



**The McLean Group's
Business Valuation Practice
Austin Office**

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The McLean Group



The McLean Group is a boutique investment bank focused on middle market businesses generating from \$5 million to \$300 million in annual revenues. The firm is headquartered in McLean, Virginia in the Greater Washington, DC metropolitan area and has over 29 offices across the country.

The McLean Group's core service offerings include:

- **Mergers and Acquisitions**
- **Corporate Finance**
- **Business Valuation**
- **Litigation Support**
- **Market Intelligence**
- **Wealth Management**

The McLean Group has built a national M&A practice and has a developed network of relationships with international firms in order to provide a global reach for all of our clients.

FINRA Registered Broker/Dealer

McLean Securities, a wholly-owned affiliate of The McLean Group, is a registered broker/dealer with the Financial Industry Regulatory Authority (FINRA) and a Member, Securities Investor Protection Corporation (SIPC).

Our Business Valuation Practice



As a core competency and complement to its M&A business, The McLean Group provides formal business valuation services for a variety of transaction, financial reporting, and tax purposes, including:

Financial Reporting

- Purchase price allocation (SFAS 141)
- Goodwill impairment tests (SFAS 142)
- Analysis of long-lived assets (SFAS 144)
- Stock option expense (SFAS 123R)

Litigation Support

- Dissenting/oppressed shareholders
- Lost profits and lost asset values
- Business interruption claims

Transaction Opinions

- Fairness opinions
- Capital adequacy opinions

Equity Incentive Plans

- Employee Stock Ownership Plans (ESOPs)
- Private company equity incentive plans
- Section 409A valuations

General Business Valuations

- Buy/sell agreements
- Estate and tax planning
- Exit planning

Why Our Business Valuation Practice?



The combination of our M&A perspective, valuation experience, and technical expertise benefits all of our business valuation clients. Our business valuation practice's primary differentiators include:

Technical Valuation Expertise

The McLean Group's professional team is composed of credentialed valuation professionals with technical valuation expertise, including: certified public accountants who are accredited in business valuation (CPA/ABVs), accredited senior appraisers (ASAs), and certified and accredited valuation analysts (CVAs and AVAs).

M&A Perspective

As a leading middle market investment bank, The McLean Group leverages its merger and acquisition transaction experience in performing formal business valuations. With access to various investment banking transaction databases and our hands-on transaction experience, our business valuations are performed from a market-oriented perspective.

Valuation Experience

The McLean Group has a breadth of experience in performing business valuations. Dennis Roberts, a nationally recognized speaker, business valuation instructor, and expert witness, is the Chairman of the practice. We also utilize The McLean Group's senior investment bankers who can provide specific industry experience.

Recent Business Valuation Experience

Below is a summary of our business valuation experience in terms of the various types of valuations that we have performed. A sample of our business valuation references are also detailed in Appendix A.

■ General Business Valuations

Our firm conducts a variety of general business valuations for tax and estate purposes, buy/sell agreements, strategic purposes, partner buy-outs, stock option plans, employee stock ownership plans, and other purposes. Recent general business valuation engagements include:

| | | | | |
|--|--|--|--|---|
|  RATNER COMPANIES |  QSS QSS Group, Inc. |  EARTHDATA |  Double-Take Software |  digital Software Confidence. Achieved. |
| Business Valuation | Business Valuation | Business Valuation | Business Valuation | Business Valuation |
| Hair Cutteries | Government Contracting IT Services | Geographic Information System | Software Storage | Risk Management Software |
| As Business Valuators & Financial Advisors | As Business Valuators & Financial Advisors | As Business Valuators & Financial Advisors | As Business Valuators & Financial Advisors | As Business Valuators & Financial Advisors |
|  |  |  |  |  |

Recent Business Valuation Experience, continued

■ ESOP & Stock Option Plan Experience




Western Scrap Processing

ESOP Fairness Opinion

Industrials

As Business Valuers & Financial Advisors





Avtec Systems, Inc.

Business Valuation

Government Contracting Services


As Business Valuers & Financial Advisors




Business Valuation

Telecommunications & IT Services



As Business Valuers & Financial Advisors

Business Valuation

Business Intelligence

As Business Valuers & Financial Advisors






Client Network Solutions, Inc.

