required to be a matter of public record.

Various studies have been performed relating to restricted stocks. Each of these studies attempts to quantify the discount taken against the freely-traded price of noncontrolling shares in the public market. A list of the more frequently cited studies is included in Table 9.

**TABLE 9
RESTRICTED STOCK STUDIES**

Study	Years Covered In Study	Average Discount (%)
SEC Overall Average ^a	1966-1969	25.8
SEC Non-Reporting OTC Companies ^a	1966-1969	32.6
Gelman Study ^b	1968-1970	33.0
Trout Study ^c	1968-1972	33.5 ⁱ
Moroney Study ^d	^h	35.6
Maher Study ^e	1969-1973	35.4
Standard Research Consultants ^f	1978-1982	45.0 ^j
Willamette Management Associates ^g	1981-1984	31.2 ⁱ
Silber Study ^j	1981-1988	33.8
FMV Study ^k	1979-April 1992	23.0
FMV Restricted Stock Study ^l	1980-1997	22.3
Management Planning Study ^m	1980-1995	27.7
Bruce Johnson Study ⁿ	1991-1995	20.0
Columbia Financial Advisors ^o	1996-February 1997	21.0
Columbia Financial Advisors ^o	May 1997-1998	13.0
MPI Updated Study ^p	2000-2007	14.6
Trugman Valuation Associates ^q	2007-2008	18.1
Trugman Valuation Associates ^q	January-November 2007	17.6
Trugman Valuation Associates ^r	November 2007-2010	15.9
Stout Updated Study ^s	1980-September 19, 2020	20.6
Pluris DLOM Database ^t	2001-2012	22.4
SRR Restricted Stock Study ^u	September 2005-May 2010	9.3

Notes:

^a From "Discounts Involved in Purchases of Common Stock (1966-1969)," *Institutional Investor Study Report of the Securities and Exchange Commission*. H.R. Doc. No. 64, Part 5, 92d Cong., 1st Sess. 1971: 2444-2456.

- b From Milton Gelman, "An Economist-Financial Analyst's Approach to Valuing Stock of a Closely Held Company," *Journal of Taxation*, June 1972: 353-354.
- c From Robert R. Trout, "Estimation of the Discount Associated with the Transfer of Restricted Securities," *Taxes*, June 1977: 381-385.
- d From Robert E. Moroney, "Most Courts Overvalue Closely-held Stock," *Taxes*, March 1973: 144-154.
- e From J. Michael Maher, "Discounts for Lack of Marketability for Closely-Held Business Interests," *Taxes*, September 1976: 562-571.
- f From "Revenue Ruling 77-287 Revisited," *SRC Quarterly Reports*, Spring 1983: 1-3.
- g From Willamette Management Associates study (unpublished).
- h Although the years covered in this study are likely to be 1969-1972, no specific years were given in the published account.
- i Median discounts.
- j From William L. Silber, "Discounts on Restricted Stock: The Impact of Illiquidity on Stock Prices," *Financial Analysts Journal*, July-August 1991: 60-64.
- k Lance S. Hall and Timothy C. Polacek, "Strategies for Obtaining the Largest Discount," *Estate Planning*, January/February 1994: 38-44. In spite of the long time period covered, this study analyzed just over 100 transactions involving companies that were generally not the smallest capitalization companies. It supported the findings of the *SEC Institutional Investor Study* in finding that the discount for lack of marketability was higher for smaller capitalization companies.
- l Espen Robak and Lance S. Hall, "Bringing Sanity to Marketability Discounts: A New Data Source," *Valuation Strategies*, July/August 2001: 6-13, 45-46.
- m Robert P. Oliver and Roy H. Meyers, "Discounts Seen in Private Placements of Restricted Stock: The Management Planning, Inc. Long-Term Study (1980-1995)" published in Chapter 5 of Robert F. Reilly and Robert P. Schweih, eds. *The Handbook of Advanced Business Valuation* (New York: McGraw-Hill, Inc., 2000).
- n Bruce Johnson, "Restricted Stock Discounts, 1991-1995," *Shannon Pratt's Business Valuation Update*, March 1999: 1-3. Also, "Quantitative Support for Discounts for Lack of Marketability," *Business Valuation Review*, December 1999: 152-155.
- o Kathryn Aschwald, "Restricted Stock Discounts Decline as a Result of 1-Year Holding Period," *Shannon Pratt's Business Valuation Update*, May 2000: 1-5. This study focuses on the change in discounts as a result of the holding period reduction from two years to one year.
- p From *MPI Perspectives*, Winter 2009.
- q William Harris, "Trugman Valuation Associates, Inc. Restricted Stock Study," *Business Valuation Review*, Fall 2009: 128-139.
- r William Harris, "Trugman Valuation Associates, Inc. Restricted Stock Study - An Update," *Business Valuation Review*, Winter 2011: 132-139.

^s Stout Database, through September 19, 2020.

^t From Espen Robak, "An Updated Approach to Marketability Discounts: Evidence from the Pluris DLOM Database," *Valuation Strategies*, May/June 2010.

^u Aaron M. Stumpf, Robert L. Martinez and Christopher T. Stallman, "The Stout Risius Ross Restricted Stock Study: A Recent Examination of Private Placement Transactions from September 2005 through May 2010," *Business Valuation Review*, Spring 2011: 7-19.

The average discounts in the restricted stock studies have declined over the years due to the reduction in the Rule 144 holding period. Based on the dates of these studies and the types of companies included in the studies, we gave a lesser amount of consideration to these studies in the determination of the DLOM.

PRE-INITIAL PUBLIC OFFERING STUDIES

Another manner in which the business valuation community and users of its services determine discounts for lack of marketability is with the use of closely-held companies that underwent an initial public offering ("IPO") of its stock. In these instances, the value of the closely-held stock is measured before and after the company went public.

ROBERT W. BAIRD & CO. STUDIES

Robert W. Baird & Co., a regional investment banking firm has conducted 11 studies over time periods ranging from 1980 through 2000, comparing the prices in closely-held stock transactions when no public market existed with the prices of subsequent IPOs in the same stocks. Based on the studies, the average discount has been 47 percent, while the median discount is 48 percent.

WILLAMETTE MANAGEMENT ASSOCIATES STUDY

A similar private, unpublished study has been performed by Willamette Management Associates. Based on these studies, which were performed from 1975 through 2002, the average discounts ranged from a low of 8 percent to a premium of 195.8 percent.

VALUATION ADVISORS' LACK OF MARKETABILITY DISCOUNT STUDY

The Valuation Advisors' Lack of Marketability Discount Study™ compares the IPO stock price to pre-IPO common stock, common stock options and convertible preferred stock prices. The study is a web-based tool used to quantify lack of marketability discounts and includes more than 9,000 pre-IPO transactions from 1985 through 2019. A closer analysis of the data contained in the database revealed that the pre-IPO discounts ranged from a premium of 7,564 percent to a discount of 100 percent. Due to the wide range of these discounts, we did not use this data when considering the selection of the DLOM.

CONCLUSION - QUALITATIVE ANALYSIS

As far back as 1977, through Revenue Ruling 77-287, the IRS recognized the effectiveness of restricted stock study data in providing useful information for the quantification of discounts for lack of marketability. The Baird, Willamette and Valuation Advisors' studies of transactions in closely-held stocks did not exist at that time, but the IRS and the courts have been receptive to using this data to assist in quantifying discounts for lack of marketability. The pre-IPO studies are proof that larger discounts can be justified than those quoted from the restricted stock studies.

One of the best explanations of why a DLOM varies from case to case was included in an article published by Robert E. Moroney entitled "Why 25% Discount for Nonmarketability in One Valuation, 100% in Another?"²⁵ In Moroney's article, he points out 11 factors that should be considered in the application of a DLOM. These factors are as follows:

1. High dividend yield: Companies that pay dividends tend to be more marketable than companies that do not.
2. Bright growth prospects: Companies that have bright growth prospects are easier to sell than companies that do not. This makes them more marketable.
3. Swing value: If a block of stock has swing value, it may be more marketable than the typical small block of stock. This swing value could include a premium. This can be emphasized where a 2 percent interest exists with two 49 percent interests. The 2 percent interest

²⁵

Taxes, May 1977.

can be worth quite a bit to either 49 percent interest if it will give that interest control of the company.

