



[Month Date, Year]

VIA ELECTRONIC MAIL

Client Full Name
Client Company Name
Address Line 1
City, State Zip Code

Re: Business Valuation Services for [Client Company Name]

Dear Mr./Ms./Mrs. Client Full Name:

Thank you for retaining Rogerson Business Services for your business valuation needs. This agreement for business valuation services between [Client Company Name] (Client) and Rogerson Business Services outlines our understanding of the terms and objectives of the valuation engagement. In accordance with our understanding, this agreement constitutes a legally binding contract and should be reviewed carefully.

General - services and fees: This letter agreement confirms that Client has retained Rogerson Business Services to provide business valuation services by expressing a conclusion of value of the fair market value of a 100% equity interest in [Client Company Name] as of Month Day, Year (Date of Valuation). The term fair market value is defined in The International Glossary of Business Valuation Terms, issued by the American Institute of Certified Public Accountants (AICPA), the American Society of Appraisers, the Canadian Institute of Chartered Business Valuators, the National Association of Certified Valuators and Analysts™, and the Institute of Business Appraisers, as:

The price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arms length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.

As part of the engagement, we will prepare a summary valuation report (report type) of our opinions and findings. Client authorizes Rogerson Business Services, its employees, subcontractors, third-party service providers, and agents to take whatever actions are, in our exclusive discretion, necessary or appropriate for us to conduct the valuation engagement. We plan to start the engagement the first business day after all valuation intake forms are submitted and financials are provided, and unless unforeseen problems are encountered, be completed within four weeks. If for any reason we are unable to complete the valuation engagement, we will not issue a report as a result of the engagement. We will withdraw (resign) from the engagement if we determine that continuing or completing the engagement will involve a breach of our ethical or professional standards.

We understand that our services are being performed for [add purpose] relating to 100% equity of the company or companies listed above and that the services provided by us will be considered our conclusion of value and should not be considered a guarantee as to the actual amount you would receive upon sale, nor the amount that may be accepted or found by a Court or other fact finder. Also, our analyses and report are to be used solely in the context of this matter and solely by the parties

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involved in this matter and cannot be used for any other purposes or by any other party without our prior written consent, which may be granted or withheld in our absolute discretion.

Per the terms of this agreement, neither our conclusion of value nor the scope of our work provides U.S. federal tax advice. Our conclusion of value and/or report cannot be used for the purpose of avoiding federal tax penalties or promoting, marketing or recommending to another party any transaction or matter based on our conclusion of value and/or report.

We estimate that our fee for a **summary valuation report (report type)** will be **\$XXX** (this does not include additional meetings and/or other services that may be required to defend our valuation report in litigation, including preparation time). We require 100% payment at the execution of this engagement, which is expected to commence the day after receipt of requested documents, including intake forms and financials.

This fee assumes the following:

- All financial statements will be provided in Excel format per the instructions provided in Exhibit 2 of this engagement letter; otherwise, a \$600 financial transcription fee will be applied so Rogerson Business Services can transcribe your financial statements and information on your behalf.
- If any information (specifically financial information) is inaccurate and results in significant re-work to our analysis, valuation and/or report contents, a change order in the amount of \$250 per hour for each hour spent correcting previously completed analysis, written content, etc. will be charged. The valuation report will be released upon completion and payment of charges(s).

If we encounter unusual circumstances that would require us to expand the scope of the engagement, we will discuss this with you before doing additional work.

As the engagement progresses, pre-approved related charges will be billed on a monthly basis. Payment is due upon receipt of the invoices. Final payment is due the day the written **summary valuation report (report type)** is provided to Client. In the event that you should disagree with or question any amount due under an invoice, you agree that you shall communicate such disagreement to us in writing within 10 working days of the invoice date. Disagreement with any amount not made known to us in writing within that period is considered invalid. We retain the right to discontinue services (and at our option, terminate the engagement) if Client's account balance becomes 15 days past due.

