P.O. Box 484

Downers Grove, IL 605 | 5

630-54 | -5307

RPMAGER@MAGELLANADVISORS-IL.COM

February 12, 2013

Managing Partner
Nancy Fallon Houle PC
5449 Bending Oaks Pl
Downers Grove, IL 60515

Given a weak economy and the regulatory uncertainties that lie ahead, many small business owners continue to face financial challenges, especially here in Illinois. Nonetheless, they still need to manage their investments and plan for their future. Some of the business owners you advise may have a need for a professional business valuation.

Magellan Advisors is a licensed business intermediary and appraiser, and we understand that a comprehensive business valuation can be too overwhelming and costly for many situations. I am contacting you to introduce our limited scope business appraisal that can benefit small business owners and their advisors.

This appraisal package is specifically structured to provide a reasonable estimate of the market value of a business at a significantly lower cost than a full scope valuation. I hope you will take a minute to review the enclosed flyer that describes the details.

Please keep my firm in mind if you should ever require independent business appraisal services. I can assure that your work will not get lost within a staff of accountants because <u>I</u> personally handle all valuation engagements. (And by the way, I have 30 years of experience in corporate accounting and finance.) Feel free to call me at 630-541-5307 if you have any questions. Thank you for your consideration.

Sincerely,

MAGELLAN ADVISORS, INC.

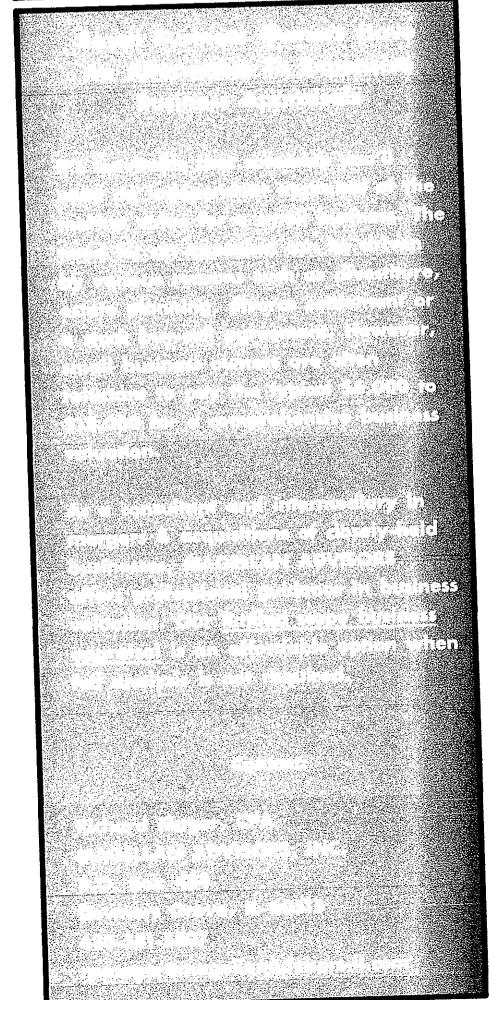
Richard P. Mager, CPA

**Executive Director** 

Surface in the first transfer of the contract of the contract

Richard P. Mager, CPA
Executive Director
P.O. Box 484
Downers Grove, IL 60515
rpmager@magellanadvisors-il.com
630-541-5307





## The Limited Scope Business Appraisal

Valuation of a closely-held business is a complex and subjective process requiring specialized skills and in-depth knowledge of valuation theory. While public accounting firms may do valuations as an ancillary service, MAGELLAN ADVISORS is focused here full time. We have the experience and credentials to properly handle the technical challenges of business valuation.

We offer a **limited scope appraisal** designed to provide the entrepreneur with a realistic and defensible estimate of entity value without the detailed analysis and extensive documentaion of a full scope valuation. Based on our proprietary valuation model, it gives the business owner the visibility to make intelligent decisions and avoid costly mistakes.

**Scope**: We will analyze and recast top-level historical financial data, perform basic valuation calculations and assess valuation issues. We will also provide an estimate of goodwill, determine an appropriate capitalization rate (earnings multiple) and establish an approximate minimum turnkey value for the business.

**Deliverable:** The client will receive an opinion of value on our letterhead with an attachment of supporting documentation of approximately six pages. The report will also include a Statement of Disclosures, Certifications and Limitations.

Requested Documents: Federal tax returns for last five years; internal income statements for last five years; internal year-to-date income statement; current balance sheet; fixed asset detail with acquisition cost and current book value.

**Confidentiality:** All documents and information received from the client will be recognized as confidential and proprietary and will be returned at completion of the engagement.

Appraisal fee: \$1,900 (single entity, through 12/2013)

MAGELLAN ADVISORS, INC. is an Illinois licensed business broker registered with the Securities Dept. of the Secretary of State. (Lic. 310000832)

Member,

