

Stock Option Valuations

(IRC 409A / SFAS 123R)

Stock Options have been issued to employees, but how was the price and value determined? How will pricing and value be determined going forward?

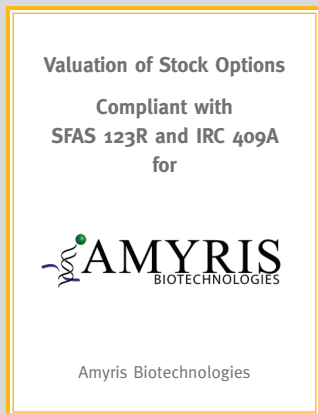
- Is your board or auditor concerned that the IRS would interpret the data differently and derive a different (higher) value for the options?
- Did an independent third-party expert determine the market value of the stock or was a “market price” or “recent” transaction price used?
- Was the option value determined using a Black-Scholes or a binomial lattice model? How were the inputs derived for the model?
- How can your company benefit from an analysis performed for compliance purposes?

It is important that a proper valuation of the stock in the company be performed as part of the stock option analysis. Remember, the IRS has hindsight on its side if it decides to audit your reports.

For over 75 years, Marshall & Stevens has been playing an integral role in business transactions, providing analyses and peace-of-mind to corporate executives, directors, and shareholders alike. We do not waver on our promise to be timely with our work, communicate openly with our clients, and present well-written reports — all for reasonable fees.

Our financial valuation staff spends the necessary time with its clients to understand the unique value drivers of each client’s business. We work with companies of all sizes and in most every industry and tailor the analysis to the client’s specific situation and circumstances, including:

- + Mergers, Acquisitions and Divestitures
- + Financial Compliance
- + IPO preparation
- + Wealth and Tax Transfer Transactions
- + Financings



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Representative Engagements

Valuation of Stock Options

Compliant with
SFAS 123R and IRC 409A
for



Flektor Inc.

Marshall & Stevens was engaged by Flektor, Inc., to value its stock options granted to employees. Founded in 2006 and based in Culver City, California, Flektor, Inc., is a state-of-the art web-based video and audio editing, storage and posting site.

Valuation of Stock Options

Compliant with
SFAS 123R and IRC 409A
for



Amyris Biotechnologies

Marshall & Stevens was engaged by Amyris Biotechnologies to value its stock options to be granted. Headquartered in Emeryville, California, Amyris Biotechnologies is dedicated to improving the world by leveraging breakthroughs in synthetic biology. Amyris' technology is able to provide a consistent, cost-effective supply of biofuels and other high-value natural compounds, including pharmaceuticals, fine chemicals, and nutraceuticals

Valuation of Stock Options

Compliant with
SFAS 123R and IRC 409A
for



DevZuz

Marshall & Stevens was engaged by DevZuz to value its stock options. Headquartered in Marina del Rey, California, DevZuz offers a proven, scalable delivery platform built to enable IT organizations to rapidly and

predictably extract value from the use of open source projects during the development process.

Valuation of Stock Options

Compliant with
SFAS 123R and IRC 409A
for



XLNT Veterinary Care, Inc.

Marshall & Stevens was engaged by XLNT Veterinary to value its stock options granted to employees. Headquartered in San Jose, CA, XLNT Veterinary, also known as PetDrx, manages over 20 veterinary clinics throughout the state of California.