4. Restrictions on transfer: Restrictions on transfer make the stock less marketable due to the difficulty in selling them.
5. Buy-sell agreements: Buy-sell agreements can go either way. The agreement can create a market for the stock, making it more marketable, or the agreement can restrict the sale making it less marketable.
6. Stock's quality grade: The better the quality of the stock, the more marketable it will be. This can be evidenced by comparing the subject company to others for supporting strengths and weaknesses.
7. Controlling shareholder's honesty: The integrity of the controlling shareholder can make a big difference regarding the ability to sell a partial interest in a company. If the controlling shareholder tends to deal with the other shareholders honestly, the other interests in that company tend to be more marketable.
8. Controlling shareholder's friendliness: Similar to the shareholder's honesty, the manner in which he or she deals with others can make the stock more marketable.
9. Prospects for the corporation: If a corporation has good prospects for the future, it will generally be more marketable.
10. Prospects for the industry: A company that is in an industry with good prospects will also generally be more marketable.
11. Mood of the investing public: When the investing public is bullish, they are more readily willing to make an investment. This can increase the marketability.

The factors that affect the subject interest are as follows:

Dividend Yield: The entity was recently formed and has no history of earnings or distributions. The expected income from the entity's portfolio would result in a low implied yield. This is a negative factor that increases the DLOM.

Growth Prospects: The entity's growth prospects are in line with the equity markets, which have rebounded after the pandemic and are expected to continue to advance. This is a positive factor that reduces the DLOM.

Degree of Control: The valuation subject is a noncontrolling interest. This factor was considered in the derivation of the DLOC.

Restrictions on Transfer: The subject interest is restricted by The Agreement. This is a negative factor that increases the DLOM.

Buy-Sell Agreements: There are no buy-sell agreements. This limits the marketplace for the interest.

Stock Quality Grade: The valuation subject is an investment in an entity that owns a well-diversified portfolio of marketable securities and bonds. However, the expected dividend yield is low compared to alternative investments in the marketplace. This is a negative factor that increases the DLOM.

Mood of the Investing Public: Investor confidence was positive as of the valuation date. This is a positive factor that reduces the DLOM.

DLOM - QUANTITATIVE ANALYSIS

Another methodology used to quantitatively determine the DLOM is stock option models. As an additional methodology to quantify the DLOM, the valuation analyst looked at the Black-Scholes option pricing model. David B.H. Chaffe III reflects on the use of option pricing models to estimate the costs of marketability as follows:

When provided with an option to sell, otherwise non-marketable shares are given marketability. (For instance, we see this type of provision in Employee Share Ownership Plans where, in such cases, marketable level values are found).

Following this logic, the cost or price of the option to sell (a put option) represents all (or a major portion) of the discount to be taken from the marketable price to price the non-marketable shares.²⁶

²⁶

David B.H. Chaffe III, "Option Pricing as a Proxy for Discount for Lack of Marketability in Private Company Valuations," *Business Valuation Review*, Vol. 12, No. 4 (December 1993): 182.

This writer indicates that the cost of marketability is similar to buying a put option on the underlying security. The put option gives the investor the right to sell a stock at some point in the future, which reflects marketability. J. Michael Julius and Matthew R. Crow of Mercer Capital, Inc. agree in their article titled, "Why Not Black-Scholes Rather Than The QMDM?" where they state:

We find the Black-Scholes option pricing model useful when valuing options on publicly traded securities and restricted stocks with registered counterparts.²⁷

An equity interest in Brown Investments in essence a restricted holding in a company. In this case, the interests have not been restricted by the SEC, but instead by The Partnership Agreement and the private nature of the entity. The restrictions on the equity are based on the lack of a public market. While this is not a pure case of where a stock option model applies, it can provide us with a reasonable basis for a discount.

Due to the fact that there are no publicly-traded equity options of Brown Investments, we turned to publicly-traded proxies. In these case, we analyzed the underlying volatility for The LP's underlying assets. We determined that the most appropriate proxy to use for Brown Investments' equity portfolio would be the VIX index, which measures the volatility of the overall market. With respect to The LP's municipal bond assets, we used the volatility for the iShares Municipal Bond Index ("MUB").

Using the Black-Scholes option pricing model, we calculated the values of put options using these indices, which serve as a proxy for Brown Investments. By purchasing an "at the money" put option, an investor can protect the market price of his or her investment by locking in the market price of his or her position, which defends against a drop in market value.

In calculating the value of put options for The LP, we used the Black-Scholes option pricing model with the following inputs:

²⁷ J. Michael Julius, ASA, CFA and Matthew R. Crow, A.M., "Why Not The Black-Scholes Option Pricing Model Rather Than The QMDM," Z. Christopher Mercer, ASA, CFA, *Quantifying Marketability Discounts* (Memphis: Peabody, 1997): 403.

- The noncontrolling, marketable value of Brown Investments was used as the value of the stock and the exercise price.
- A term of five years was used to estimate the long-term holding period for a noncontrolling interest in a closely-held business.
- The weighted average volatility of the VIX and MUB indices as of December 28, 2020 was input into the model as the volatility estimate. This was calculated as follows:

	<u>Fair Market Value</u>	<u>% of Total</u>	<u>Volatility</u>	<u>Weighted Volatility</u>
Cash	\$ 14,947	0.5%	0.0%	0.0%
Equities	2,585,718	81.1%	21.7%	17.6%
Municipal Bonds	<u>586,056</u>	18.4%	5.6%	<u>1.0%</u>
TOTAL	<u>\$ 3,186,720</u>			<u>18.6%</u>

Note: Figures may not add due to rounding.

- The risk-free rate was estimated based on the yield on a five-year treasury note, which approximates the term of the option.

Based on the assumptions, the DLOM using the put option model was calculated as shown in Table 10.

**TABLE 10
BLACK-SCHOLES CALCULATION**

INPUT VARIABLES

Term (In Years):	5
Volatility (Annual):	18.60%
Risk-Free Rate:	0.38%

DLOM **15.00%**

Based on these inputs, the implied DLOM was 15 percent on a rounded basis. This discount serves as a proxy for the cost of liquidity for an investor in Brown Investments.

The largest assumption in the option pricing model is that the future volatility of the indices will resemble the past.

CONCLUSION

The studies discussed on the previous pages indicate that when an investor does not have access to an active, liquid market, their investment is worth less. An investor in Brown Investments does not have access to an active, liquid market and therefore, these studies have relevance as they are objective information and data that measures the loss in value due to illiquidity. However, some of the studies were old and performed over 20 years ago, during considerably different economic environments. Furthermore, the more recent studies are less relevant due to the shorter holding period requirement for publicly-traded securities.

A seller, on the other hand, would gain liquidity and the ability to determine his or her own investments. The ability to obtain control and liquidity has value to a seller that might cause him to reduce the selling price.

The implied illiquidity discount of 15 percent using the Black-Scholes model provides guidance about the reduction in value that would be required in a hypothetical transaction of an interest in Brown Investments as of December 28, 2020. A noncontrolling owner would not be able to realize the pro rata share of The LP's adjusted book value as of the valuation date. Therefore, a DLOM is warranted.

We used the DLOM indication of 15 percent from the Black-Scholes model as a starting point. Next, we considered the fact that the volatility metric used in the Black-Scholes option pricing model was based on an index, which contains a portfolio of liquid assets. The valuation subject is a 49.5 percent interest in a closely-held holding company that does not have the same level of liquidity and is subject to the transfer restrictions contained in The Partnership Agreement. Therefore, we increased the implied DLOM of 16 percent based on the Black-Scholes model by 33 percent, or a factor of 1.33, to 20 percent to account for

the additional restrictions and lack of liquidity associated with a noncontrolling interest investment in Brown Investments.

SOURCES OF INFORMATION UTILIZED

Several sources of information were used to complete this business valuation. These were as follows:

1. Brown Investments, Ltd. Agreement of Limited Partnership dated December 28, 2020.
2. Amendment to the Brown Investments, Ltd. Agreement of Limited Partnership dated December 28, 2020.
3. Assignment of Partnership Interest between Nicholas S. Glass and Sheryl L. Glass dated December 28, 2020.
4. State of Florida Certificate of Formation for Brown Investments, Ltd. filed on December 28, 2020.
5. Brown Investments, Ltd. Securities portfolio high and low values as of December 28, 2020.
6. UBS Portfolio Management Program statement for Brown Investments, Ltd. for December 2020.
7. Other items referenced throughout this report.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

This valuation is subject to the following assumptions and limiting conditions:

1. The conclusion of value arrived at herein is valid only for the stated purpose as of the date of the valuation.
2. Financial statements and other related information provided by the business or its representatives, in the course of this engagement, have been accepted without any verification as fully and correctly reflecting the enterprise's business conditions and operating results for the respective periods, except as specifically noted herein. Trugman Valuation Associates, Inc. has not audited, reviewed, or compiled the financial information provided to us and, accordingly, we express no audit opinion or any other form of assurance on this information.
3. Public information and industry and statistical information have been obtained from sources we believe to be reliable. However, we make no representation as to the accuracy or completeness of such information and have performed no procedures to corroborate the information.
4. We do not provide assurance on the achievability of the results forecasted by or for the subject company because events and circumstances frequently do not occur as expected; differences between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans, and assumptions of management.
5. The conclusion of value arrived at herein is based on the assumption that the current level of management expertise and effectiveness would continue to be maintained, and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed.
6. This report and the conclusion of value arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein. They may not be used for any other purpose or by any other party for any purpose. Furthermore the report and conclusion of value are not intended by the author and should not be construed by the reader to be investment advice in any manner whatsoever. The conclusion of value represents the considered opinion of Trugman Valuation Associates, Inc., based on information furnished to them by the subject company and other sources.
7. Neither all nor any part of the contents of this report (especially the conclusion of value, the identity of any valuation specialist(s), or the firm with which such

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

valuation specialists are connected or any reference to any of their professional designations) should be disseminated to the public through advertising media, public relations, news media, sales media, mail, direct transmittal, or any other means of communication without the prior written consent and approval of Trugman Valuation Associates, Inc.

