



SINGLE PROBABILITY DISCOUNT FOR LACK OF MARKETABILITY
Based on Marketing Period Probability

Appraiser

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Valuation Subject

Sample Company
1234 First Street, Suite 100
Kansas City, Missouri 64114
United States

Valuation Date

10 / 05 / 2016

Report Date

10 / 05 / 2016

Probability-Adjusted Discount for Lack of Marketability

25.2%



SINGLE PROBABILITY DLOM

Based on Marketing Period Probability

Valuation Date: 10/05/2016

For: **Sample Company**

Summary Results

Discount for Lack of Marketability

	Low Bound	Average	High Bound
Probability Adjusted DLOM	25.0%	25.2%	25.4%
Cumulative DLOM at Marketing Mean	12.3%	13.8%	13.7%
Cumulative DLOM at Marketing Median	8.7%	10.5%	10.3%
Cumulative DLOM at Marketing Mode	4.5%	4.3%	4.1%

Marketing Period

	Low Bound	Average	High Bound
Probability Adjusted Marketing Period	209.2	212.1	215.0
Mean	213.2	216.1	219.0
Median	159.4	162.5	165.6
Mode	89.1	91.9	94.8
Standard Deviation	189.3	189.3	189.3
Coefficient of Variation	0.9	0.9	0.9
95th Percentile	1,342.0	1,339.0	1,336.1

Price Volatility

	Low Bound	Average	High Bound
Mean	40.0%	40.0%	40.0%



Summary Results

Marketing Period Statistics

Factor Name	Specified Range	Average Days	Standard Deviation in Days	Coefficient of Variation	Standard Error	Transaction Count	95% Confidence Interval	
							Low	High
SIC	5500 to 5599	224.0	177.0	0.79	7.5	551	209.2	238.8
Asking Price	\$79,000 to \$194,000	203.4	177.9	0.87	2.3	5,924	198.9	207.9
Employees	0 to 50	215.8	189.3	0.88	1.5	16,361	212.9	218.7
Annual Revenue	\$0 to \$830,000	207.3	181.7	0.88	1.6	12,336	204.1	210.5
Month	Aug, Sept, Oct	219.3	189.5	0.86	2.9	4,218	213.6	225.1
Region	AR, IA, KS, MO, NE, OK	202.4	209.5	1.03	11.4	339	180.1	224.7
Weighted Average of Factors		211.7	185.3	0.88	0.9	39,729	209.9	213.5
Average of Unique Transactions		216.1	189.3	0.88	1.5	16,423	213.2	219.0
Transactions With All Factors		0.0	0.0	0.00	0.0	0	0.0	0.0

User Provided Volatility

Volatility

40%

Formula Inputs

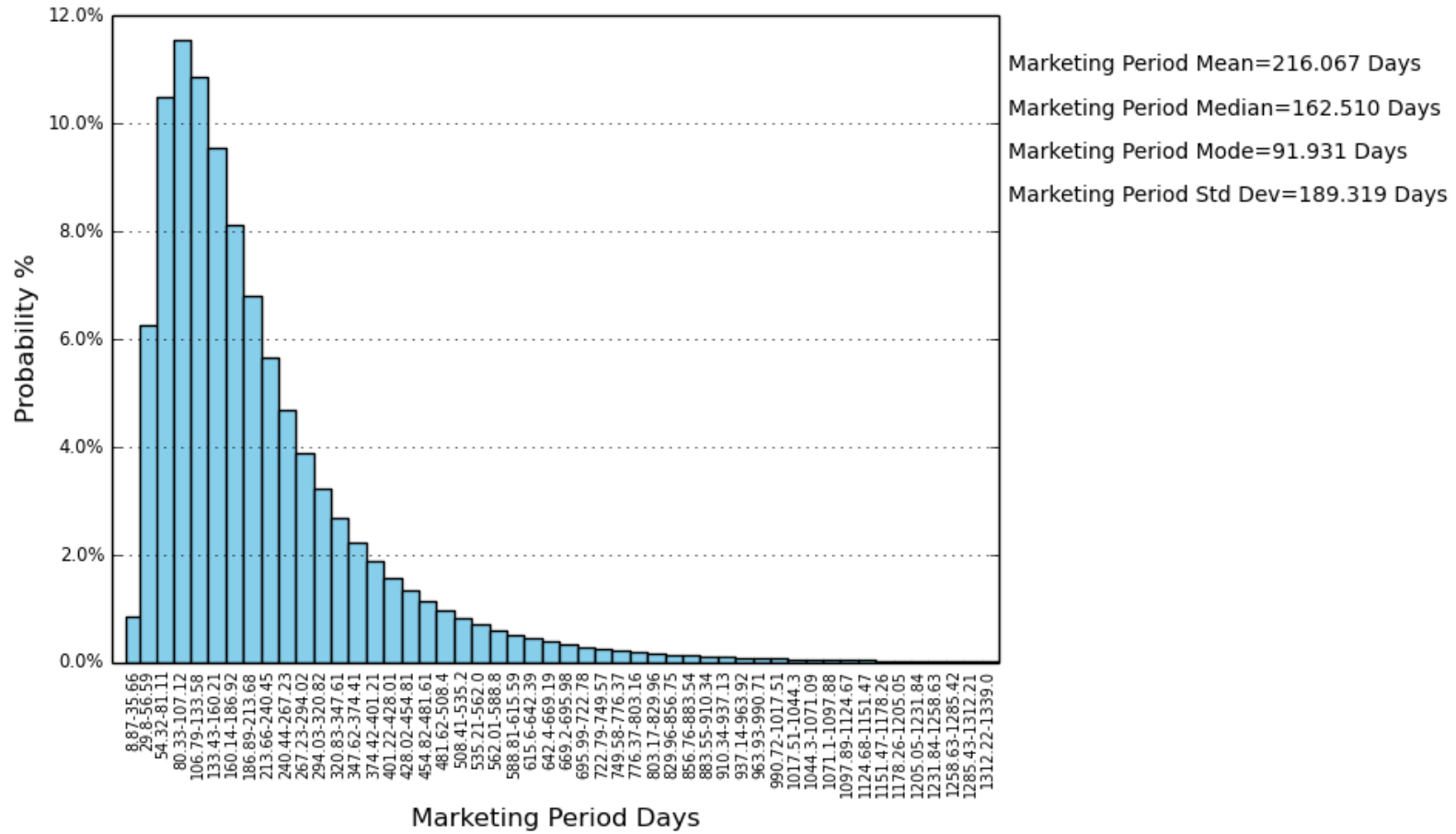
Selected Formula
 Marketing Period Carrying Cost
 Cost of Money (APR)

