

March 1, 2017

Mr. John Jones
President
The John X. Jones Company, Inc.
15000 Company Drive
Toms River, NJ 08755

Dear Mr. Jones

We have been engaged to determine the Fair Market Value of the Assets of The John X. Jones Company, Inc. on a control marketable basis. The valuation was prepared to determine the market value of the company to prepare the business for sale. The valuation was prepared as of March 1, 2017, which is the most recent date that financial information was available. This report is a limited scope valuation and is subject to the Statement of Contingent and Limiting Conditions.

The term “Fair Market Value” is defined by the American Society of Appraisers as “the amount at which property would change hands between a willing seller and a willing buyer when neither is acting under compulsion and when both have reasonable knowledge of the relevant facts.” The value takes into consideration that reasonable time is allowed for exposure in the open market.

We have conducted an appraisal of the business and have considered the three traditional approaches to value – the sales comparison approach, cost approach, and income approach. Our report is presented in accordance with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the American Society of Appraisers. We did not exclude any of the appropriate appraisal approaches from consideration.

Based on review of the financial information provided, it is our estimate that the Fair Market Value of the assets of The John X. Jones Company, Inc. as of March 1, 2017 is:

Breakdown of Tangible and Intangible Assets	
Tangible Assets	\$290,000
Intangible Assets	\$550,000
Fair Market Value of Assets	\$840,000

The Fair Market Value was determined based on the assets included with the sale and the normalization of the income statements provided. The information provided in this report by management, employees and third parties was believed to be reliable.

Certification:

We hereby certify to the best of our knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is the personal, impartial, unbiased and professional opinions and conclusions of the undersigned.

We have no personal interest or bias with respect to the subject matter of this report or the parties involved.

Our compensation for the engagement is no way contingent upon the value reported or upon a predetermined value.

Joseph Caputo provided professional assistance to the person(s) signing this report.

Sincerely,

Scott C. McMahon, ASA, MBA, MRICS
Accredited Senior Appraiser – Business Valuation
MR Valuation Consulting, LLC

Purpose and Objective

We have been engaged to estimate the Fair Market Value of 100% ownership interest in the tangible and intangible assets of The John X. Jones Company, Inc. as of March 1, 2017. This valuation was performed for the purpose of providing an independent valuation to assist the client in the potential sale of the company. Our report is subject to the attached Statement of General Assumptions and Limiting Conditions. The report is intended for the use by the subject company, its owners and professional advisors and shall not be disseminated to any party other than the client or an intended user. This report is not to be used as a basis for financial loans, estate planning or any other purpose other than a sale or purchase of a company.

Definition of Fair Market Value

The most widely recognized and accepted standard of value is Fair Market Value. For purposes of this valuation, we define Fair Market Value as “the amount at which the property would change hands between a willing seller and a willing buyer when neither is acting under compulsion and when both have reasonable knowledge of the relevant facts.” This definition comports to that found in the tax code and in Revenue Ruling 59-60.

Scope of the Engagement

This valuation is a summary report providing an estimate of value of the Fair Market Value of The John X. Jones Company, Inc. At the request of the client; we have foregone a Comprehensive Narrative Report under Revenue Ruling 59-60. We have not performed a site survey; however we have been provided sufficient information from our client with respect to the facilities and characteristics of the subject company and we did not include a formal industry analysis. There were no restrictions or limitations on the scope of work or data available for our analysis. We have relied on the financial information and normalization adjustments provided by the client. We have not audited the ledgers, journals and financial data supporting the financial statements. In preparing the summary report we reviewed the following financial information, documents and websites:

- Tax Returns for 2015 and 2016
- 2016 Fixed Asset List
- 2016 Profit and Loss Statement
- 2016 Balance Sheet
- National and Regional Federal District Reserve Report at <http://www.federalreserve.gov/FOMC/BeigeBook/2016/>
- Duff and Phelps 2016 Valuation Handbook – Guide to Cost of Capital
- SIC and NAICS Description at <http://www.census.gov/epcd/naics02/N02TOS87.HTM>
- Twenty year treasury rate at <http://www.ustreas.gov/offices/domestic-finance/debt-management/interest-rate/ltcompositeindex.shtml>
- Prime rate per <http://www.nfsn.com/library/prime.htm#chart>
- Comparable sales data from Pratt’s Stats at <http://www.bvmarketdata.com/>