8. Future services regarding the subject matter of this report, including, but not limited to testimony or attendance in court, shall not be required of Trugman Valuation Associates, Inc. unless previous arrangements have been made in writing.
9. Trugman Valuation Associates, Inc. is not an environmental consultant or auditor, and it takes no responsibility for any actual or potential environmental liabilities. Any person entitled to rely on this report, wishing to know whether such liabilities exist, or the scope and their effect on the value of the property, is encouraged to obtain a professional environmental assessment. Trugman Valuation Associates, Inc. does not conduct or provide environmental assessments and has not performed one for the subject property.
10. Trugman Valuation Associates, Inc. has not determined independently whether the subject company is subject to any present or future liability relating to environmental matters (including, but not limited to CERCLA/Superfund liability) nor the scope of any such liabilities. Trugman Valuation Associates, Inc.'s valuation takes no such liabilities into account, except as they have been reported to Trugman Valuation Associates, Inc. by the subject company or by an environmental consultant working for the subject company, and then only to the extent that the liability was reported to us in an actual or estimated dollar amount. Such matters, if any, are noted in the report. To the extent such information has been reported to us, Trugman Valuation Associates, Inc. has relied on it without verification and offers no warranty or representation as to its accuracy or completeness.
11. Trugman Valuation Associates, Inc. has not made a specific compliance survey or analysis of the subject property to determine whether it is subject to, or in compliance with, the American Disabilities Act of 1990, and this valuation does not consider the effect, if any, of noncompliance.
12. No change of any item in this valuation report shall be made by anyone other than Trugman Valuation Associates, Inc., and we shall have no responsibility for any such unauthorized change.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

13. Unless otherwise stated, no effort has been made to determine the possible effect, if any, on the subject business due to future Federal, state, or local legislation, including any environmental or ecological matters or interpretations thereof.
14. We have conducted interviews with the current management of the subject company concerning the past, present, and prospective operating results of the company. Except as noted, we have relied on the representations of these individuals.
15. Except as noted, we have relied on the representations of the owners, management, and other third parties concerning the value and useful condition of all equipment, real estate, investments used in the business, and any other assets or liabilities, except as specifically stated to the contrary in this report. We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances or that the entity has good title to all assets.
16. All facts and data set forth in the report are true and accurate to the best of the valuation analyst's knowledge and belief. We have not knowingly withheld or omitted anything from our report affecting our value estimate.
17. Possession of this report, or a copy thereof, does not carry with it the right of publication of all or part of it, nor may it be used for any purpose without the previous written consent of the valuation analyst, and in any event only with proper authorization. Authorized copies of this report will be signed in blue ink by a director of Trugman Valuation Associates, Inc. Unsigned copies, or copies not signed in blue ink, should be considered to be incomplete.
18. Unless otherwise provided for in writing and agreed to by both parties in advance, the extent of the liability for the completeness or accuracy of the data, opinions, comments, recommendations and/or conclusions shall not exceed the amount paid to the valuation analysts for professional fees and, then, only to the party(s) for whom this report was originally prepared.
19. The conclusion reached in this report is based on the standard of value as stated and defined in the body of the report. An actual transaction in the business or business interest may be concluded at a higher value or lower value, depending on the circumstances surrounding the company, the subject business interest and/or the motivations and knowledge of both the buyers and sellers at that time. Trugman Valuation Associates, Inc. makes no guarantees as to what values individual buyers and sellers may reach in an actual transaction.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

20. No opinion is intended to be expressed for matters that require legal or other specialized expertise, investigation or knowledge beyond that customarily employed by valuation analysts valuing businesses.

Valuation of a 49.5 percent limited partnership interest in Brown Investments, Ltd.

VALUATION ANALYST'S REPRESENTATION

We represent that, to the best of our knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- we have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved.
- we have performed no services, as a valuation analyst or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this business valuation.
- our analyses, opinions, and conclusions were developed and this report has been prepared in conformity with the *Statement on Standards for Valuation Services*, promulgated by the Association of International Certified Professional Accountants, the *Uniform Standards of Professional Appraisal Practice*, promulgated by the Appraisal Foundation and the business valuation standards of the American Society of Appraisers.
- The Association of International Certified Professional Accountants and The American Society of Appraisers have a mandatory recertification program for all of its senior accredited members. All senior accredited members of our firm are in compliance with all of these organizations' programs.
- no one provided significant business and/or intangible asset valuation assistance to the person signing this certification other than William Harris.

**GARY R. TRUGMAN, C.P.A./A.B.V., F.A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**



Experience

President of Trugman Valuation Associates, Inc., a firm specializing in business valuation, economic damages and litigation support services. Business valuation experience includes a wide variety of assignments including closely-held businesses, professional practices and thinly traded public companies. Industries include but are not limited to security, automotive, funeral homes, health care, securities brokerage and financial institutions, retail, restaurants, manufacturing, trucking, service and professional business establishments. Assignments have also included the valuation of stock options and various types of intangible assets.

Business valuation, economic damages and litigation support services have been rendered for a variety of purposes including, but not limited to family law matters, business damages, lender liability litigation, buy-sell agreements, shareholder litigation, estate and gift tax matters, buying and selling businesses, malpractice litigation, wrongful death, sexual discrimination, age discrimination, wrongful termination, workers' compensation and breach of contract. Additional litigation services include reasonable compensation analysis for tax and non-tax assignments. Representation in litigation includes plaintiff, defendant, mutual and court-appointed neutral.

Court Testimony. Has been qualified as an expert witness in State Courts of Florida, New Jersey, New York, Pennsylvania, California, Connecticut, Michigan and Federal District Court in Newark, New Jersey; Hammond, Indiana; Atlanta, Georgia; Arlington, Virginia and New York, New York as well as in Bankruptcy Court in Dallas, Texas and has performed extensive services relating to court testimony. Testimony has also been provided in arbitration cases before the National Association of Securities Dealers and the American Stock Exchange, as well as other forms of arbitration.

Court Appearances. Has appeared in the following courts: *Florida* • Santa Rosa, Palm Beach, Polk, Lee, Broward, Miami-Dade, Leon, Pinellas, Duval, Collier and Escambia. *New Jersey* • Morris, Atlantic, Sussex, Bergen, Burlington, Passaic, Mercer, Middlesex, Monmouth, Essex, Hunterdon, Warren, Hudson and Union. *New York* • Bronx, Kings and Westchester. *Connecticut* • Fairfield, Milford/Ansonia and Middlesex. *Pennsylvania* • Montgomery, Lehigh, Philadelphia and Chester. *Massachusetts* • Middlesex. *Indiana* • Marion. *California* • San Jose. *Michigan* • Ottawa.

Court Appointments. Has been court appointed in New Jersey's Morris, Sussex, Essex, Union, Hunterdon, Somerset, Monmouth, Middlesex, Passaic, Warren, Bergen and Hudson counties by numerous judges, as well as Orange County, Florida and Cass County, Minnesota.

Mutual Expert. Regularly serves as a mutually-agreed upon expert.

Professional Designations

- **CPA:** Licensed in Florida (1996), New Jersey (1978) and New York (1977). (NJ and NY are inactive.)
- **ABV:** Accredited in Business Valuation designated by The Association of International Certified Professional Accountants (1998). Reaccredited in 2016.
- **MCBA:** Master Certified Business Appraiser designated by The Institute of Business Appraisers, Inc. (1999). Original certification (CBA) in 1987. Reaccredited in 2013. (Retired August 1, 2017).
- **FASA:** Accredited Senior Appraiser designated by the American Society of Appraisers (1991). Reaccredited in 2021. Received Fellow designation in 2021.

**GARY R. TRUGMAN, C.P.A./A.B.V., F.A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Education

- Masters in Valuation Sciences, Lindenwood College, St. Charles, MO (1990). Thesis topic: *Equitable Distribution Value of Small Closely-Held Businesses and Professional Practices.*
- B.B.A. in Accountancy, Bernard M. Baruch College, New York, NY (1977).