We will also charge Client for pre-approved out-of-pocket expenses incurred in the course of our engagement, including, among others (as applicable), computer database usage, industry research reports and materials, travel and living expenses (meals, lodging, etc.), fees to professionals for consultation regarding the valuation or technical matters, messenger and delivery services, report preparation, copying, and other direct engagement expenses. We will also charge Client for retaining other experts, if deemed necessary, but such experts will only be retained with Client's prior approval.

In developing our conclusion of value, we may use third-party service providers and/or request that Client use third-party service providers to establish the value of specific assets, such as separate assets or real estate appraisals. Other specialists may be suggested, but will not be engaged without your permission. We may share confidential information about you with the service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain

internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to obtain an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. We will also charge Client for retaining third-party service providers.

The fee estimate is for the valuation and valuation report and does not include any services that may be required to defend our valuation report in any disputes, including conferences, depositions, court appearances, and testimony. Fees for such services, if required, will be billed at our expert testimony rate of \$495 per hour. Fees for additional meetings with client, attorneys, and advisors as well as testimony preparation will be billed at \$280 per hour.

We will not have any obligation to issue a report or other document, or communicate our research, analyses, or conclusions, and will not have any obligation to appear for or provide written or oral testimony or evidence at trial, deposition or elsewhere, until your account is paid in full, or alternative arrangements have been mutually agreed to in writing by Client and us. We will have no liability to Client or any other person, by reason of not issuing a report, appearing for, and/or providing testimony or other evidence because of Client's failure to pay all amounts due us, and Client agrees to indemnify us against any such liability.

Cancellation: Client has the right to cancel the valuation engagement at any time for any reason and will be refunded the paid amount, less: (1) 10% cancellation fee, (2) amount for time billed to the valuation engagement for work started, and (3) amount for previously unpaid invoices.

Professional standards and confidentiality: The conclusion of value will represent our professional, unbiased opinion based on the data we are able to obtain within a reasonable time, using our best efforts. We attempt to collect data from reliable sources but do not warrant the accuracy, completeness, or reliability of the data obtained. We will not audit, compile, or review any financial statements, forecasts, or financial data provided to us. The development and reporting of our opinion of value will be in compliance with the Professional Standards of the National Association of Certified Valuators and Analysts.

All information and materials of any form or description collected by us in the course of our engagement shall constitute our work files and will at all times, during and after completion of our engagement, remain in our exclusive possession. We shall have unlimited discretion to retain, discard, or dispose of our work files but will at all times maintain all information and materials provided by Client in strictest confidence.

We will use our best efforts to keep strictly confidential the report, its existence, and content, as well as the identity of Client and other identifying information. We will nevertheless have no liability to Client or any third party for information disclosed in, or pursuant to, any ruling, order, or proceeding of any court or other judicial or non-judicial forum or of any regulatory agency or similar instrumentality.

In accordance with the final rules published by the Federal Trade Commission, commonly referred to as the Gramm-Leach-Bliley Act, the following disclosures are made: In the process of preparing a valuation or other tasks included in the assignment, we may collect from you, or with your authorization, certain essential information which is non-public and personal, such as information concerning income,

expenses, assets, liabilities and other similar information. We follow professional standards for protecting the confidentiality and security of the non-public personal information collected. We will not disclose any non-public personal information about you to any third party, except as permitted by you or required by law.

Disputes; legally binding contract: This letter agreement is a legally binding contract between Client and us and will be binding upon, and inure to the benefit of, their respective heirs, assigns, successors-in-interest, and legal representatives (as applicable). It may not be amended without the prior written consent of both parties.

Client acknowledges having been informed of the extent to which we have performed services relating to the subject property (interest), if any, within the last three years.

Client understands and acknowledges that our services and work product will be subject to the terms of this engagement letter, including our Statement of Assumptions and Limiting Conditions attached as Exhibit 1.