Value Synthesis and Summary of Indicated Values

In the Fair Market Valuation Analysis section of the report there are detailed explanations of the methodologies used to derive the value conclusion. We considered the Asset, Income and Market Approaches in estimating the value of the subject company. A summary of the various methods used in the valuation and the respective weighting of each approach is presented below:

Summary of Valuation Approaches & Methods			
	Indicated Value	Weighted	Weighted Value
Asset Based Approach			
Book Value Method	N/A	0.0%	\$0
Fair Market Value of Tangible Assets	\$285,400	0.0%	\$0
Income Based Approach			
Single Period Capitalization Method	\$896,164	55.0%	\$490,000
Excess Earnings Method	\$707,457	15.0%	\$110,000
Market Based Approach			
MVIC/Revenue Indicated Value	\$808,430	10.0%	\$80,000
MVIC/SDCF Indicated Value	\$761,624	10.0%	\$80,000
MVIC/Normalized EBITDA Value	\$820,225	10.0%	\$80,000
Fair Market Value of Total Assets		100.0%	\$840,000
Fair Market Value of Total Assets Rounded			\$840,000

Indicated Value and Hypothetical Financial Structure

The financial structure can be broken down into five distinct components including a down payment by the purchaser, seller financing, assumed payables, assumed debt, and newly created Commercial Financing. Any payables or debt assumed by the buyer in the transaction will reduce the net proceeds received by the seller. Seller financing can contribute to successfully closing the transaction. Normally, the owner will provide some level of seller financing and the financing will consist of both seller and bank financing. Additionally, buyers may assume existing debt or accounts payable of the seller. Below is a proposed structure for the transaction:

Financial Structure:

Equity Down Payment	\$ 210,000
Seller Financing	\$ 210,000
Commercial Financing	\$ 420,000
Assumption of Payables & Other	\$ 10,000
Indicated Value	\$ 850,000

Price Validation & Analysis of Return on Down Payment

We tested the final indication of value with a Price Validation & Analysis of the Return on Down Payment to determine if the buyer can actually afford to purchase the business under the proposed structure. The Price Validation compares the expected sustainable cash flow of the company with the debt service on the proposed financing, capital expenditures, and a normal replacement salary to determine if there is a reasonable return on the purchaser's down payment. This is a means of testing if the indicated value is reasonable. If the cash flow remaining after debt service provides what a buyer believes to be a reasonable return on the down payment required, then a buyer will feel justified in taking on the risk of owning the new business. If a buyer cannot pay for the business out of the operational cash flows of the company and receive a reasonable return, the business will not be attractive to a typical buyer.

The following projections are based upon the indicated Fair Market Value of the subject assets. Certain assumptions were made with respect to a hypothetical down payment and debt structure as well as estimating a term and interest rate to determine the debt service on the proposed financing. The chart below shows the estimated Return on Down Payment available to a buyer after the required debt service, capital expenditures and a normal salary are met:

Price Validation & Return on Down Payment

Price Validation & Analysis of Return on Down Payment

Debt Service Assumptions:

Interest Rate:	7.0%
Weighted Average Term in Years	10

Structure of Financing

Fair Market Value of Assets	\$840,000
Less: Down Payment	\$210,000
Less: Assumed Payables	\$10,000
Total Seller and Commercial Finance Debt	\$620,000

Analysis of Cash Outflow

Estimated Annual Sustainable Cash Flow:	\$220,000
Less: Annual Debt Service	\$90,000
Less: Annual Capital Expenditures	\$30,000
Less: Owner/ Manager Salary	\$40,000
Total Cash Outflow Requirements	\$160,000

Cash Flow Remaining	\$60,000
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Annual Return on Down Payment (1st Year)	31.5%
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Normalization of Historical Financial Information