Business Valuation

Business Intelligence


As Business Valuers & Financial Advisors

Business Valuation

Logistics Software


As Business Valuers & Financial Advisors




Business Valuation

Government Contracting
IT Services & Software



As Business Valuers & Financial Advisors

Business Valuation

Government Contracting
IT Services


As Business Valuers & Financial Advisors

Business Valuation

Government Contracting
IT Services

As Business Valuers & Financial Advisors




Business Valuation

Government Contracting

As Business Valuers & Financial Advisors



Recent Business Valuation Experience, continued

■ Fairness Opinions











Ever since the Delaware Supreme Court ruling in 1985 which held a company's directors personally liable for relying on the company's internal valuation of a transaction and not seeking third party valuation guidance, fairness opinions have become customary for significant transactions. Fairness opinions provide an analysis of the fairness of a transaction from a financial point of view. Recent fairness opinion engagements include:

| | | | | |
|--|---|--|--|---|
|  TRUSECURE Fairness Opinion IT Security Services As Business Valuers & Financial Advisors  |  has been acquired by  More.com Business Valuation Personal Services As Business Valuers & Financial Advisors  |  MORGENTHAUER Fairness Opinion Telecommunication Services As Business Valuers & Financial Advisors  |  Virtual Geo Satellite Fairness Opinion Satellite Services As Business Valuers & Financial Advisors  |  acquires  cybertrust Fairness Opinion Managed Security Services As Business Valuers & Financial Advisors  |
|--|---|--|--|---|

Recent Business Valuation Experience, continued

■ Financial Reporting Valuations

In the last five years, U.S. generally accepted accounting principles (“U.S. GAAP”) have undergone a significant transformation to a fair value reporting standard. Acquisitions are accounted for under purchase accounting rules where acquired intangible assets are separately identified and valued. U.S. GAAP outlines five general categories of intangible assets. Intangible assets with an indefinite life and any remaining goodwill are not amortized, but rather subject to periodic impairment testing. Goodwill impairment testing often requires the valuation of a company’s reporting units. Recent financial reporting valuation engagements include:

| | | | | |
|--|--|--|---|---|
|  Purchase Price Allocation Government Contracting As Business Valuers & Financial Advisors  |  Goodwill Impairment Test Government Contracting Services As Business Valuers & Financial Advisors  |  Purchase Price Allocation Direct Marketing Technology As Business Valuers & Financial Advisors  |  Goodwill Impairment Test Telecom Services As Business Valuers & Financial Advisors  |  Goodwill Impairment Test Enterprise Solutions As Business Valuers & Financial Advisors  |
|--|--|--|---|---|

Recent Business Valuation Experience, continued

■ Public Company Experience

The McLean Group also provides extensive business valuation support to a variety of public companies. We have assisted with purchase price allocations, goodwill impairment test, cheap stock analyses, and the drafting of SEC filings. Our experience with public companies includes:

| | | | | |
|---|---|---|---|---|
|  Goodwill Impairment Test Network Technology As Business Valuers & Financial Advisors  |  Goodwill Impairment Test Telecommunications As Business Valuers & Financial Advisors  |  SEC Filing Support S-1 Drafting Assistance As Business Valuers & Financial Advisors  |  Purchase Price Allocation Government Contracting Signal Intelligence As Business Valuers & Financial Advisors  |  Cheap Stock Valuation Government Contracting Homeland Security As Business Valuers & Financial Advisors  |
|---|---|---|---|---|

Recent Business Valuation Experience, continued

■ Option Valuations

SFAS 123R requires the valuation and expense of share-based payments. We utilize state-of-the-art software, including FinTools, DecisionPro, and proprietary spreadsheets. We have the ability to apply Black-Scholes-Merton, Lattice (binomial and trinomial) and Monte Carlo models to estimate the Fair Value of options. Our analysis can also include a detailed report of the expected volatility and expected term assumptions. The option valuations we have engaged in include:



Recent Business Valuation Experience, continued

■ Litigation Support

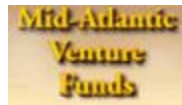
The McLean Group also applies its business valuation skills to support a variety of litigation and arbitration cases. From quantifying economic damages to valuing a minority interest in a business, we have the business valuation experience and credentials to support cases involving a variety of legal issues. In addition, the firm has acted as formal arbitrators as well as mediators on valuation related disputes, including the following:

| | | | | |
|--|---|---|---|--|
|  Litigation Support Software As Expert Witness & Litigation Support Consultants  | The Estate of Richard Nixon Expert Testimony & Valuation of Watergate Tapes & Photos Nixon Watergate Tapes As Expert Witness & Litigation Support Consultants  |  Litigation Support Airline As Expert Witness & Litigation Support Consultants  |  Litigation Support Satellite Services As Expert Witness & Litigation Support Consultants  |  Expert Testimony, Business Valuation & Dilution Analysis Financial Services Software As Expert Witness & Litigation Support Consultants  |
|--|---|---|---|--|

Venture Capital and Private Equity Firms

■ Venture Capital and Private Equity Firms

The McLean Group has provided valuation services to companies owned by the following venture capital and private equity firms.