Client acknowledges having read this agreement in its entirety, has had full opportunity to consider its terms, has had full and satisfactory explanation of same, and fully understands and agrees to be bound by the terms of this agreement.

Please indicate your understanding and acceptance of this agreement by executing this agreement in the space provided below where, indicating your authorization for us to proceed on the above terms and conditions. Please retain a copy of this agreement for your files. Please make any checks payable to Rogerson Business Services.

Rogerson Business Services

Andrew Rogerson
President

Date: _____

The Undersigned agrees to proceed on the above terms and conditions.

[CLIENT COMPANY NAME]

Name: [Client Full Name]

Signature: _____

Title: _____

Phone #: _____

Date: _____

EXHIBIT 1: STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

This analysis is subject to the following assumptions and limiting conditions:

- 1) Rogerson Business Services' work product and conclusion of value is valid only for the stated purpose as of the valuation date indicated. We take no responsibility for changes in market conditions and assume no obligation to revise our work product to reflect events or conditions which occur subsequent to the valuation date.
- 2) Client and its representatives warranted to us that the information they supplied was complete and accurate to the best of their knowledge and that the financial statement information reflects the company's results of operations and financial and business condition. The financial statements and other related information supplied by Client or its representatives have been accepted without any verification as fully and correctly reflecting the enterprise's business conditions and operating results for the respective periods, except as specifically noted herein. We have not audited, reviewed, or compiled the financial information provided to us and, accordingly, we express no audit opinion or any other form of assurance on this information.
- 3) Public, industry, statistical, and other information furnished by others, upon which all or portions of this analysis is based, is believed to be reliable. However, we make no representation as to the accuracy or completeness of such information and have performed no procedures to corroborate the information.
- 4) Rogerson Business Services does not provide assurance on the achievability of the results forecasted because events and circumstances frequently do not occur as expected; differences between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans, and assumptions of management.
- 5) This conclusion of value assumes that Client will continue to operate as a going concern, and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed. It also assumes that the current level of management expertise and effectiveness would continue to be maintained.
- 6) This report and the conclusion of value are for the exclusive (and internal) use of Client for the sole and specific purposes as noted in the report and they may not be used for any other purpose or by any other party for any purpose. Furthermore, the report and conclusion of value are not intended by the author, and should not be construed by the reader, to be investment advice in any manner whatsoever. The conclusion of value represents our considered opinion, based on information furnished by Client and other sources.
- 7) Neither all nor any part of the contents of this report (including the conclusion of value, the identity of any valuation specialist(s), the firm with which such valuation specialists are connected, or any reference to any of their professional designations) should be disseminated to the public through advertising media, public relations, news media, sales media, mail, direct transmittal, or any other means of communication without our prior written consent and approval.
- 8) We or any individual associated with this assignment are not required to provide future services regarding the subject matter of this report, including but not limited to providing further

consultation, providing testimony, or appearing in court or other legal proceedings unless specific arrangements have been made.