Historical Operating Results with Normalization of Earnings

	FYE	FYE	Proj ⁽¹⁾
Fiscal Years Ending	2015	2016	2017
Sales	\$728,709	\$759,301	\$800,000
Growth Rate	N/A	4.2%	5.4%

Historical Cash Flows:

Earnings Before Tax (EBT)	\$42,025	\$3,882	\$140,000
Depreciation & Amortization	\$30,359	\$53,286	\$0
Interest	\$6,127	\$3,620	\$0
EBITDA (Accounting Basis)	\$78,511	\$60,788	\$140,000

Normalization Adjustments:

Total Officer/Owners Salaries + Bonus	\$26,000	\$26,560	\$25,000
Non-Working Family Member/Salaries	\$55,000	\$55,000	\$55,000
Owner's Vehicles Lease, Insurance, Maintenance	\$2,913	\$6,288	\$10,000
Owner's Medical and Retirement	\$14,000	\$14,000	\$14,000
Owner's Travel and Entertainment	\$1,360	\$381	\$0
Owner's Legal and Accounting	\$8,000	\$15,000	\$10,000
Other - Office Miscellaneous	\$8,000	\$12,000	\$0
Non-recurring/Unusual Expense	\$0	\$25,408	\$0
Rent Adjustments	\$5,000	\$5,000	\$0

Total Add Backs:	\$156,759	\$216,543	\$114,000
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Seller's Discret. Cash Flow (SDCF)

\$198,784	\$220,425	\$254,000
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Less: Normalized Owner/MGR Salary

\$40,000	\$40,000	\$40,000
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Normalized EBITDA

\$158,784	\$180,425	\$214,000
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	Revenue	SDCF	Normalized EBITDA
Actual Results for FYE 2016:	\$728,709	\$198,784	\$158,784

Values Used in the Report ⁽²⁾:

\$762,670	\$224,403	\$184,403
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SDCF = Seller's Discretionary Cash Flow is EBITDA plus all normalization adjustments.

EBITDA = Earnings before interest, income tax, depreciation and amortization.

(1) Projected Values

(2) Values used in this report are averages of 2015 - 2017 projected financials.

Tangible Assets and Liabilities Included in the Sale

Tangible Asset Information as of:		March 1, 2017
Book Value of Assets Transferred		N/A
Assets:		Estimated Fair Market Value
Fixed Assets		\$290,000
Total Assets Transferred		\$290,000
Liabilities to be Assumed or Refinanced		
Accounts Payable		\$10,000
Total Liabilities Assumed		\$10,000
Net Tangible Assets Transferred		\$280,000

Statement of Assumptions and Limiting Conditions

This valuation is subject to the following Assumptions and Limiting Conditions. Other assumptions and limiting condition may be included in this report at other locations in the report.

In this section, the term report can mean study, appraisal, research or analysis and any report or work product or deliverable about the study, appraisal, research, or analysis. Further, the term MRV Consulting stands for MR Valuation Consulting, LLC and its employees, consultants, appraisers, staff members, and service providers.

Information and Data Sources

1. Information on the financial, legal, and physical condition of the subject property or assets, provided by the Client, or its representatives, directly to us or to the public through various public disclosure methods is assumed to be reliable. Other materials and information obtained from various professionally appropriate public and private sources are assumed to be reliable.
2. The information contained within this report was obtained from sources deemed to be reliable. Reasonable efforts, given the intended use, purpose, and scope of the appraisal, have been made to verify such information; however, no warranty and responsibility is given as to its accuracy.
3. If substantive issues are later discovered in data relied upon, then the reported opinions in this study may need to be revised accordingly.