Longstaff
 Simple
 0%



Marketing Period Graphs

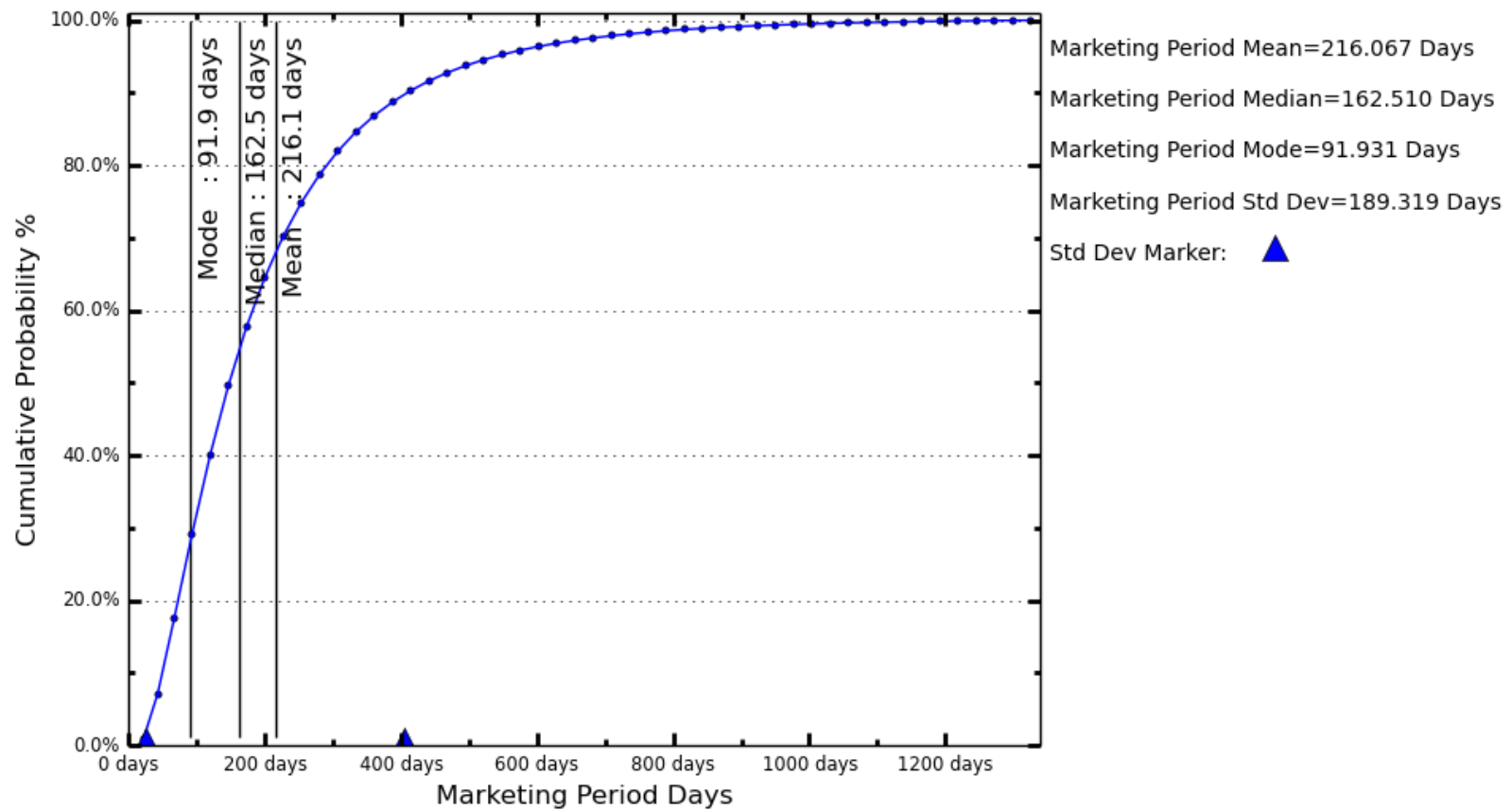
Probabilities by Marketing Period Intervals