- 9) Rogerson Business Services is not an environmental consultant or auditor, and it takes no responsibility for any actual or potential environmental liabilities. Any person entitled to rely on this report, wishing to know whether such liabilities exist, or the scope and their effect on the value of the property, is encouraged to obtain a professional environmental assessment. Rogerson Business Services does not conduct or provide environmental assessments and has not performed one for the subject property.
- 10) Rogerson Business Services has not determined independently whether Client is subject to any present or future liability relating to environmental matters, including but not limited to CERCLA/Superfund liability, nor the scope of any such liabilities. Our valuation takes no such liabilities into account, except as they have been reported to us by Client or by an environmental consultant working for the Company, and then only to the extent that the liability was reported to us in an actual or estimated dollar amount. Such matters, if any, are noted in the report. To the extent such information has been reported to us, we relied on it without verification and offer no warranty or representation as to its accuracy or completeness.
- 11) Rogerson Business Services has not made a specific compliance survey or analysis of the subject client's company to determine whether it is subject to, or in compliance with, the American Disabilities Act of 1990, and this valuation does not consider the effect, if any, of noncompliance.
- 12) No change of any item in this appraisal report shall be made by anyone other than Rogerson Business Services or its subcontractors and third-party service providers acting on our behalf, and we shall have no responsibility for any such unauthorized change.
- 13) Unless otherwise stated, full compliance by the subject company with all applicable federal, state, and local zoning and use, occupancy, environmental, and similar laws and regulations is assumed. No effort has been made to determine the possible effect, if any, on the subject business due to future Federal, state, or local legislation including any environmental or ecological matters or interpretations thereof, unless otherwise stated.
- 14) If prospective financial information approved by management has been used in our work, we have not examined or compiled the prospective financial information and therefore, do not express an audit opinion or any other form of assurance on the prospective financial information or the related assumptions. Events and circumstances frequently do not occur as expected and there will usually be differences between prospective financial information and actual results, and those differences may be material.
- 15) We anticipate conducting interviews with the current management of Client concerning the past, present, and future operating results of the Company.
- 16) Except as noted, we have relied on the representations of the owners, management, and other third parties concerning the value and useful condition of all equipment, real estate, and any other assets or liabilities, except as specifically stated to the contrary in this report. We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances or that the Company has good title to all assets.

- 17) The approaches and methodologies used in our work did not comprise of an examination in accordance with generally accepted accounting principles, the objective of which is an expression of an opinion regarding the fair presentation of financial statements or other financial information, whether historical or prospective. We express no opinion and accept no responsibility for the accuracy and completeness of the financial information or other data provided to us by others. We assume that the financial and other information provided to us is accurate and complete, and we have relied upon this information in performing our valuation.
- 18) The valuation may not be used in conjunction with any other valuation or study. The conclusion of value stated is based on the program of utilization described in the report, and may not be separated into parts. The valuation was prepared solely for the purpose, function and party so identified in the report. The report may not be reproduced, in whole or in part, and the findings of the report may not be utilized by a third party for any purpose, without the express written consent of Rogerson Business Services.
- 19) Unless otherwise stated, the valuation of the business has not considered or incorporated the potential economic gain or loss resulting from contingent assets, liabilities or events existing as of the valuation date.
- 20) The working papers for this engagement are retained in our files and are available for your reference. We would be available to support our conclusion of value should this be required. Those services would be performed for an additional fee.
- 21) Any decision to purchase, sell or transfer any interest in the subject company or its subsidiaries shall be the sole responsibility of Client as well as the structure to be utilized and the price to be accepted.
- 22) The selection of the price to be accepted requires consideration of factors beyond the information we will provide or have provided. An actual transaction involving the subject business might be concluded at a higher value or at a lower value, depending upon the circumstances of the transaction and the business, and the knowledge and motivations of the buyers and sellers at that time. Due to the economic and individual motivational influences which may affect the sale of a business interest, we assume no responsibility for the actual price of any subject business interest if sold or transferred.
- 23) All facts and data set forth in our letter report are true and accurate to the best of our knowledge and belief.
- 24) All recommendations as to fair market value are presented as the conclusion of value based on the facts and data set forth in this report.
- 25) During the course of the valuation, we have considered information provided by Client and third parties. We believe these sources to be reliable, but no further responsibility is assumed for their accuracy.
- 26) This report and conclusion of value, which are to be distributed only in their entirety, are intended solely for your use, solely to assist you in the determination of fair market value of the subject interests of 100% equity of [Client Company Name] for the purpose and previously described in

this engagement letter. It should not be used for any other purpose or distributed to unapproved third parties for any purpose, in whole or in part, without our express written consent.

