

Valuation Services for Bankruptcy, Reorganizations and Restructuring

When challenging business situations arise, companies, investors and debt holders contact Marshall & Stevens to provide the valuation they require. Whether it is a valuation of business units or assets for buy/sell consideration (divestiture) or for an opening day balance sheet post-bankruptcy, a debt for equity swap, warrants and other financial instrument valuation for debtor in possession ("DIP") financing, property tax dispute, down round financing, etc., our professionals have the in-house experience working with businesses in a wide array of industries.

TRANSACTION OPINIONS

Fairness Opinions

Board Members, Management, Investors, and Debt Holders should look to an independent source for Fairness Opinions as part of any restructuring. Down round financings, debt for equity swaps, etc. leave shareholders wondering if they are being unfairly diluted or replaced at something other than fair market value. Getting a Fairness Opinion from the same party that earns a commission for structuring the recapitalization is a conflict of interest.

Solvency Opinions

Board Members, Management, Investors, and Debt Holders should look to an independent source for Solvency Opinions as part of any restructuring. Having the same party that earns a commission for structuring the recapitalization should not be providing an opinion as to whether or not the business can service the new financing and meet its obligations, it is a conflict of interest.

Valuations of Business Units and Assets Slated for Divestiture

We provide an independent opinion of value of business units and assets, both tangible and intangible, slated for divestiture to raise cash.

Collateral Asset Valuations

Our professionals provide a variety of independent opinions of value suitable for a variety of situations. Collateral lenders typically request Orderly and Forced Liquidation Values of assets, both tangible and intangible, for financing purposes and for comparison to Reorganization Value.

TAX REPORTING

Forgiveness of Debt Studies (IRC Section 108)

Provide an independent opinion of value of the business enterprise and the extent of its solvency relative to the subsequent debt outstanding to determine what portion of the debt forgiven (if any) is taxable.

Net Operating Loss Carryforward and Built-In Gain Studies (IRC Section 382)

Provide an independent opinion of the market value of the business enterprise to determine net operating loss carry forward limitations and the impact of built-in gains (or losses).

Reorganization Value / Corporate Recapitalization Studies (IRC Section 368)

Provide an independent opinion of the market value of the business enterprise(s) for reorganization/recapitalization.

FINANCIAL REPORTING

Fresh Start Accounting Valuation: ASC 852 - Reorganizations

Financial reporting requirements associated with an emergence from Chapter 11 of the Bankruptcy Code include the restatement of the company's balance sheet, similar to the purchase price allocation analysis provided under FASB ASC 805 - *Business Combinations*.

Clients engage our Financial, Equipment, and Real Estate valuation professionals to provide the required valuation of the subject tangible assets as well as a Fairness Opinion or Solvency Opinion on the transaction. Assets valued may include:

- Machinery, Equipment, Vehicles, Furniture, Fixtures, and Integrated Facilities
- Trademarks and Tradenames
- Customer Lists
- Intellectual Property
- Internally Developed Software
- Real Estate

Financial Instrument Valuations

- Debt and Equity Securities: FASB ASC 320
- Equity Compensation: FASB ASC 718 (IRC Section 409A)
- Derivatives & Hedging: FASB ASC 815
- Investment Companies FASB ASC 946 - Investments held by private equity funds, venture capital funds, hedge funds, and business development companies.

Marshall & Stevens - A Trusted Name

Established in 1932, Marshall & Stevens is a recognized leader in valuation, serving businesses, boards, investors, financing sources, and trusted advisors throughout the world.

Our in-house specialists provide a full complement of valuation-related services, from transaction advisory, Fairness Opinions, Solvency Opinions and valuations of businesses, equity and debt instruments, intangible asset, fixed assets and real estate.



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