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# *Introduction to Marshall & Stevens' Financial Advisory Services*



Prepared for:  
**Louie & Wong LLP**

**November 23, 2004**

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- ❖ Why Marshall & Stevens?
- ❖ Our Pre-Transaction Services
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## Why Marshall & Stevens?

**Independence and reliability are our hallmarks.**

- ❖ We are completely independent and objective and free of audit, bond rating, and research conflicts.
- ❖ We are proud of our ability to commit to tight deadlines – without fail. Our clients can reach us 24 hours a day, seven days a week.

**Our work has been reviewed and approved by every major audit firm, SEC, and IRS.**

- ❖ We have never had a non-compliance issue with any major accounting firm.
- ❖ Our professionals have excellent technical skills, and in-depth knowledge of FASB accounting standards, interpretations, pronouncements, and Appraisal Issues Task Force (AITF) issues.

**We have over 70 years of valuation experience.**

- ❖ We have performed hundreds of valuations for financial reporting purposes (SFAS 141, 142, 144).
- ❖ Our experts include former professionals from leading accounting and financial advisory firms.

# Our Pre-Transaction Services

## M&A Advisory

- Investigate & quantify potential opportunities, risks and competitive threats
- Analyze potential transaction tax issues, ramifications, and opportunities
- Implement strategies to improve the deal

## Due Diligence

- Analyze targets industry, history, operations, finances, and projections
- Utilize financial models to quantify synergistic opportunities and risks of the transaction
- Pre-valuations on targets to advise on a possible range of values and impact on earnings per share
- Provide ad-hoc analyses and support for negotiation strategies

## Acquisition Strategy and Structure

- Structure and negotiate transactions
- Suggest possible spin-offs, joint ventures, and strategic alliances

## Transaction Opinions

- Fairness opinions
- Solvency opinions

# Our Post-Transaction Services

## Compliance Assistance

### *“Proven Quality and Timeliness”*

- Purchase price allocation—SFAS 141
  - By reporting units
  - Real property appraisals
  - Personal property appraisals
  - Intangible asset valuation and lifing
- Asset Impairment Studies—SFAS 142 and 144
- Corporate tax planning

## Divestitures

### *“Maximize Value with Minimal Expense”*

- Analysis and segregation of strategic reporting units / assets for retention / divestiture
- Post-acquisition integration assistance for retained units / assets
- Isolate support functions to minimize disruption
- Maximize benefit to firm and shareholders (Sales vs. license)
- Establish desirable results (Immediate gain vs. Elimination of goodwill)
- Determine best strategy (Sale of units/assets \* Tax-Free Spin-off \* Donation)
- Value reporting units/assets for divestiture

## Partial Client List

ALCOA  
Allegheny Teledyne  
Bacardi USA, Inc.  
Bank of America  
BASF  
Bechtel Corporation  
Bell Atlantic Credit Corp.  
Bethlehem Steel Corporation  
CB Richard Ellis  
Campbell Soup Company  
Cargill, Inc.  
Caterpillar, Inc.  
CertainTeed Corporation  
Chase Manhattan Bank  
Cisco Systems  
CIT  
Coca-Cola Enterprises, Inc.  
Columbia/HCA  
ConAgra  
Crown Books  
Dana Corp.  
Dow Chemical Company  
Federal Express Corp.  
Fidelity Investments  
Flowserve Corporation  
GE Capital  
Glaxo Wellcome, Inc.  
Goldman, Sachs & Company  
Harsco Corp.  
Hershey Foods  
Hydro Aluminum  
International Data Group (IDG)  
Johnson & Johnson  
Kemper Securities Group, Inc.  
Lucent Technologies  
LSI Logic  
M&M/Mars  
McLeod USA Incorporated  
Mellon Bank  
Merck & Company  
Monsanto Corporation  
Nabisco  
NationsBank  
Nestle  
Palm, Inc.  
PCA International  
PepsiCo  
Pitney Bowes Corporation  
Princess Cruises  
Progress Energy  
Prudential Real Estate  
Reading International  
Sega  
Smurfit-Stone Container Corp.  
Solectron  
Southern California Edison Co.  
St. Jude Medical, Inc.  
Tenneco, Inc.  
Textron  
U.S. Foodservice, Inc.  
Unilever USA  
USX Corporation (US Steel)  
Valspar Corporation  
Wal-Mart Stores, Inc.  
Waste Management  
Yankee Candle Company

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## Recent Tombstones

**Eagle Supply Group Inc.**

*was acquired by*

**Gulfc0 Acquisition Inc.**

*A wholly owned subsidiary of*



Provided the Solvency Opinion for the transaction as required by the lender, Bank of America Business Credit, for the transactions \$81 million financing.