Property Specific Assumptions and Limiting Conditions

4. This report analyzes the fee simple interest of the subject property or assets, free and clear of any or all liens or encumbrances. This appraisal is subject to the restrictions imposed by this agreement.
5. MRV Consulting does not provide legal, accounting, audit, engineering, architectural, or environmental sciences services. MRV Consulting assumes no responsibility for matters of a legal nature, matters of title, matters of audit, matters of engineering, matters of environmental science, or matters of architecture. It is assumed that any legal, engineering, architectural, environment, accounting and financial information as provided by Client, representatives, and management or obtained from public records are correct and assumed to be reliable.
6. MRV Consulting assumes that there are no hidden or unapparent conditions at the subject land and/or improvements, which would render the subject property or assets more or less valuable, except as noted herein. MRV Consulting assumes no responsibility for such conditions, or for engineering, environmental, legal, or architectural counseling which might be required to discover such conditions. It is assumed that the subject property or assets are not adversely affected by contaminants or health risks and that no contamination or health risks exist on or near the Property. MRV Consulting assumed that there were no

ADA issues sufficient to significantly render the subject property or assets more or less valuable.

7. It is assumed that there are no zoning or building code issues, or other federal, state, or local regulation compliance issues concerning the subject property or assets that would significantly increase or decrease the value of the subject property or assets being appraised.
8. Competent and responsible management and ownership are assumed.
9. Since MRV Consulting is not an engineering or architectural firm, it makes no representation as to quality, functionality, condition, limitations and size of the subject property or assets, except that 1) MRV Consulting has relied upon what has been reported to MRV Consulting as the best available data, where said data was provided by others to MRV Consulting who MRV Consulting believes to be an appropriate source of said data given the specific purpose, intended use and scope of work of this study, and 2) if a visual inspection was conducted by MRV Consulting then MRV Consulting has relied upon the visual inspection. Given the inherent limitations of MRV Consulting's visual inspection, if conducted, important issues at the Property may not be uncovered. MRV Consulting's visual inspection of the Property is not an engineering, architectural, or environmental inspection, and does not test building operations and does not cover 100 percent of the building(s), machinery and equipment, or the site.
10. This study assumes that, unless specifically noted elsewhere in the report, the subject property or assets suffers no environmental or hazard issues, and that there are no contamination or health risks existing at or near the Property.

Study Analysis and Format Assumptions

11. This report has been prepared in accordance with the requirements of USPAP of the Appraisal Foundation, and the American Society of Appraisers. Jurisdictional exceptions may apply.
12. MRV Consulting has determined the scope of work, based on its discussions with the Client, and their reported needs, their reported purposes and intended use of the appraisal. The appraisal scope is limited to the work necessary to provide for the Client's purpose and use of the report, and as such this report is not recommended for any other use. The scope of this appraisal is not so confined as to result in misleading or unsupported opinions of value.
13. Extraordinary Assumptions and Hypothetical Conditions, as defined by USPAP, will be disclosed at various points in this report, if applicable.

Publication, Distribution, Use of Report

14. The opinions proffered in this report are as of a specific date, for a specific use and purpose, and made under specific assumptions and limiting conditions. Possession of this report, or a copy thereof, does not give the holder the right of publication, nor may the report or any

part thereof be used by anyone other than the Client and intended users for the intended use. Using the opinions proffered herein for any other use or purpose is inappropriate and unwise, and is prohibited, unless authorized in written by MRV Consulting. The Client agrees that:

- a) Any advice or recommendations, written or oral, provided by MRV Consulting in connection with this engagement is exclusively for the Client and any other intended user specifically identified by MRV Consulting.
 - b) Client will not refer to MRV Consulting by name or otherwise, or their services in any written materials relating to the report, including without limitation, any publicly filed documents without their prior written consent for each requested use or reference;
 - c) Neither all nor part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without prior written consent of MRV Consulting;
 - d) Nor shall MRV Consulting or any professional organization of which MRV Consulting are a member or candidate, be identified without the prior written consent of MRV Consulting.
 - e) This report may not be utilized in any present or proposed, public or private syndication or public offering of any of the interests in the Property unless prior written agreement has been obtained from MRV Consulting; and
 - f) This report is intended to be utilized as a whole, and may not be used in parts.
15. Any party receiving a copy of this report in order to satisfy disclosure requirements, does not become an intended user of the appraisal unless MRV Consulting identifies such party as an intended user.
16. Disclosure of the contents of this report is governed by the by-laws and regulations of the USPAP of the Appraisal Foundation and the American Society of Appraisers. MRV Consulting is authorized by the Client to disclose all or any portion of this report, and the work files to appropriate representatives of the Appraisal Foundation and the American Society of Appraisers, if such disclosure is required to enable the MRV Consulting to comply with their respective by-laws and regulations now or hereafter in effect.
17. Neither all nor part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without written consent and approval of MRV Consulting. Nor shall MRV Consulting or any professional organization, of which it is a member or candidate, be identified without the written consent of MRV Consulting.