- 27) If applicable, we have used financial projections approved by management. Furthermore, any projections of future events described in this report represent the general expectancy concerning such events as of the valuation date(s). We have not examined the forecast data or the underlying assumptions in accordance with the standards prescribed by the American Institute of Certified Public Accountants and do not express an opinion or any other form of assurance on the forecast data and related assumptions. The future may or may not occur as anticipated, and actual future operating results may vary from those described in our report. This would not affect our conclusion of value as of the valuation date of this valuation.
- 28) Our report is based on historical and/or prospective financial information provided to us by Client and third parties. This information has not been audited, reviewed or compiled by us, nor has it been subjected to any type of audit, review or compilation procedures by us, nor have we audited, reviewed or compiled the books and records of the subject company. Had we audited, reviewed or compiled the underlying data, matters may have come to our attention which would have resulted in our using amounts which differ from those provided; accordingly, we take no responsibility for the underlying data presented or relied upon in this report.
- 29) Our conclusion of value pertains only to the subject company, the stated value standard, as at the stated valuation date, and only for the stated valuation purpose(s).
- 30) The various estimates of value presented in this report apply to the valuation report only and may not be used out of the context presented herein.
- 31) In all matters that may be potentially challenged by a Court or other party, we do not take responsibility for the degree of reasonableness of contrary positions that others may choose to take, nor for the costs or fees that may be incurred in the defense of our recommendations against challenge(s). We will, however, retain our supporting workpapers for your matter(s), and will be available to assist in defending our professional positions taken, at our then current rates, plus direct expenses at actual, and according to our then current standard professional agreement.
- 32) No third parties are intended to be benefited. An engagement for a different purpose, or under a different standard or basis of value, or for a different date of value, could result in a materially different conclusion of value.
- 33) We retain all exclusive rights to copyrights to the report and to control the issuance of copies by others, and Client has no right of diffusion, reproduction, distribution or sale. Client may reproduce 10 copies of the report solely for its internal use and the use of [Client Company Name]'s owners, future owners, bankers and attorneys. Otherwise, the client may not reproduce the report without our prior written consent.
- 34) Our report may not be used to obtain financing or included in a private placement or with other public documents, and it may not be relied upon by third parties, unless otherwise described in this letter.
- 35) Our obligations of are solely the entity's obligations, and no officer, director, employee, agent, contractor, shareholder, owner or controlling person of Rogerson Business Services shall be subject

to any personal liability whatsoever to any person, nor will any such claim be asserted by or on behalf of any other party to this agreement or any person relying on the report.

- 36) We do not consent to be “expertised” with respect to matters involving the Securities and Exchange Commission. For purposes of this report, the foregoing sentence means that Rogerson Business Services shall not be referred to by name or anonymously in any filing or document. Should Client breach this stipulation and refer to Rogerson Business Services by name or anonymously, Client will amend such filing or document upon our written request.
- 37) We express no opinion for matters that require legal or other specialized expertise, investigation, or knowledge beyond that customarily employed by business valuation consultants.
- 38) Unless stated otherwise in this report, we express no opinion as to (1) the tax consequences of any transaction which may result, (2) the effect of the tax consequences of any net value received or to be received as a result of a transaction, and (3) the possible impact on the market value resulting from any need to effect a transaction to pay taxes.
- 39) In the event that facts come to light regarding the Company or any matters pertaining to this engagement that the appraiser was not made of aware of prior to the report date, the Client agrees to reimburse the appraiser and Rogerson Business Services for penalties, including those levied by the IRS. This is especially true given that valuation opinions are arrived at, in part, based on the appraiser’s judgment and experience, and that courts have discretion to disagree with an appraiser’s judgment calls, methodology, and ultimate value opinions. Code section 6695A applies the penalty based on the “proper value”. The “proper value” should be the value based on the facts known by the appraiser. The value may be different from the results determined upon an examination or litigation than what the appraiser knew or what the Client and the IRS agreed to as a resolution on examination, or a settlement at Appeals or with counsel.