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**Minuteman**   
**Hako**

Served as exclusive financial advisor and assisted in negotiating the \$15,800,000 purchase of all outstanding public shares to take Minuteman private in an acquisition by Hako-Werke International GmbH.

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An overseas Internet gaming company has been acquired by private investors.

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Provided financial analysis and served as exclusive financial advisor to the investors for their \$900,000,000 acquisition.

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## Recent Tombstones (continued)

MGM MIRAGE

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Provided the  
**fairness opinion**  
for its \$215 Million divestiture  
of the  
Golden Nugget Hotels,  
Las Vegas and Laughlin,  
Nevada.

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Provided financial advisory  
and rendered the  
**fairness opinion**  
for its  
\$10 million  
ESOP Formation.

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America Comes Home to  
**AIMCO**

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Provided  
**fairness opinions**  
for the acquisition of  
non-affiliated minority interests  
in six multi-family partnerships  
totaling \$46.7 million.

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# Professional Qualifications

*Carol E. Lee, Director*

Carol Lee is a director in the financial valuation practice of Marshall & Stevens. Ms. Lee specializes in complex valuation matters and financial issues involving closely-held companies, early stage ventures, partial business interests, preferred equity, intellectual property, intangible assets, acquired R&D, debt instruments, and derivatives.

## **PROFESSIONAL EXPERIENCE**

Ms. Lee has been responsible for performing and supervising project teams on over eighty valuation engagements for purposes relating to mergers and acquisitions; strategic planning; commercial disputes; bankruptcy; corporate, estate, and gift tax planning and compliance, employee stock ownership plans, and financial statement reporting. Her consulting experience includes:

- Valuation of seven subsidiaries and their underlying technology and customer-related intangible assets for the management buyout of a multi-billion dollar storage technology company.
- Valuation of 14 operating subsidiaries and their underlying technology, trademarks, and favorable contract-related intangible assets of one of the largest European cable and communications companies.
- Evaluation of patent portfolio for a leading security software provider involved in patent infringement dispute.

While Ms. Lee has extensive experience serving clients in a variety of industries, areas of specialty include enterprise software, storage technologies, wireless communications, networking technologies, semiconductor equipment and manufacturing, pharmaceuticals and biotechnology, specialized manufacturing, business services, retail and distribution, and marketing information.

## **EMPLOYMENT**

Ms. Lee has been actively involved in financial valuation since 1998. Prior to joining Marshall & Stevens, she was a manager in the Valuation Services Group of Huron Consulting Group and Andersen LLP. Ms. Lee began her consulting career at LECG in Emeryville, California in its Financial / Damages Group.

## **EDUCATION AND PROFESSIONAL AFFILIATIONS**

Ms. Lee holds a B.A.S degree in managerial economics and political science from the University of California, Davis. She is a Level Three candidate for the CFA designation and is a member of the CFA Institute and the Security Analysts of San Francisco. In January 2002, Ms. Lee was also a panelist for the Bay Area Chapter of Legal Marketing Association's presentation, *Art and Science of Brand Valuation*.

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# About Marshall & Stevens

*A recognized leader in valuation and transaction advisory,  
serving clients across the globe.*

Established in 1932, Marshall & Stevens is a multidisciplinary advisory firm specializing in independent valuation opinions and financial advisory services nationwide. Our professionals have opined on billions of dollars in value covering transactions spanning the globe.

We have served individual entrepreneurs to many of the nation's most distinguished corporations. Our seasoned professionals have also worked closely with corporate advisors including accountants, financial consultants, attorneys, bankers, and trust officers, so we understand the unique concerns of a broad range of businesses. We take great pride in our people, our independence and our ability to remain on the cutting edge of issues affecting value to our clients.

## Our Services

- ❖ Financial Opinions
- ❖ Valuation and Transaction Consulting
- ❖ Machinery and Equipment Appraisals
- ❖ Commercial Real Estate Appraisals
- ❖ Specialty Services
  - ✓ Cost Segregation Analyses
  - ✓ Insurance, Property Tax and Public Entities
  - ✓ ESOP Formation
  - ✓ Real Estate Capital

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# About Marshall & Stevens (continued)

**120 Employees – Nine Offices**





## Contacts

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