Marketing Period Graphs

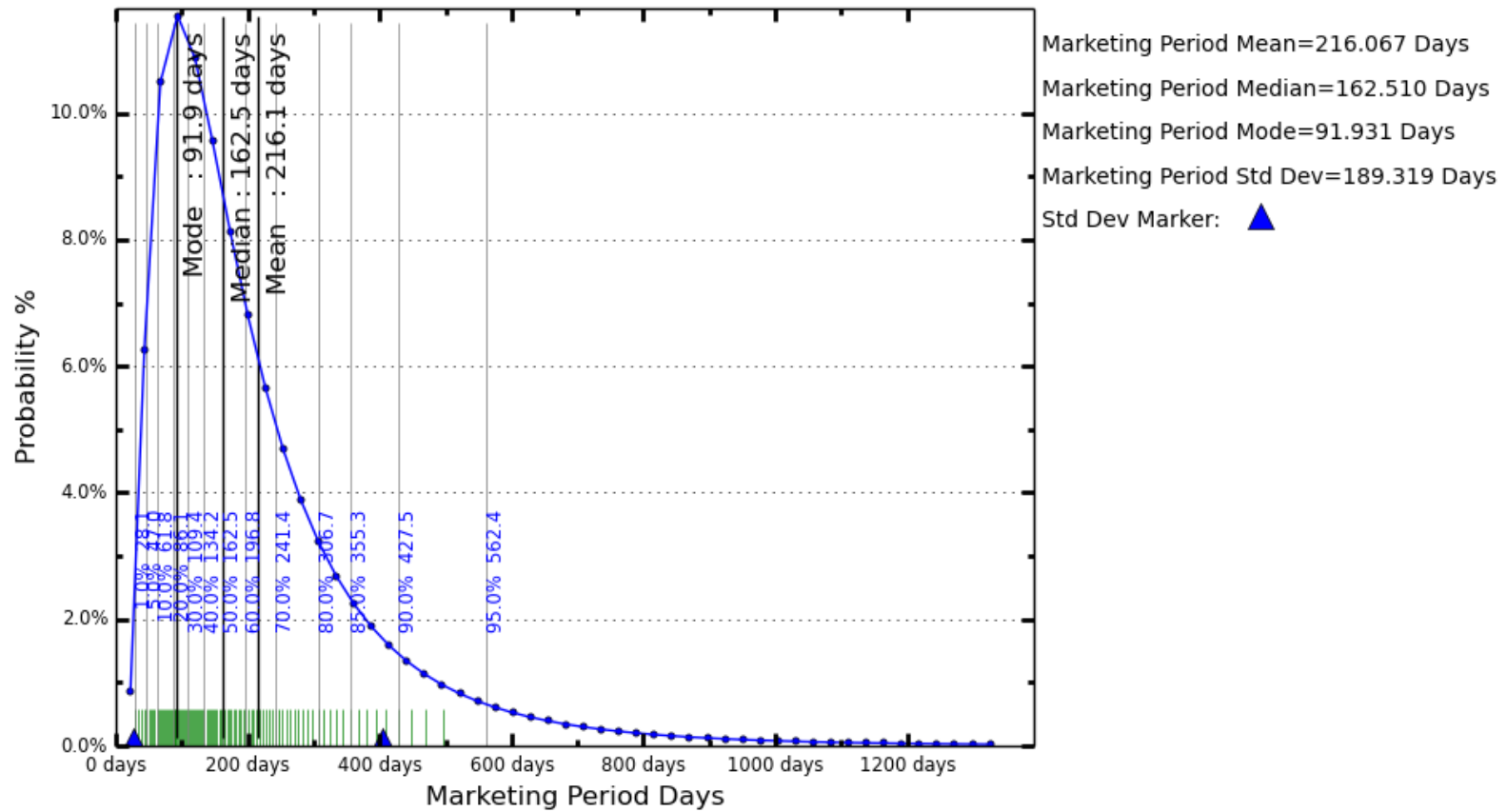
Cumulative Probability of Marketing Period