Faculty

- *National Judicial College*, Reno, Nevada 1997 through 2018.

Appraisal Education

- *7-Hour USPAP Update Course for Business Valuation*, American Society of Appraisers, 2021
- *2020 Forensic & Valuation Services Conference*, Association of International Certified Professional Accountants
- *2019 Forensic & Valuation Services Conference*, American Institute of Certified Public Accountants
- *2018 Advanced Business Valuation Conference*, American Society of Appraisers, 2018.
- *Forensic & Valuation Services Conference 2017*, Las Vegas, NV, American Institute of CPAs, 2017.
- *Forensic & Valuation Services Conference 2016*, Nashville, TN, American Institute of CPAs, 2016.
- *2016 Advanced Business Valuation Conference*, Boca Raton, FL, American Society of Appraisers, 2016.
- *2015 AICPA Forensic and Valuation Services Conference*, Las Vegas, NV, American Institute of Certified Public Accountants, 2015.
- *Business Valuation Conference*, Harrisburg, PA, Pennsylvania Institute of Certified Public Accountants, 2015.
- *2015 Advanced Business Valuation Conference*, Las Vegas, NV, American Society of Appraisers, 2015.
- *2015 Business Valuation and Litigation Conference*, Louisville, KY, KY Society of Certified Public Accountants, 2015.
- *2015 Valuation, Forensic Accounting and Litigation Services Conference*, Ft. Lauderdale, FL, Florida Institute of Certified Public Accountants, 2015.
- *AICPA Forensic & Valuation Services Conference 2014*, New Orleans, LA, American Institute of Certified Public Accountants, 2014.
- *2014 Business Valuation Conference*, Louisville, KY, KY Society of Certified Public Accountants, 2014.
- *2014 Valuation, Forensic Accounting and Litigation Services Conference*, Ft. Lauderdale, FL, Florida Institute of Certified Public Accountants, 2014.
- *2013 AICPA Forensic and Valuation Services Conference*, Las Vegas, NV, American Institute of Certified Public Accountants, 2013.
- *2013 ASA Advanced Business Valuation Conference*, San Antonio, TX, American Society of Appraisers, 2013.
- *AICPA Forensic and Valuation Services Conference*, Orlando, FL, American Institute of Certified Public Accountants, 2012.
- *TSCPA Southeastern FVS Conference*, Nashville, TN, Tennessee Society of Certified Public Accountants, 2012.

**GARY R. TRUGMAN, C.P.A./A.B.V., F.A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Appraisal Education

- *ASA Advanced Business Valuation Conference*, Phoenix, AZ, American Society of Appraisers, 2012.
- *Business Valuation Symposium*, Chicago, IL, IL Society of Certified Public Accountants, 2012.
- *AICPA National Business Valuation Conference*, Las Vegas, NV, American Institute of Certified Public Accountants, 2011.
- *Valuation, Forensic Accounting and Litigation Services Conference*, FL Institute of Certified Public Accountants, Ft. Lauderdale, FL, 2011.
- *AICPA National Business Valuation Conference*, Washington, DC, American Institute of Certified Public Accountants, 2010.
- *Valuation for SFAS 123R/IRC 409A*, South Beach Miami, FL, American Society of Appraisers, 2010.
- *2010 ASA-CICBV Business Valuation Conference*, South Beach Miami, FL, American Society of Appraisers and Canadian Institute of Certified Business Valuers, 2010.
- *AICPA National Business Valuation Conference*, San Francisco, CA, American Institute of Certified Public Accountants, 2010.
- *The NACVA/IBA 2010 Annual Consultants' Conference*, Miami Beach, FL, National Association of Certified Valuation Analysts and The Institute of Business Appraisers, 2010.
- *FICPA Valuation, Forensic Accounting and Litigation Services Conference*, Ft. Lauderdale, FL, Florida Institute of CPAs, 2010.
- *AICPA National Business Valuation Conference*, San Francisco, CA, American Institute of Certified Public Accountants, 2009.
- *FICPA Valuation, Forensic Accounting and Litigation Services Conference*, Ft. Lauderdale, FL, Florida Institute of CPAs, 2009.
- *2008 AICPA/ASA National Business Valuation Conference*, Las Vegas, NV, American Institute of CPAs and American Society of Appraisers, 2008.
- *NJ Law and Ethics*, Webcast, New Jersey Society of CPAs, 2008.
- *AICPA National Business Valuation Conference*, New Orleans, LA, American Institute of Certified Public Accountants, 2007.
- *FCG Conference*, New Orleans, LA, Financial Consulting Group, 2007.
- *Advanced Business Valuation Conference*, San Diego, CA, American Society of Appraisers, 2007.
- *IBA Symposium 2007*, Denver, CO, The Institute of Business Appraisers, 2007.
- *FICPA Valuation, Accounting and Litigation Services Conference*, Ft. Lauderdale, FL, Florida Institute of Certified Public Accountants, 2007.
- *AICPA National Business Valuation Conference*, Austin, TX, American Institute of Certified Public Accountants, 2006.
- *FCG Conference*, Austin, TX, Financial Consulting Group, 2006.
- *Personal Goodwill*, BV Resources Telephone Conference, 2006.
- *FICPA Valuation, Accounting and Litigation Services Conference*, Ft. Lauderdale, FL, Florida Institute of Certified Public Accountants, 2006.
- *Valuation²*, Las Vegas, NV, American Institute of Certified Public Accountants and American Society of Appraisers, 2005.
- *AICPA National Business Valuation Conference*, Orlando, FL, American Institute of Certified Public Accountants, 2004.

**GARY R. TRUGMAN, C.P.A./A.B.V., F.A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Appraisal Education

- *23rd Annual Advanced Business Valuation Conference*, San Antonio, TX, American Society of Appraisers, 2004.
- *2004 National Business Valuation Conference*, Las Vegas, NV, Institute of Business Appraisers, 2004.
- *New Jersey Law and Ethics Course*, Parsippany, NJ, New Jersey Society of Certified Public Accountants, 2004.
- *22nd Annual Advanced Business Valuation Conference*, Chicago, IL, American Society of Appraisers, 2003.
- *AICPA National Business Valuation Conference*, New Orleans, LA, American Institute of Certified Public Accountants, 2002.
- *Brown v. Brown: The Most Important Equitable Distribution Decision Since Painter*, Fairfield, NJ, New Jersey Institute for Continuing Legal Education, 2002.
- *2001 National Business Valuation Conference*, Las Vegas, NV, American Institute of Certified Public Accountants, 2001.
- *2001 Share the Wealth Conference*, Orlando, FL, The Institute of Business Appraisers, 2001.
- *2000 National Conference on Business Valuation*, Miami, FL, American Institute of Certified Public Accountants, 2000.
- *19th Annual Advanced Business Valuation Conference*, Philadelphia, PA, American Society of Appraisers, 2000.
- *Hot Issues in Estate and Gift Tax Returns: What do the Auditors Look For?*, Fairfield, NJ, New Jersey Institute for Continuing Legal Education, 2000.
- Has performed extensive reading and research on business valuation and related topics.

Lecturer

- *Extreme Uncertainty: How Valuation Experts Should Respond to Today's Volatility and Risk*, Business Valuation Resources, 2020.
- *Valuation and Covid-19 Update: BVR Townhall and Q&A*, Business Valuation Resources, 2020.
- *Discounted Cash Flow: Speculative or Convincing*, Business Valuation Resources, 2020.
- *What Should We Be Doing to Value That Company in Light of COVID-19?*, Minnesota Society of CPAs, 2020.
- *Valuation Report Writing Workshop*, Forensic & Valuation Services Conference, 2020.
- *Transaction Method - Maneuvering the Databases*, Forensic & Valuation Services Conference, 2020.
- *Valuation Report Writing Workshop*, Forensic & Valuation Services Conference, 2019.
- *Introduction to Valuation Methodologies*, Forensic & Valuation Services Conference, 2019.
- *Report Writing*, Las Vegas, NV, Forensic & Valuation Services Conference, 2017.
- *Valuation and Common Sense*, Nashville, TN, Forensic & Valuation Services Conference, 2016.
- *Navigating the Family Law Minefield*, Nashville, TN, Forensic & Valuation Services Conference, 2016.
- *Multi Discipline Mock Trial*, Boca Raton, FL, Advanced Business Valuation Conference, 2016.
- *The Do's and Don't of Expert Witnessing*, Lake of Ozarks, MO, Missouri Society of CPAs Annual Conference, 2016.