Limit of Liability

18. MRV Consulting warrants that it has performed the services hereunder in good faith and in a professional appraisal manner. MRV Consulting disclaims all other warranties, either express or implied, including, without limitation, warranties of merchantability and fitness for a particular purpose.
19. Any valuation or forecasts models of income and expenses in this report are not predictions of the future and are created for the specific use and purpose of the appraisal. No warranty

or representation is made that the model will coincide with actual future events. Furthermore, there will usually be differences between the modeled results and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

20. The liability of MRV Consulting is limited to the Client only and shall not exceed in the aggregate the amounts actually received by MRV Consulting for its services.
21. It is understood and agreed that Client and MRV Consulting are independent of the other and that neither is, nor shall be considered to be, an agent, distributor, or representative of the other. Neither party shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation on behalf of, or in the name of, the other. Client acknowledges that the full independence and authority of MRV Consulting will be maintained throughout this engagement and that no assurances or guarantees of a value estimate or consulting recommendation have been made or are a condition of this engagement.
22. In providing this service, MRV Consulting establish and the Client understands and agrees that (a) no relationship other than one of a service provider is created between MRV and its staff members and the Client; and (b) MRV Consulting assumes no responsibility for or ownership of the risks and rewards of the client business decisions based on, or business results that are consequential to the use of this report.
23. MRV Consulting is not required to give testimony about this report, or to provide other services to the Client concerning the subject property or assets, without a written agreement between the Client and MRV Consulting for compensation to MRV Consulting.

Ownership of MRV Consulting Properties

24. **MRV Consulting Technology and Copyrights.** MRV Consulting has created, acquired, or otherwise has rights in, and may, in connection with the performance of services hereunder, employ, provide, modify, create, acquire or otherwise obtain rights in, various concepts, ideas, methods, methodologies, procedures, processes, know-how, and techniques; (including, without limitation, models; templates; the generalized features of the structure, sequence and organization of software; user interfaces and screen designs; general purpose consulting and software tools, utilities and routines; and logic, coherence and methods of operation of systems) (collectively, referred to as “MRV Consulting Technology and Copyrights”).
25. **Ownership and Use of Deliverables.** Except as provided in Paragraph 26 below, upon full and final payment to MRV Consulting for its services hereunder, the tangible items specified as deliverables or work product in the proposal, engagement letter, or contract to which these terms are attached (the “Deliverables”) will become the property of the Client. To the extent that any MRV Consulting Technology and Copyrights are contained in any of the Deliverables, MRV Consulting hereby grants the Client, upon full and final payment to MRV Consulting hereunder, a royalty free, fully paid up, worldwide, non-exclusive

license to use such MRV Consulting Technology and Copyrights in connection with the Deliverables, and only for the Deliverables, and only for the Client's intended purpose and use as enumerated in the attached proposal, engagement letter, or contract.

26. Ownership of MRV Consulting Properties. To the extent that MRV Consulting utilizes any of its property (including, without limitation, the MRV Consulting Technology and Copyrights, or any hardware or software of MRV Consulting in connection with the performance of services hereunder, such property shall remain the property of MRV Consulting and, except for the license expressly granted in Paragraph 25 above, Client shall acquire no right or interest in such property. Notwithstanding anything herein to the contrary, the parties acknowledge and agree that (a) MRV Consulting will own all rights, title, and interest, including, without limitation, all rights under all copyright, patent and other intellectual property laws, in and to the MRV Consulting Technology and Copyrights and (b) MRV Consulting may employ, modify, disclose, and otherwise exploit the MRV Consulting Technology and Copyrights (including, without limitation, providing services or creating programming or materials for other clients). MRV Consulting does not agree to any terms that may be construed as precluding or limiting in any way its right to (a) provide consulting or other services of any kind or nature whatsoever to any person or entity as MRV Consulting in its sole discretion deems appropriate or (b) develop for itself, or for others, materials that are competitive with those produced as a result of the services provided hereunder, irrespective of their similarity to the Deliverables.
27. All spreadsheets and electronic models used in performing this analysis, are the sole property of MRV Consulting and the Client.