One Equity Partners



Our Austin Office

Shari Overstreet is the leader of our Austin office.

Shari Overstreet, CPA/ABV, CVA, CM&AA

Shari Overstreet is a Managing Director in The McLean Group's Austin office. She has more than 25 years of financial, accounting, business valuation, and M&A experience. Ms. Overstreet began her career in public accounting where she worked for a regional and then a national firm in both the audit and tax divisions. She then held financial and operational leadership roles in a variety of Austin-based companies. She performs business valuations for many companies in the Austin area, a good many of which are technology-based.

Ms. Overstreet received her Bachelor of Business Administration with a concentration in Finance from the University of Texas at Austin. She is a Certified Public Accountant (CPA) who earned her Accredited in Business Valuation (ABV) and Certified Valuation Analyst (CVA) designations from the American Institute of Certified Public Accountants and National Association of Certified Valuation Analysts, respectively. She also is a Certified Merger & Acquisition Adviser (CM&AA), a designation awarded by the Association of Merger and Acquisition Advisors.



Business Valuation Practice Leadership

Dennis Roberts, CPA*/ABV, CVA

Dennis Roberts is Chairman and co-founder of The McLean Group, LLC. He has more than 35 years of accounting and investment banking experience involving a multitude of transactions across a wide variety of industries and markets. Mr. Roberts is a Certified Valuation Analyst (“CVA”) and is Accredited in Business Valuation (“ABV”) by the American Institute of Certified Public Accountants. He teaches nationally for NACVA, lectures at various MBA programs, and writes on M&A, business valuation, and corporate finance to national audiences. He is a National Association of Securities Dealers (NASD) registered representative and firm principal (Series 7, 24, 28 and 63).

Andy Smith, CPA/ABV, ASA, CVA, CMA

Mr. Smith is a Partner and Senior Managing Director of The McLean Group's business valuation practice. He has a broad background of experience, including public accounting, investment banking, and financial operations management. Mr. Smith is a Certified Public Accountant (“CPA”), Accredited in Business Valuation (“ABV”), Accredited Senior Appraiser (“ASA”), Certified Valuation Analyst (“CVA”), and Certified Management Accountant (“CMA”). He is a National Association of Securities Dealers (NASD) registered representative and financial and operations principal (Series 7, 28, and 63). He has also been an instructor with the National Association of Certified Valuation Analysts.



*Formerly practicing.

Recent Business Valuation Articles Published

The firm's valuation experts have written several articles published in various trade publications. They also regularly provide business valuation seminars to the public and often guest lecture to various schools and other groups.



WASHINGTON BUSINESS JOURNAL



CORPORATE BOARD MEMBER MAGAZINE



Recent Professional Recognition

- **Top 50 CPAs in DC Area** - SmartCEO Magazine recognized Andy Smith as one of the Top 50 CPAs in the Washington DC Area. SmartCEO Magazine selected the Top 50 CPAs after canvassing the magazine's readership, the Greater Washington Society of Certified Public Accountants, fellow CPAs, clients and others.
- **NACVA Executive Committee** – Dennis Roberts has served on the National Association of Certified Valuation Analysts' Executive Committee.
- **ACG Dealmaker of the Year** – Dennis Roberts was awarded the Deal Maker of the Year Award by the National Chapter of the Association for Corporate Growth.

National Capital Chapter
The Organization of Corporate Dealmakers

Dealmaker of the Year Award to Dennis Roberts

McLean, VA, April 24, 2003 - Dealmaker of the Year honors were bestowed upon Dennis Roberts of The McLean Group at the First Annual Corporate Growth Awards Gala sponsored by the National Capital Chapter of the Association for Corporate Growth (ACG). One of a field of six nominees, Roberts was given highest honors for his intermediary dealmaking accomplishments over the past year. He is Managing Director and Principal at The McLean Group LLC, an investment bank that serves the needs of middle-market businesses in the areas of mergers and acquisitions, business valuation, capital formation, executive advisory services and litigation support.

FOR IMMEDIATE RELEASE

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ACG

SmartCPAs

The Top CPAs in Greater Washington

Who are the top CPAs in Greater Washington? We asked you answered. The Washington SmartCEO leadership, the Greater Washington Society of Certified Public Accountants, fellow CPAs and clients all responded to the call and out of more than 200 nominations, we selected the top 50 CPAs. Winners were chosen based on their leadership, their innovation and their impact on the community and profession, their accomplishments and their years of service. As has been noted previously, focus becomes daily news, and following the members seems more complicated than ever. It's good to know who you can turn to. This list represents the top 50 top professionals in the field. The following paragraphs are excerpts from nomination forms.

