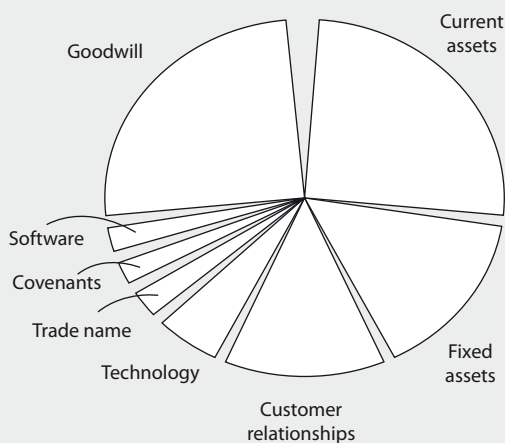


W H A R T O N

VALUATION ASSOCIATES INC.

FINANCIAL REPORTING FOR MERGERS & ACQUISITIONS

Purchase Price Allocation under ASC 805 (formerly SFAS 141R)



Under ASC 805 (formerly FAS 141R), firms must allocate the purchase price of an acquisition across classes of identifiable assets, tangible and intangible. The acquired assets and liabilities must be assigned to a reporting unit so that subsequent testing can be conducted. With extensive experience in the allocation of the purchase price in mergers and acquisitions, as well as the subsequent testing of goodwill, our professionals can:

- Identify intangible assets that are separate from goodwill in accordance with ASC 805.
- Assist in establishing amortizable useful lives for each intangible asset class.
- Provide a rigorous valuation analysis of intangible assets using the appropriate valuation approach.

Goodwill Impairment Testing under ASC 350 & ASC 360

Under ASC 350 (formerly FAS 142), goodwill is no longer amortized on a periodic basis, but rather must be tested to determine whether and to what extent it has been impaired. Each reporting unit's goodwill must be tested at least annually. Testing for the impairment of long-lived assets, both tangible and intangible, is governed by ASC 360 (formerly FAS 144). Our team of experts can:

- Assist management in identifying impairment events.
- Perform impairment tests for a variety of assets.
- Determine the fair value of long-lived and infinite-lived assets.



Depth of Experience

At Wharton Valuation, our mission is to provide the most thorough and objective valuation studies—ones that can withstand the toughest scrutiny from tax authorities, auditors and other regulatory agencies. Over the past 20 years, our team has accumulated a wealth of experience in the valuation of intangible assets, to help our clients meet their financial reporting needs.

Our expertise includes the valuation of intangible assets such as:

Customer-Related Intangible Assets

- *Customer lists*
- *Customer relationships (non-contractual)*
- *Customer contracts*
- *Order backlog*

Technology-Based Intangible Assets

- *Patented technology*
- *Proprietary technology*
- *Computer software*
- *Engineering drawings*
- *Product formulations*
- *In Process Research and Development (IPRD)*

Marketing-Related Intangible Assets

- *Trade names and trademarks*
- *Newspaper mastheads*

Employee-Based Intangible Assets

- *Employment agreements*
- *Assembled work force (non-separable and apart from goodwill)*
- *Non-competition agreements*
- *Contract-based intangibles*
- *Favorable supply contracts*
- *Distribution agreements*
- *Leasehold interests*

About Wharton Valuation Associates

Established in 1990, Wharton Valuation Associates, Inc. is a financial consulting firm specializing in the analysis and valuation of business interests. We deliver individualized service and solutions to assist clients with a wide range of planning and transactional needs including tax compliance, financial reporting, ESOPs, and corporate finance transactions. Our team is comprised of seasoned experts skilled at the art and science of performing valuation. We have successfully defended our work before the IRS, the SEC, and the Department of Labor, as well as in testimony in federal and state courts and mediation and arbitration proceedings. This depth of experience is appreciated by many leading attorneys, accountants, bankers, and other professional advisors nationwide who refer their most complex valuation problems to us.