EXHIBIT 2: FINANCIAL STATEMENTS - EXCEL FORMAT INSTRUCTIONS

Financial statements (Profit & Loss and Balance Sheet) are to be provided in Excel format; otherwise, a \$600 financial transcription fee will be applied so Rogerson Business Services can transcribe your financial statements. Provide the last five annual years of the Profit & Loss on one Excel worksheet and the same for the balance sheet.

Here are the instructions for companies using QuickBooks.

Customize your Profit & Loss Standard report and Balance Sheet so you can export it with a yearly comparison for the last five annual years.

1. Go to **Reports**.
2. Select **Company & Financial**.
3. Choose the **Profit & Loss Standard** report (we also need this for the **Balance Sheets** compared year by year in the same report format).
4. Click **Customize Report**.
5. Under **REPORT DATE RANGE**, select **01/01/20XX - 12/31/20XX*** (for Balance Sheet this should produce column headers that say Dec 31, XXXX for each year).
6. On the **COLUMNS** section, select **Year** on the **Display columns** by menu).
7. Select **OK**.
8. Click Save as Excel.

*Date range for the last five annual fiscal years.

See below for an example of the Profit & Loss statement of a sample company for the last five annual years presented on one Excel worksheet. This same side-by-side column format is required for a company's Balance Sheet.

Company ABC						
Profit and Loss						
January 2017 - December 2021						
	Jan - Dec 2017	Jan - Dec 2018	Jan - Dec 2019	Jan - Dec 2020	Jan - Dec 2021	Total
Income	2,261,336.62	2,716,161.48	2,968,828.05	2,258,884.38	1,940,486.91	12,145,697.44
Gross Profit	\$ 2,261,336.62	\$ 2,716,161.48	\$ 2,968,828.05	\$ 2,258,884.38	\$ 1,940,486.91	\$ 12,145,697.44
Expenses						
Item 1	54,171.99	57,803.18	62,304.25	60,395.05	68,705.30	303,379.77
Item 2	32,558.19	51,061.94	46,484.00	23,329.78	18,991.82	172,425.73
Item 3	3,466.00	1,530.09	655.74	1,130.84	1,800.38	8,583.05
Item 4	357.56	80.00	334.86	-47.35	20.00	745.07
Item 5	70,217.69	67,302.25	146,706.59	78,094.67	123,203.33	485,524.53
Item 6	13,523.69	13,529.67	12,004.02	10,931.33	10,761.36	60,750.07
Item 7	32,868.93	-1,040.26	20,708.42	5,270.31	6,231.17	64,038.57
Item 8	525,382.97	516,382.42	889,199.43	835,509.05	619,413.21	3,385,887.08
Item 9	21,240.72	18,129.76	11,956.69	11,919.91		63,247.08
Item 10	18,144.54	15,270.81	52,231.42	55,332.27		140,979.04
Total Expenses	\$ 771,932.28	\$ 740,049.86	\$ 1,242,585.42	\$ 1,081,865.86	\$ 849,126.57	\$ 4,685,559.99
Net Operating Income	\$ 1,489,404.34	\$ 1,976,111.62	\$ 1,726,242.63	\$ 1,177,018.52	\$ 1,091,360.34	\$ 7,460,137.45
Other Income						
Interest Income	927.57	3,873.89	3,525.37	671.02	616.46	9,614.31
NON Taxable PPP Loan		2,520.00	-2,520.00	100,700.00	125,700.00	226,400.00
Total Other Income	\$ 927.57	\$ 6,393.89	\$ 1,005.37	\$ 101,371.02	\$ 126,316.46	\$ 236,014.31
Net Income	\$ 1,490,331.91	\$ 1,982,505.51	\$ 1,727,248.00	\$ 1,278,389.54	\$ 1,217,676.80	\$ 7,696,151.76

P&L results are provided on the same Excel worksheet with annual years presented in columns side-by-side.