PAUL ARCY
ARCY WELTZ & ROBINSON
Over 200 other business owners...
Paul Arcy has been the President and CEO of Arcy, White & Robinson since 1997. Paul reports to his colleagues, clients and customers that Arcy, White & Robinson is a premier provider of legal and business services to a wide range of clients. Paul is a past President of the DC Bar Council and a past President of the Greater Washington Society of CPAs, and is a past President of the American University.

HARRY C. BALLMAN
Senior Vice President
Harry C. Ballman is a Senior Vice President of Alpha Tax Group, Inc., a national tax and consulting firm. He is a past President of the American University and a past President of the Greater Washington Society of CPAs.

ANDY SMITH
THE MCLEAN GROUP
Andy Smith is a Managing Director and Principal at The McLean Group LLC, an investment bank that serves the needs of middle-market businesses in the areas of mergers and acquisitions, business valuation, capital formation, executive advisory services and litigation support.

SmartCPA Awards Cocktail Reception

Acknowledging the Efforts of the Top CPAs in Washington, DC, Maryland, and Virginia

Event Details:
July 27th • 6:00pm-9:00pm
Dandy Dinner Cruise Ship • Tickets: \$100
Zeno Prince Street Alexandria, VA 22314

Justin Bradley

Don't miss out on this event!

SmartCEO



Resources

The McLean Group also maintains an extensive research library, which includes leading business valuation books, recent valuation articles, and business valuation research books, such as Mergerstatt and Ibbotson's SBB&I. We also subscribe to several leading investment banking databases, including:



Owned by Standard & Poors, the database provides extensive public company, industry and private transaction research. Public company performance and valuation data can be automatically downloaded into spreadsheets.



Includes detailed company and industry profiles, executive biographies, financial data, analyst reports and business press coverage. It integrates business content from over 2,500 leading sources worldwide.



IBIS World provides independent, comprehensive and up to date research on over 700 industries, including statistics, analysis and forecasts. It also offers reports on 8,000 companies, as well as risk ratings on every industry.



Includes transaction data of over 5,800 private companies in all industries.



Includes transaction data of over 5,100 private companies in 640 industries. The transactions' median selling price is \$2.9 million.



Includes industry and public company information. It contains selected financial information and ratios for about 10,000 companies, the shares of which are traded on major market exchanges. Information is searchable by the SIC Code.

TMG Board of Advisors



RODNEY B. BUCK
Member, Board of Advisors

- Chief Executive Officer, Columbia Research Group
- Chief Financial Officer, Aleon (2001)
- More than 20 years of corporate financial management experience



VICE ADMIRAL A. BURKHALTER, JR.
Member, Board of Advisors

- Retired Vice Admiral
- Adviser to Senior Intelligence Community Officials
- Founder of Burkhalter Associates (1986)
- U.S. Naval Academy Graduate



EUGENE F. SWANZEY
Chairman, Board of Advisors

- Chase Manhattan's Senior Vice President for Government Affairs
- Chase Manhattan's Corporate Vice President (Chairman's Office)
- Partner in PA Consulting



VICTOR H. FAZIO
Member, Board of Advisors

- California Congressman for 20 years
- Vice Chair of the Democratic Caucus (1989-1994)
- Chairman of the Democratic Congressional Campaign Committee
- Member of the California State Assembly



JOYCE DORIA
Member, Board of Advisors

- Former Senior Partner at Booz Allen Hamilton
- Former elected member of Booz Allen Hamilton's BoD
- Provided consulting for NATO, the former Secretary of State, and the Deputy Attorney General of Justice



DAVID GROOMS
Member, Board of Advisors

- Increased sales from \$286 million to \$625 million (Kyocera America)
- Raised \$7 million in Tokyo (Zucotto Wireless, Inc.)
- Successfully raised financing of \$24.3 million (Shellcase Inc.)



ROBERT C. McFARLANE
Member, Board of Advisors

- National Security Advisor (1985)
- Special Representative in the Middle East (1983)
- Deputy National Security Advisor (1982)
- Counselor to the Department of State (1981)



DENNIS RASMUSSEN
Member, Board of Advisors

- Served two terms as a Maryland State Senator
- 30 years experience in offices of State and local government
- Recipient of Most Valuable State or County Official in America, City & State Magazine



RON SALLUZZO
Member, Board of Advisors

- Executive VP & CFO - Harris Interactive
- Chief Risk Officer - BearingPoint
- Executive VP, State & Local Government & Education - BearingPoint
- Audit Partner & Practice Leader - KPMG

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M&A | Corporate Finance | Market Intelligence | Wealth Management

Business Valuation | Exit Planning | Litigation Support