**GARY R. TRUGMAN, C.P.A./A.B.V., F.A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Lecturer

- *The Do's and Don't of Expert Witnessing*, Baltimore, MD, 2016 MD Society of CPAs Forensic and Valuation Services Conference, 2016.
- *Income Approach*, Las Vegas, NV, 2015 AICPA Forensic and Valuation Services Conference, 2015.
- *Panel Discussion: CAPM vs. Build-Up Model*, Harrisburg, PA, PA Business Valuation Conference, 2015.
- *You Think You Have Problems? Try Forecasting for a Smaller Business*, Harrisburg, PA, PA Business Valuation Conference, 2015.
- *Do's and Don'ts of Expert Testimony*, Las Vegas, NV, ASA 2015 Advanced Business Valuation Conference, 2015.
- *The Income Approach*, Louisville, KY, KY 2015 Business Valuation and Litigation Conference, 2015.
- *The Good, the Bad & the Ugly of Valuing Small Businesses: Everything you Want to Know But are Afraid to Ask*, Glen Allen, VA, VSCPA's Business Valuation, Fraud & Litigation Services Conference, 2014.
- *The ABCs of the Income Approach*, Savannah, GA, ASA International Appraisers Conference, 2014.
- *Hot Topics in Business Valuation*, Louisville, KY, KY Business Valuation Conference, 2014.
- *Tax Affecting Pass Through Entities: Where Are We Today and Do the Models Really Work?*, Louisville, KY, KY Business Valuation Conference, 2014.
- *Valuation Reports*, Webcast, American Institute of Certified Public Accountants, 2014.
- *Tax Effecting S Corporations and Pass Through Entities*, Ft. Lauderdale, FL, 2014 Valuation, Forensic Accounting and Litigation Services Conference, 2014.
- *Alternative Strategies for Deriving Minority Interest Values in Operating Companies*, Las Vegas, NV, 2013 AICPA Forensic and Valuation Services Conference, 2013.
- *DLOMs - Let's Get Practical!*, Las Vegas, NV, 2013 AICPA Forensic and Valuation Services Conference, 2013.
- *Do's and Don'ts of Expert Testimony*, Brentwood, TN, Tennessee Society of CPAs' Business Valuation Conference, 2013.
- *Discounts for Lack of Marketability - Where Are We?*, Brentwood, TN, Tennessee Society of CPAs' Business Valuation Conference, 2013.
- *Expert Witness : Tips and Techniques to Defend Your Position*, San Antonio, TX, 2013 ASA Advanced Business Valuation Conference, 2013.
- *Hot Topics in Business Valuation*, Louisville, KY, Kentucky Society of CPAs' Business Valuation Conference, 2013.
- *The Income Approach: Should You Use Equity or Invested Capital?*, Louisville, KY, Kentucky Society of CPAs' Business Valuation Conference, 2013.
- *Personal Goodwill and Covenants Not to Compete*, Chicago, IL, Illinois Chapter of the National Association of Certified Valuators and Analysts, 2013.
- *Discounts and Premiums*, Chicago, IL, Illinois CPA Society Business Valuation Conference, 2013.
- *Marketing Your BV Practice*, Chicago, IL, Illinois CPA Society Business Valuation Conference, 2013.
- *Personal Goodwill*, Baltimore, MD, Maryland Association of CPAs Business Valuation Conference, 2013.

**GARY R. TRUGMAN, C.P.A./A.B.V., F.A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Lecturer

- *Valuations in Matrimonial Law*, Orlando, FL, Florida Chapter of the Association of Family & Conciliation Courts Conference, 2013.
- *Valuing the Small Business*, Nashville, TN, TSCPA Southeastern FVS Conference, 2012.
- *Personal vs. Enterprise Goodwill: Where Are We and How Do I Deal With it?*, Orlando, FL, AICPA Forensic and Valuation Services Conference, 2012.
- *The Capitalized Cash Flow Method of the Income Approach*, Orlando, FL, AICPA Forensic and Valuation Services Conference, 2012.
- *Hardball with Hitchner*, Orlando, FL, AICPA Forensic and Valuation Services Conference, 2012.
- *Litigation Support: Does the Job Manage You or Should You Manage the Job?*, Phoenix, AZ, ASA Advanced Business Valuation Conference, 2012.
- *You Think You Have Problems? Try Forecasting for a Smaller Business*, Phoenix, AZ, ASA Advanced Business Valuation Conference, 2012.
- *A Potpourri of Business Valuation Topics*, Chicago, IL National Association of Certified Valuators and Analysts, 2012.
- *Medical Practice Valuations*, Louisville, KY, Kentucky Society of CPAs Healthcare Conference, 2012.
- *Business Valuation Practice Administration*, Chicago, IL, Business Valuation Symposium, 2012.
- *Valuing Covenants Not to Compete*, Las Vegas, NV, AICPA National Business Valuation Conference, 2011.
- *Practical Applications of the Market Approach (co-presenter)*, Las Vegas, NV, AICPA National Business Valuation Conference, 2011.
- *Management and Marketing of a Valuation Practice (co-presenter)*, Las Vegas, NV, AICPA National Business Valuation Conference, 2011.
- *Using Forecasts in Business Valuation*, New York, NY, NY State Society of Certified Public Accountants, 2011.
- *Using Forecasts in Business Valuation*, Ft. Lauderdale, FL, FL Institute of Certified Public Accountants, 2011.
- *Developing Discount and Capitalization Rates*, Washington, DC, AICPA National Business Valuation Conference, 2010.
- *Applications of Standards*, Washington, DC, AICPA National Business Valuation Conference, 2010.
- *Defining The Engagement*, Washington, DC, AICPA National Business Valuation Conference, 2010.
- *Small Business Valuation Including Personal and Professional Goodwill*, Chicago, IL, Illinois CPA 2010 Family Law Conference, 2010.
- *Business Valuation During Crazy Economic Times*, Naples, FL, Get Away Convention, New Jersey Society of CPAs, 2010.
- *Forecasting: The Good, The Bad & the Ugly - Valuation the Public vs. the Private Company*, South Beach Miami, FL, 2010 ASA-CICBV Business Valuation Conference, 2010.
- *Other Valuation Adjustments - What Should We Do With Them?*, Miami Beach, FL, The NACVA/IBA 201 Annual Consultants' Conference, 2010.
- *Working in a Distressed Economy*, Ft. Lauderdale, FL, FICPA Valuation, Forensic Accounting and Litigation Services Conference, 2010.
- *Thinking Outside the Box: Using the Market Approach to Develop a Cost of Capital*, Ft. Lauderdale, FL, FICPA Valuation, Forensic Accounting and Litigation Services Conference, 2010.

**GARY R. TRUGMAN, C.P.A./A.B.V., F.A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Lecturer

- *Using Forecasts in Business Valuation*, San Francisco, CA, AICPA National Business Valuation Conference, 2009.
- *Thinking Outside the Box: Using the Market Approach to Develop a Cost of Capital*, San Francisco, CA, AICPA National Business Valuation Conference, 2009.
- *Complying with Standards and Writing a Good Report*, San Francisco, CA, AICPA National Business Valuation Conference, 2009.
- *Exit Strategies for Increasing Your Business' Selling Price*, Orlando and Ft. Lauderdale, FL, FICPA Accounting Show/FABExpo, 2009.
- *So You Want to be an Expert Witness?*, Orlando and Ft. Lauderdale, FL, FICPA Accounting Show/FABExpo, 2009.
- *Business Valuation During Crazy Times*, Ft. Lauderdale and Tampa, FL, CPAs in Industry Conference, 2009.
- *Fishman, Mard and Trugman on Divorce Valuations*, Webinar, Financial Consulting Group, 2009.
- *Ask the Experts*, Ft. Lauderdale, FL, FICPA Valuation, Forensic Accounting and Litigation Services Conference, 2009.
- *SSVS1 and the Very Small Business*, Ft. Lauderdale, FL, FICPA Valuation, Forensic Accounting and Litigation Services Conference, 2009.
- *Hardball with Hitchner*, Las Vegas, NV, 2008 AICPA/ASA National Business Valuation Conference, 2008.
- *Valuing Small Main Street (Mom & Pop) Businesses*, Las Vegas, NV, 2008 AICPA/ASA National Business Valuation Conference, 2008.
- *Construction Firm Valuation Issues: What You Need to Know*, Orlando, FL, FICPA Construction Industry Conference, 2008.
- *How to Build a Valuable Practice*, Ft. Lauderdale, FL, FICPA Practice Management Conference, 2008.
- *AICPA Statement on Standards for Valuation Services*, Tallahassee, FL, Tallahassee Chapter of the FICPA, 2008.
- *Keeping Yourself Out of Trouble as an Appraiser*, IBA Teleconference, 2008.
- *Business Valuation for Litigation*, Detroit, MI, MACPA's 2008 Litigation & Business Valuation Conference, 2008.
- *Current Issues in Business Valuation and Litigation Support... And the Beat Goes On*, Detroit, MI, MACPA's 2008 Litigation & Business Valuation Conference, 2008.
- *Personal Goodwill*, Orlando, FL, American Academy of Matrimonial Lawyers, 2008.
- *Valuing the Very Small Business*, Teleconference, Business Valuation Resources, 2008.
- *Personal Goodwill - What to Do With It*, Teleconference, Institute of Business Appraisers, 2008.
- *Discount and Cap Rates - Are They Really Such a Mystery?*, Teleconference, Institute of Business Appraisers, 2008.
- *Ask the Experts*, Ft. Lauderdale, FL, FICPA Valuation, Accounting and Litigation Services Conference, 2008.
- *Tax Effecting S Corporations and Other Flow Through Entities*, Ft. Lauderdale, FL, FICPA Valuation, Accounting and Litigation Services Conference, 2008.
- *Dream the Impossible Dream: Can Specific Company Risk Really Be Quantified?*, New Orleans, LA, AICPA National Business Valuation Conference, 2007.