Statements of Qualifications and Personal Histories

28. Any statements of qualifications, resumes, and personal and/or company histories are presented in summary for marketing purposes and to assist the intender(s) of the report with understanding the professional competency and experience of MRV Consulting. These statements of qualifications, resumes, and personal and/or company histories are (1) not a complete listing of our professional experiences and qualifications and (2) not a full disclosure of our professional, corporate, and personal interactions and relationships.

Qualifications of the Valuator **Scott McMahon, ASA, MBA, MRICS**

Professional Background

MR Valuation Consulting, LLC
Partner – Business Valuation

2002 to Present

Scott McMahon is the Partner in charge of the business valuation practice at MR Valuation Consulting, LLC. Scott specializes in business valuations and appraisals, mergers and acquisition support, litigation consulting and economic analysis. Scott has over 12 years of valuation experience and has prepared over 500 valuations throughout the world.

Mr. McMahon is an Accredited Senior Appraiser with the American Society of Appraisers designated in the discipline of Business Valuation and is a Member of the Royal Institution of Chartered Surveyors. Scott holds a MBA with a concentration in Finance and a bachelor's degree in Economics.

Mr. McMahon has completed appraisals of middle market to large multi-national companies including, but not limited to, healthcare providers, cable and telecom companies, auto dealerships, auto parts, biotech, pharma, apparel, retail, textiles, hospitals, education, insurance, brokerages, software, public relations, construction, oil, gas and electric utilities, power plants, refineries, casinos, racetracks, and complex manufacturing and industrial facilities etc. His experience includes both domestic and international businesses ranging in value from \$1 Million to \$5 Billion.

Mr. McMahon has also supervised and performed hundreds of engagements involving the valuation of intangible assets including customer and supply contracts, power purchase agreements, transitional agreements, mineral and fossil fuel rights, transmission constraint contracts, workforces, patents, computer technology, trade names, leases, non-compete agreements, and goodwill. Specializations include discounted cash flow and direct capitalization models, guideline public company and guideline transaction analyses, relief from royalty analyses, and excess earnings models.

These assignments serve a variety of purposes, which include:

- Fair Market Valuations
- Purchase Price Allocations
- Divorce
- Mergers and Acquisitions
- Due Diligence Studies
- Liquidations
- Bankruptcy Proceedings
- Audit Support
- Litigation Support
- Ad Valorem Tax
- Gift and Estate Tax
- Dispositions
- Shareholder Disputes
- Estate Tax Planning
- Financing and Refinancing
- Syndicated Loans
- Highest and Best Use Analyses
- Feasibility Studies

These valuations are performed for a variety of purposes including shareholder disputes, buyouts, divorce, estate planning, property tax disputes, financial and management reporting, and federal tax reporting in compliance with FASB Accounting Standards Codification; ASC 805, 350, 410 and 360 (formerly known as FAS 141R, 142, 143 and 144 respectively), with International Financial Reporting Standards (IFRS), International Valuation Standards (IVS), GASB 34, and IRC Section 45 and 1060. These transactions have commonly involved financial, economic, and statistical analysis to establish market values and overall transactional structuring.

Mr. McMahon has testified in state court and arbitration / mediation hearings and he has provided numerous litigation and negotiation support services regarding valuations for court cases held within New York, New Jersey, Illinois, Michigan, Georgia, Nevada, California, Connecticut, Indiana, Pennsylvania, Massachusetts, and Minnesota. Scott has also given numerous professional lectures and presentations on the subject of valuation.

