

## BUSINESS VALUATIONS FOR FINANCIAL AND TAX REPORTING

- Better valuations through research<sup>SM</sup>
- Thorough, highly documented and independent opinions
- Cost containment and reasonable pricing
- SP&H is the *Gold Standard* in business valuation

SP&H provides comprehensive opinions that meet the regulatory requirements promulgated by:

- Financial Accounting Standards Board (“FASB”),
- Sarbanes-Oxley and the Securities and Exchange Commission (“SEC”), and
- Internal Revenue Service (“IRS”)

Our opinions are used for reporting purposes, audits, and litigation.

### VALUATION OF STOCK OPTIONS

IRS Code Section 409A imposes interest and penalties on deferred compensation plans that do not meet the *fair market value* standard. Deferred compensation plans may include stock options, employee stock purchase plans, and stock appreciation rights.

### PURCHASE PRICE ALLOCATION (PPA) VALUATIONS

PPAs are required under the FASB’s Accounting Standards Codification No. 805 (“ASC 805”) (Formerly SFAS 141). After a merger or acquisition, PPA valuations are performed on acquired tangible and separately recognizable intangible assets.

### GOODWILL AND INTANGIBLE ASSET IMPAIRMENT ANALYSIS

Under ASC 350, goodwill impairment testing must be performed at the end of the fiscal year or sooner if an event occurs that makes impairment likely.

### FAIR MARKET COMPENSATION STUDIES FOR BOARDS AND EXECUTIVES

Compensation arrangements are extensively scrutinized due to Sarbanes-Oxley. The SEC, Internal Revenue Service, and shareholders continually challenge compensation structures. SP&H has developed unique and proprietary analyses of market compensation data for middle-market, start-up and high-growth private companies.



Nevin Sanli, ASA  
President



Thomas E. Pastore, ASA, CFA, CPA  
Chief Executive Officer



Forrest Vickery, ASA  
Managing Director – N. California

T: 310/571-3400 ext. 236  
[nsanli@sphvalue.com](mailto:nsanli@sphvalue.com)

T: 310-571-3400 ext. 234  
[tpastore@sphvalue.com](mailto:tpastore@sphvalue.com)

T: 916/614-0530  
[fvickery@sphvalue.com](mailto:fvickery@sphvalue.com)

*"Sanli Pastore & Hill, Inc., has prepared our company's ESOP business valuation since 1997. I have personally worked with Nevin Sanli and Forrest Vickery who have always provided us with professional and timely service. But more than just providing service, they care about our business and the service they provide, creating a valued relationship."*

-Mr. Paugh,  
Business Owner

*"SP&H provided highly responsive customized service, under a tight timeline, at a good price. Now that's value-added!"*

-President of a  
Management Consulting and  
Strategic Planning Firm

*"Thank you for the outstanding work product and thank you for the caring attention of your people"*

-Attorney at Law

**Los Angeles Office**  
1990 South Bundy Drive  
Suite 800  
Los Angeles, California 90025

**Sacramento Office**  
701 University Avenue,  
Suite 108  
Sacramento, California 95825

[www.sphvalue.com](http://www.sphvalue.com)