**GARY R. TRUGMAN, C.P.A./A.B.V., F.A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Lecturer

- *Hardball with Hitchner*, New Orleans, LA, AICPA National Business Valuation Conference, 2007.
- *Valuing Small Business and Personal and Professional Goodwill*, New Orleans, LA, FCG Conference, 2007.
- *Personal Goodwill*, Richmond, VA, VASCPA Business Valuation Conference, 2007.
- *Expert Witness - A Primer*, Orlando, FL, FICPA FABExpo, 2007.
- *Personal Goodwill: Does the Non-Propertied Spouse Really Lose the Battle?*, Ft. Lauderdale, FL, Florida Bar Family Law Section, 2007.
- *Do's and Don't's of Expert Testimony*, Ft. Lauderdale, FL, FICPA Valuation, Accounting and Litigation Services Conference, 2007.
- *Valuing Small Businesses for Divorce*, Austin, TX, AICPA National Business Valuation Conference, 2006.
- *Ask the Experts*, Austin, TX, AICPA National Business Valuation Conference, 2006.
- *Changes to the 2006 USPAP*, Overland Park, KS, Kansas Valuation Conference, 2006.
- *Tax Effecting S Corporations and Other Flow Through Entities*, Overland Park, KS, Kansas Society of CPAs Valuation Conference, 2006.
- *Valuation Discounts*, Minneapolis, MN, MN Society of CPAs Valuation Conference, 2006.
- *Malpractice and Business Valuation*, Minneapolis, MN, MN Society of CPAs Valuation Conference, 2006.
- *Mock Trial - Being an Expert Witness*, Woodbridge, NJ, NJ Divorce Conference, 2006.
- *Expert Reports Used in Divorce*, Las Vegas, NV, AICPA Divorce Conference, 2006.
- *Ask the Expert*, Ft. Lauderdale, FL, FICPA Valuation, Accounting and Litigation Services Conference, 2006.
- *Valuing the Very Small Company*, Las Vegas, NV, Valuation², American Institute of Certified Public Accountants and American Society of Appraisers, 2005.
- *Being an Effective Witness*, Las Vegas, NV, Valuation², American Institute of Certified Public Accountants and American Society of Appraisers, 2005.
- *Divorce Valuation versus Other Valuations*, Richmond, VA, Virginia Society of CPA's Conference, 2005.
- *Hot Topics in Business Valuation*, Cleveland, OH, SSG, 2005.
- *Valuing Small Businesses and Professional Practices*, Atlanta, GA, George Society of CPAs' Super Conference, 2005.
- *Personal Goodwill in a Divorce Setting*, Ft. Lauderdale, FL, Florida Institute of Certified Public Accountants' Valuation & Litigation Services Conference, 2005.
- *The Market Approach: Case Study*, Orlando, FL, American Institute of CPAs, 2004.
- *Valuing Professional Practices*, Orlando, FL, American Institute of CPAs, 2004.
- *How to Develop Discount Rates*, Ft. Lauderdale, FL, Florida Institute of CPAs Valuation and Litigation Conference, 2004; Detroit, MI, MI Valuation Conference, 2004.
- *To Tax or Not to Tax - That is the Question: Tax Effecting S Corporations*, Chicago, IL, Illinois Business Valuation Conference, 2004.
- *Controversial Topics*, Richmond, VA, VA Valuation and Litigation Conference, 2004.
- *Guideline Company Methods: Levels of Value Issues*, Telephone Panel, Business Valuation Resources, 2004.

**GARY R. TRUGMAN, C.P.A./A.B.V., F.A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Lecturer

- *Small Business Case Study*, Phoenix, AZ, American Institute of Certified Public Accountants National Business Valuation Conference, 2003; Ft. Lauderdale, FL, Florida Institute of CPAs, 2004.
- *Valuation Issues - What You Need to Know*, San Antonio, TX, AICPA National Auto Dealer Conference, 2003.
- *Professional Practice Valuations*, Tampa, FL, The Florida Bar - Family Law Section, 2003.
- *Business Valuation Basics*, Orlando, FL, The Florida Bar Annual Meeting, 2003.
- *Business Valuation for Divorce*, Orlando, FL, The Florida Bar Annual Meeting, 2003.
- *Business Valuation in a Litigation Setting*, Las Vegas, NV, CPAmerica International, 2003.
- *The Transaction Approach - How Do We Really Use It?*, Tampa, FL, American Society of Appraisers International Conference, 2003.
- *Advanced Testimony Techniques*, Chicago, IL, Illinois Business Valuation Conference, 2003.
- *To Tax or Not to Tax? Issues Relating to S Corps and Built-In Gains Taxes*, Washington, DC, Internal Revenue Service, 2003.
- *Issues for CPAs in Business Valuation Reports*, New Orleans, LA, American Institute of Certified Public Accountants, 2002.
- *Guideline Public Company Method: Minority Versus Control – Dueling Experts*, New Orleans, LA, American Institute of Certified Public Accountants, 2002.
- *To Tax or Not To Tax? - That Is The Question*, Minneapolis, MN, Minnesota Society of Certified Public Accountants, 2002.
- *Pressing Problems and Savvy Solutions When Retained by the Non-Propertied Spouse*, Las Vegas, NV, American Institute of Certified Public Accountants/American Academy of Matrimonial Lawyers, 2002.
- *The Transaction Method - IBA Database*, Atlanta, GA, Financial Consulting Group, 2002.
- *Valuation Landmines - How Not To Get In Trouble*, Washington, DC, 2002 Annual Business Valuation Conference, The Institute of Business Appraisers, 2002.
- *Guest Lecturer on Business Valuation*, New York, NY, Fordham Law School, 2002.
- *Guideline Company Analysis*, Chicago, IL, Illinois CPA Foundation, 2002.
- *Guideline Company Analysis*, Las Vegas, NV, American Institute of Certified Public Accountants, 2001.
- *Discount and Capitalization Rates*, Bloomington, MN, Minnesota Society of CPAs, 2001.
- *Valuation Premiums and Discounts*, Louisville, KY, Kentucky Tax Institute, 2001.
- *Business Valuation*, St. Louis, MO, Edward Jones, 2001.
- *Business Valuation for Marital Dissolutions*, Dublin, OH, Ohio Supreme Court, 2001.
- *Testimony Techniques*, Chicago, IL, Illinois CPA Society, 2001.
- *Valuing the Very Small Business*, Chicago, IL, Illinois CPA Society, 2001.
- *Valuations in Divorce*, Ft. Lauderdale, FL, Florida Institute of Certified Public Accountants, 2001.
- *Valuation Land Mines To Watch Out For*, Miami, FL, American Institute of Certified Public Accountants, 2000.
- *Ask the Experts - Discounts and Premia*, Miami, FL, American Institute of Certified Public Accountants, 2000.
- *Understanding a Financial Report*, Columbia, SC, South Carolina Bar Association, 2000.

**GARY R. TRUGMAN, C.P.A./A.B.V., F.A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Lecturer

- *Business Damages*, Columbia, SC, South Carolina Bar Association, 2000.
- *A Fresh Look at Revenue Rulings 59-60 and 68-609*, New Orleans, LA, Practice Valuation Study Group, 2000.