Professional Affiliations:

- American Society of Appraisers – Accredited Senior Appraiser
 - ASA designation in Business Valuation - 2007
- MRICS – Member of the Royal Institution of Chartered Surveyors, 2012

Education:

- MBA - Concentration in Finance – Rider University - 2002
- B.A. Economics – Richard Stockton College - 2000
- American Society of Appraisers – Business Valuation
 - BV204: Advanced Business Valuation Topics
 - BV203: Business Valuation Case Study
 - BV202: Introduction to Business Valuation, Part II
 - BV201: Introduction to Business Valuation, Part I
 - Principles of Appraisal Practice and Code of Ethics
- Appraisal Institute Required Courses / Exams Passed
 - Appraisal Institute Exam I410: Standards of Professional Practice (USPAP)
 - Appraisal Institute Exam 110, Appraisal Principles
 - Appraisal Institute Exam 410, Appraisal Procedures
 - Appraisal Institute Exam 310, Basic Income Capitalization
 - Appraisal Institute Exam 320, General Applications
 - Appraisal Institute Exam 510, Advanced Income Capitalization
 - Appraisal Institute Exam 550, Advanced Applications

Testimonial Experience (Expert Witness) & Litigation Support:

- State of Minnesota – Testified as a rebuttal witness in 2014 regarding Minnesota Energy Resources Corporation (MERC) v. Commissioner of Revenue; Docket No. 8041-R, 8135-R, 8271-R, 8375-R, and 8482-R.
- State of Georgia – Testified in an arbitration hearing in 2012 and provided mediation support regarding a property tax dispute of 4 years (2008-2011) between the local taxing jurisdiction and Armstrong World Industries, Inc. The County Board accepted the values for the 4 tax years in question, as well as the subsequent tax year (2012) utilizing the values determined by MRV Consulting.
- State of Michigan, City of Luna Pier – Appraisal of J.R. Whiting Generating Station owned by Consumers Energy to support the City of Luna Pier with property tax assessment negotiations for tax years 2010 and 2011. Mr. Scott McMahon actively participated in the negotiations on Consumers Energy Company v. City of Luna Pier; MTT Docket No. 391680 and 436396 which resulted in a satisfaction agreement for the two tax years in question, as well as the subsequent five tax years (2012, 2013, 2014, 2015, and 2016) utilizing the values determined by MRV Consulting.
- Montana Department of Revenue – MRV Consulting completed an appraisal analysis of the Southern Montana Electric Generation & Transmission Cooperative, Inc. and the Highwood Generating Station in connection with property tax negotiations and assessment appeal with the Montana Department of Revenue (MDOR). Scott McMahon actively participated on the negotiation with MDOR, the resolution was a consensual valuation for 2013 tax purposes and a decrease by nearly half of the estimated taxes.

Qualifications of the Valuator

Joseph Caputo

Professional Background:

MR Valuation Consulting, LLC

Business Valuation Analyst – Business Valuation

August 2014 to Present

Joseph Caputo is a Business Valuation Analyst within the Business Valuation Services group of MR Valuation Consulting, LLC. Mr. Caputo holds a Bachelor of Science degree in Business Administration with a concentration in Finance from The College of New Jersey.

Joseph focuses on the valuation of business entities and assets for financial and management reporting purposes, federal tax reporting, estate planning, property tax and transfer tax, acquisitions and divestures. Mr. Caputo specializes in business valuations including income approach analyses such as discounted cash flow models and direct capitalization models and the market approach. His experience includes the valuation of both tangible and intangible assets for business interests, as well as company and economic research across multiple industry sectors.

Joseph's business valuation experience also includes the valuation of family limited partnerships and limited liability companies for financial and tax planning. The business valuation of closely-held entities requires the ability to quantify minority discounts and control premiums, lack of marketability discounts, and various other discounts. His technical skills include business and intangible asset valuations, competitive and risk analysis, and financial modeling.

Education:

- Bachelor of Science in Finance – The College of New Jersey 2014