Marketing Period Graphs

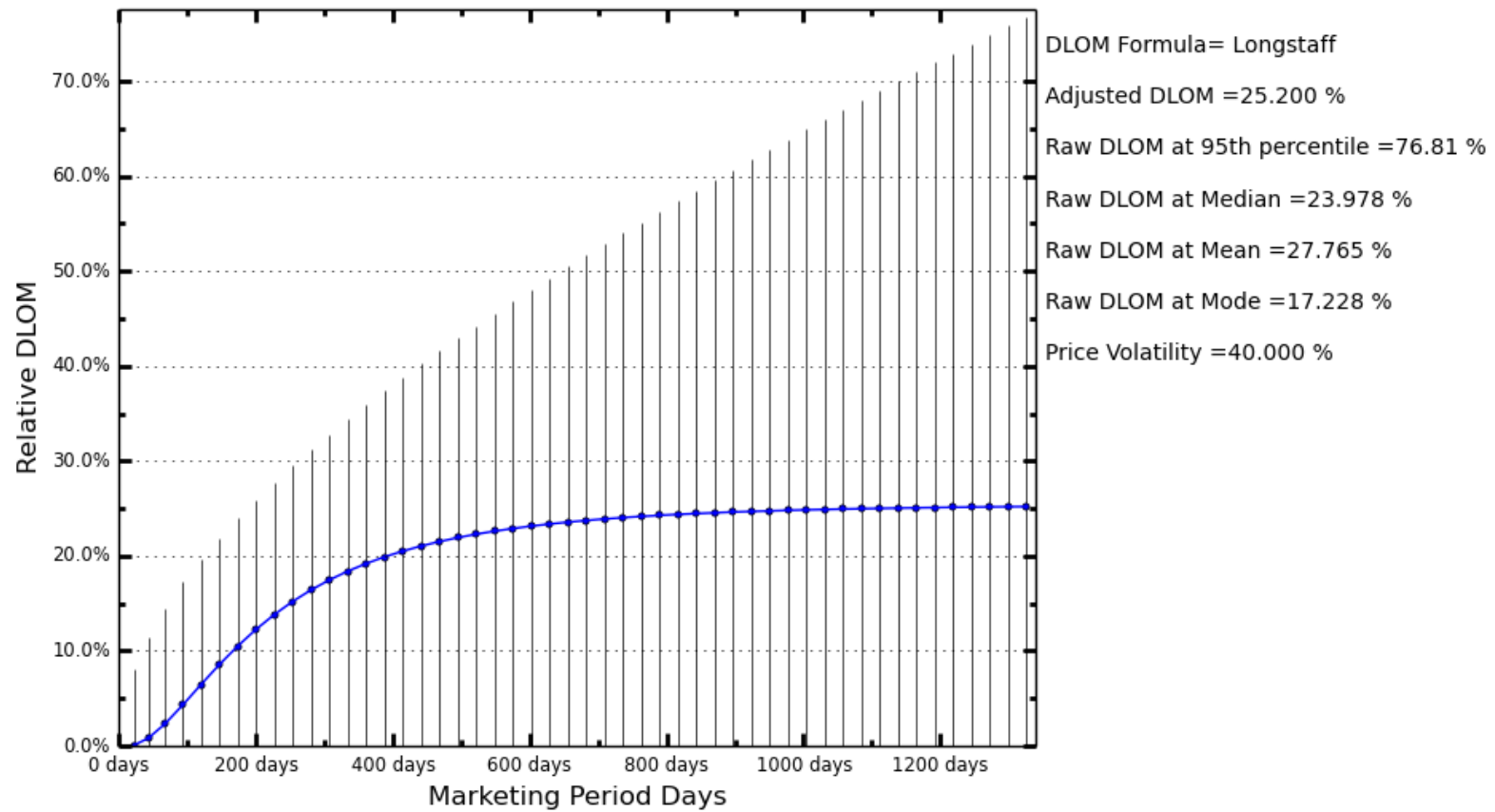
Probabilities by Marketing Period Intervals





DLOM Graphs

Cumulative Probability Adjusted DLOM (Marketing Period)





DLOM Graphs

Cumulative Probability Adjusted DLOM (Marketing Period)