Instructor

- *Valuation Potpourri: Concentrating on the Small Business*, National Association of Certified Valuation Analysts, Hartford, CT, 2011.
- *Advanced Topics in Business Valuation*, American Society of Appraisers, Bethesda, MD, 2010; Washington, D.C., 2011.
- *Principles of Business Valuation - Part 1*, American Society of Appraisers, Atlanta, GA, 2009; Las Vegas, NV, 2010; Annapolis, MD, 2010; Bethesda, MD, 2011.
- *Essentials of Business Appraisal*, The Institute of Business Appraisers, Ft. Lauderdale, FL, 2008.
- *Business Valuation Basics*, New Jersey Judicial Conference, Teaneck, NJ, 2007.
- *Standards and Ethics: An Appraiser's Obligation*, The Institute of Business Appraisers, Denver, CO, 2007.
- *Principles of Valuation - Part 2*, American Society of Appraisers, Austin, TX, 2005; Chicago, IL, 2006; Brooklyn, NY, 2006; Herndon, VA 2007; Chicago, IL, 2007, 2008; Deloitte & Touche, NY, 2007; Arlington, VA, 2008; Houston, TX, 2009.
- *Small Business Valuation: A Real Life Case Study*, American Institute of Certified Public Accountants, Rocky Hill, CT, 2005; Richmond, VA, 2005; Columbia, MD, 2005; Providence, RI, 2007.
- *Valuation Discount and Capitalization Rates, Valuations Premiums and Discounts*, Rhode Island Society of CPAs, Providence, RI, 2004.
- *Mergers and Acquisitions*, Rhode Island Society of CPAs, Providence, RI, 2004.
- *Valuing a Small Business: Case Study*, Rhode Island Society of CPAs, Providence, RI, 2004.
- *Discounts & Premiums in a Business Valuation Environment*, American Institute of Certified Public Accountants, Roseland, NJ, 2004; Rocky Hill, CT, 2005.
- *Advanced Cost of Capital Computations*, American Society of Certified Public Accountants, Rhode Island, 2004; New Jersey, 2004.
- *Fundamentals of Business Valuation - Part 2*, American Institute of Certified Public Accountants, Atlanta, GA, 2004.
- *Splitting Up is Hard to Do: Advanced Valuation Issues in Divorce and Other Litigation Disputes*, American Institute of Certified Public Accountants, Providence, RI, 2002.
- *Fundamentals of Business Valuation - Part 1*, American Institute of Certified Public Accountants, Dallas, TX, 2001.
- *Advanced Topics*, The Institute of Business Appraisers, Orlando, FL, 2001.
- *Business Valuation*, Federal Judicial Center, Washington, DC, 2001.
- *Business Issues: Business Valuation-State Issues; Marital Dissolution; Shareholder Issues and Economic Damages*, National Judicial College, Charleston, SC, 2000.
- *Business Valuation for Marital Dissolutions*, National Judicial College, San Francisco, CA, 2000.
- *Business Valuation Workshop*, 2000 Spring Industry Conference, American Institute of Certified Public Accountants, Seattle, WA, 2000.

**GARY R. TRUGMAN, C.P.A./A.B.V., F.A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Instructor

- *Developing Discount & Capitalization Rates*, The Institute of Business Appraisers, Phoenix, AZ, 2000.
- *Financial Statements in the Courtroom (Business Valuation Component)*, American Institute of Certified Public Accountants for the National Judicial College, Texas, 1997; Florida, 1997, 1998, 2001, 2003, 2013, 2014; Louisiana, 1998, 1999; Nevada, 1999, 2001; South Carolina, 2000, 2006; Georgia, 2000; Arizona, 2001; New York, 2002; Colorado, 2003; Ohio, 2003; New Jersey, 2005, 2007, 2013; Illinois, 2008.
- *Preparing for AICPA's ABV Examination Review Course*, American Institute of Certified Public Accountants, New York, 1997, 2000, 2001; Pennsylvania, 1998; Kansas, 1998; Maryland, 2000, 2001; Massachusetts, 2000; Virginia, 2002.
- *Business Valuation Theory*, New Jersey, 1994, 1995, 1996, 1997, 1999, 2000, 2002; Rhode Island, 2004.
- *Business Valuation Approaches and Methods*, New Jersey, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2002; North Carolina, 1997, 1999, 2000; Louisiana, 1997, 1998; Massachusetts, 1997, 1998, 1999; Pennsylvania, 1997; New York, 1997, 2000; Indiana, 1997; Connecticut, 1997, 2000; Ohio, 1998; Rhode Island, 1999, 2003.
- *Business Valuation Discount Rates, Capitalization Rates, Valuation Premiums and Discounts*, New Jersey, 1998, 2000, 2002; North Carolina, 1997, 1999, 2000; Louisiana, 1997; Massachusetts, 1997, 1998; Rhode Island, 1997, 1999; Indiana, 1997; Connecticut, 1997, 2000.
- *Principles of Valuation: Introduction to Business Valuation*, American Society of Appraisers, 1998, 1999, 2001, 2002.
- *Principles of Valuation: Business Valuation Methodology*, American Society of Appraisers, 1992, 1993, 1995, 1996, 1997, 1998, 1999, 2001.
- *Principles of Valuation: Case Study*, American Society of Appraisers, 1993, 1999, 2000, 2001, 2002, 2003.
- *Principles of Valuation: Selected Advanced Topics*, American Society of Appraisers, 1992, 1994, 1995, 1996, 1998, 2002.

Organizations

- American Society of Appraisers.
- Association of International Certified Professional Accountants.
- Florida Institute of Certified Public Accountants.

Awards

- Received "Fellow" designation by the American Society of Appraisers in 2021 for service to the profession.
- Presented with the "Volunteer of the Year Award" by the American Institute of Certified Public Accountants in 2011 for outstanding service in furthering the goals of the business valuation profession.
- Presented with the "Outstanding Chair Award" by the Florida Institute of Certified Public Accountants in June 2007 for service to the 2006-2007 Valuation, Forensic Accounting and Litigation Services Section.

**GARY R. TRUGMAN, C.P.A./A.B.V., F.A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Awards

- Presented with the "Hall of Fame Award" by the American Institute of Certified Public Accountants in December 1999 for dedication towards the advancement of the business valuation profession.
- Presented with the "Fellow Award" by The Institute of Business Appraisers Inc., in January 1996 for contributions made to the profession.

Professional Appointments

- *The Institute of Business Appraisers, Inc.*, Former Regional Governor for the Mid-Atlantic Region consisting of Delaware, Kentucky, Maryland, New Jersey, Pennsylvania, Ohio, Virginia and West Virginia.
- *The American Society of Appraisers Chapter 73*, Treasurer, 1996-1997.

Past Committee Service

- Chair - ASA Constitution and By-Laws Committee.
- Chairman - ASA International Ethics Committee.
- Chairman - ASA Business Valuation Education Committee.
- 2015 Advanced Business Valuation Conference Committee, American Society of Appraisers.
- ASA Business Valuation Committee.
- 2011 AICPA Business Valuation Conference Committee.
- AICPA ABV Examination Task Force.
- 2010 ASA BV Education Subcommittee.
- 2010 AICPA Business Valuation Conference Committee.
- Chairman of Disciplinary and Ethics Committee -The Institute of Business Appraisers, Inc. (committee established 1989).
- Chairman of Valuation, Forensic Accounting and Litigation Services Section - Florida Institute of CPAs.
- AICPA Committee with the Judiciary.
- AICPA ABV Credential Committee.
- AICPA Management Consulting Services Division, Executive Committee.
- Chairman of the Valuation Standards Subcommittee - NJ Society of Certified Public Accountants Litigation Services Committee.
- Matrimonial Subcommittee, NJ Society of Certified Public Accountants Litigation Services Committee.
- Co-Chair of Courses and Seminars for Certified Public Accountants Subcommittee - NJ Society of Certified Public Accountants.
- Education Committee, The Institute of Business Appraisers, Inc.
- Chairman of Education Committee - North Jersey Chapter of American Society of Appraisers.
- AICPA Subcommittee on Business Valuation & Appraisal.
- International Board of Examiners, American Society of Appraisers.
- Qualifications Review Committee, The Institute of Business Appraisers, Inc.

**GARY R. TRUGMAN, C.P.A./A.B.V., F.A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Editor

- Editorial Advisor for *Business Valuation Update*, Business Valuation Resources, LLC
- Editorial Advisor for *Financial Valuation and Litigation Expert*, Valuation Products and Services.
- Former Editorial Advisor for *CPA Expert*, American Institute of Certified Public Accountants.
- Former Editorial Advisor for *The Journal of Accountancy*, American Institute of Certified Public Accountants.
- Former Editorial Advisor of *BV Q&A*, Business Valuation Resources.
- Former Editorial Board of *CPA Litigation Service Counselor*, Harcourt Brace, San Diego, CA.
- Former Editorial Board of *Business Valuation Review*, American Society of Appraisers, Herndon, VA.

Author

- *Answering Tough Cross-Examination Questions*, Financial Valuation and Litigation Expert (June/July 2019).
- *Should You Ever Use the MCAPM to Value Small-Sized Businesses?*, Financial Valuation and Litigation Expert (December 2016/January 2017).
- Contributing author to *How to Be a Successful Expert Witness: SEAK's A-Z Guide to Expert Witnessing*, SEAK (2014).
- Contributing author to *How to Write an Expert Witness Report*, SEAK (2014).
- Co-author of course entitled *Advanced Topics in Business Valuation*, American Society of Appraisers (2011).
- Course entitled *Principles of Business Valuation: Part 1*, American Society of Appraisers (2010).
- Co-author of *How Should You Value Closely Held Businesses During Crazy Times?*, Business Valuation Update (August 2009).
- *Essentials of Valuing a Closely Held Business*, American Institute of CPAs (2008).
- *Practical Solutions to Problems in Valuing the Very Small Business*, Business Valuation Update (2008).
- Course entitled *Standards and Ethics: An Appraiser's Obligation*, The Institute of Business Appraisers (2007).
- Course entitled *Small Business Valuation: A Real Life Case Study*, American Institute of Certified Public Accountants (2005).
- *Guideline Public Company Method - Control or Minority Value?*, Shannon Pratt's Business Valuation Update (2003).
- *Signed, Sealed, Delivered*, Journal of Accountancy (2002).
- *A CPA's Guide to Valuing a Closely Held Business*, American Institute of Certified Public Accountants (2001).
- Course entitled *Business Issues - State Courts*, National Judicial College, Reno, NV (2000).
- *Understanding Business Valuation: A Practical Guide to Valuing Small to Medium-Sized Businesses*, American Institute of Certified Public Accountants, First Edition (1998), Second Edition (2002), Third Edition (2008), Fourth Edition (2012), Fifth Edition (2017).
- Contributing author to *The Handbook of Advanced Business Valuation*, McGraw-Hill (1999).
- Course entitled *Valuation Issues in Divorce Settings*, American Institute of Certified Public Accountants (1997).

**GARY R. TRUGMAN, C.P.A./A.B.V., F.A.S.A., M.V.S.
PROFESSIONAL QUALIFICATIONS**

Author

- Co-author of course entitled *Accredited Business Valuer Review Course* (Market Approach Chapter), American Institute of Certified Public Accountants (1997).
- *Understanding Business Valuations*, The Institute of Continuing Legal Education (1997).
- Six Day Business Valuation Series consisting of *Business Valuation Theory, Valuation Approaches & Methods* and *Advanced Topics in Business Valuation* (1994, 1995.)
- *Valuation of a Closely-Held Business*, Practice Aid, American Institute of Certified Public Accountants (1993).
- Co-author of *Guide to Divorce Engagements*, Practitioners Publishing Company, Fort Worth, TX (1992).
- *A Threat to Business Valuation Practices*, *Journal of Accountancy* (December 1991).
- Course entitled *Advanced One Day Seminar*, The Institute of Business Appraisers, Inc. (1991).
- Course entitled *Understanding Business Valuation for the Practice of Law*, Institute of Continuing Legal Education in NJ.
- *An Appraiser's Approach to Business Valuation*, *Fair\$hare*, Prentice Hall Law & Business (July & August, 1991).
- *What is Fair Market Value? Back to Basics*, *Fair\$hare*, Prentice Hall Law & Business (June 1990).

Technical Reviewer

- Shannon P. Pratt and Alina V. Niculita, *Valuing a Business: The Analysis and Appraisal of Closely Held Companies*, 5th Edition (McGraw Hill: New York, 2008).
- Shannon P. Pratt, Robert F. Reilly and Robert P. Schweihs, *Valuing a Business: The Analysis and Appraisal of Closely Held Companies*, 4th Edition (McGraw Hill: New York, 2000).
- Shannon P. Pratt, Robert F. Reilly and Robert P. Schweihs, *Valuing Small Businesses & Professional Practices*, 3rd Edition (McGraw Hill: New York, 1998).
- James R. Hitchner, *Financial Valuation: Applications and Models*, 1st Edition (Wiley Finance: New Jersey, 2003).
- Jay E. Fishman, Shannon P. Pratt and Williams J Morrison, *Standards of Value: Theory and Applications* (John Wiley & Sons, Inc.: New Jersey), 1st edition, 2007; 2nd edition, 2013.

WILLIAM HARRIS, ASA, CFA PROFESSIONAL QUALIFICATIONS



Experience

Director at Trugman Valuation Associates, Inc. specializing in the valuation of businesses and intangible assets. Valuation experience includes a wide variety of assignments including closely-held businesses, professional practices, early stage companies, thinly traded public companies, intangible assets, and derivatives. Industries include but are not limited to automotive, construction, health care, financial institutions, retail, restaurants, manufacturing, trucking, service, and professional business establishments. Assignments have also included the valuation of stock options, preferred stock, debt securities, and various types of intangible assets. Business valuation, economic damages and litigation support services have been rendered for a variety of purposes including, but not limited to shareholder litigation, financial reporting, employee stock option plans ("ESOP"), estate and gift tax matters, buying and selling businesses, family law matters, business damages, buy-sell agreements, malpractice litigation, wrongful termination, workers' compensation and breach of contract. Additional litigation services include reasonable compensation analysis for tax and non-tax assignments.

Professional Designations

- ASA: Accredited Senior Appraiser designated by the American Society of Appraisers (2013). Reaccredited in 2021.
- CFA: Chartered Financial Analyst designated by the CFA Institute (2012).

Education

- M.S., Finance, Chapman Graduate School of Business at Florida International University, 2007.
- B.S., Business Administration, Belk College of Business at the University of North Carolina at Charlotte, 2006.

Appraisal Education

- *USPAP for Business Valuation*, Webcast, American Society of Appraisers, 2021.
- *International Conference*, Live Webcast, American Society of Appraisers, 2020.
- *Advanced Business Valuation Conference*, New York, NY, American Society of Appraisers, 2019.

**WILLIAM HARRIS, ASA, CFA
PROFESSIONAL QUALIFICATIONS**

Appraisal Education

- *Advanced Business Valuation Conference*, Live Webcast, American Society of Appraisers, 2018.
- *The Impact of TCJA on Cost of Capital*, Live Webcast, American Society of Appraisers, 2018.
- *Advanced Business Valuation Conference*, Houston, TX, American Society of Appraisers, 2017.
- *National USPAP Update Course*, Webinar, McKissock, 2016-2017.
- *Advanced Business Valuation Conference*, Boca Raton, FL, American Society of Appraisers, 2016.
- *Expert Witness Bootcamp*, Hollywood, FL, National Association of Certified Valuators and Analysts, 2015.
- *Advanced Business Valuation Conference*, Las Vegas, NV, American Society of Appraisers, 2015.
- *AICPA Forensic and Valuation Services Conference*, New Orleans, LA, American Institute of Certified Public Accountants, 2014.
- *AICPA Forensic and Valuation Services Conference*, Las Vegas, NV, American Institute of Certified Public Accountants, 2013.
- *Special Topics in the Valuation of Intangible Assets*, Reston, VA, American Society of Appraisers, 2013.
- *AICPA Forensic and Valuation Services Conference*, Orlando, FL, American Institute of Certified Public Accountants, 2012.
- *Valuation of Intangible Assets*, Skokie, IL, American Society of Appraisers, 2012.
- *AICPA National Business Valuation Conference*, Las Vegas, NV, American Institute of CPAs, 2011.
- *The Correct Way to Use Ibbotson and Duff and Phelps Risk Premium Data*, Webinar, Valuation Products and Services, 2011.
- *USPAP for Business Valuation*, South Beach Miami, FL, American Society of Appraisers, 2010.
- *Advanced Topics in Business Valuation*, Bethesda, MD, American Society of Appraisers, 2010.

**WILLIAM HARRIS, ASA, CFA
PROFESSIONAL QUALIFICATIONS**

Appraisal Education

- *AICPA National Business Valuation Conference*, San Francisco, CA, American Institute of CPAs, 2009.
- *The Market Approach*, Skokie, IL, American Society of Appraisers, 2009.
- *The Income Approach*, Orlando, FL, American Society of Appraisers, 2009.
- *Introduction to Business Valuation*, Minneapolis, MN, American Society of Appraisers, 2008.

Author

- Author of “Trugman Valuation Associates, Inc. (TVA) Restricted Stock Study,” *Business Valuation Review* (Fall 2009).
- Co-Author of “How Should You Value Closely Held Businesses During These Crazy Times?,” *Business Valuation Update* (August 2009).
- Author of “Trugman Valuation Associates, Inc. (TVA) Restricted Stock Study - An Update,” *Business Valuation Review* (Winter 2011).
- Contributing Author to “Understanding Business Valuation: A Practical Guide to Valuing Small to Medium-Sized Businesses,” American Institute of Certified Public Accountants, Fourth Edition (2012).
- Contributing Author to “Understanding Business Valuation: A Practical Guide to Valuing Small to Medium-Sized Businesses,” American Institute of Certified Public Accountants, Fifth Edition (2017).

Organizations

- American Society of Appraisers.
- CFA Institute.
- CFA Society of Miami.

Committee Service

- CFA Institute, Practice Analysis Working Body Member, Fiscal Year 2021