

Exhibit R-069

American Society of Appraisers,
“ASA Business Valuation Standards”

2008

American Society of Appraisers

ASA Business Valuation Standards

This release of the approved *ASA Business Valuation Standards* of the American Society of Appraisers contains all standards approved through July 2008, and is to be used in conjunction with the *Uniform Standards of Professional Appraisal Practice* (USPAP) of The Appraisal Foundation and the *Principles of Appraisal Practice and Code of Ethics* of the American Society of Appraisers. Periodic updates to these Standards are posted to the Business Valuation Committee's website www.bvappraisers.org.

The *ASA Business Valuation Standards*, including Statements on Business Valuation Standards, Advisory Opinions and Procedural Guidelines have been published and/or revised as indicated in the following Table of Contents.

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ASA BUSINESS VALUATION STANDARDS (BVS) (Standards provide minimum criteria for developing and reporting on the valuation of businesses, business ownership interests, or securities)			
BVS-I	General Requirements for Developing a Business Valuation	January 1992 Revised June 1993 Revised January 1994 Revised January 1996 Revised February 2001 Revised July 2008	5
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Discounted Cash Flow Method.* A method within the income approach whereby the present value of future expected net cash flows is calculated using a discount rate.

Discounted Future Earnings Method.* A method within the income approach whereby the present value of future expected economic benefits is calculated using a discount rate.

Discretionary Earnings. Earnings that may be defined, in certain applications, to reflect earnings of a business enterprise prior to the following items:

- Income taxes
- Nonoperating income and expenses
- Nonrecurring income and expenses
- Depreciation and amortization
- Interest expense or interest income
- Owner's total compensation for those services, which could be provided by a sole owner/manager.

Economic Benefits.* Inflows such as revenues, net income, net cash flows, etc.

Economic Life.* The period of time over which property may generate economic benefits.

Effective Date.* See **Valuation Date**.

Enterprise.* See **Business Enterprise**.

Equity.* The owner's interest in property after deduction of all liabilities.

Equity Net Cash Flows.* Those cash flows available to pay out to equity holders (in the form of dividends) after funding operations of the business enterprise, making necessary capital investments, and increasing or decreasing debt financing.

Equity Risk Premium.* A rate of return added to a risk-free rate to reflect the additional risk of equity instruments over risk free instruments (a component of the cost of equity capital or equity discount rate).

Excess Earnings.* That amount of anticipated economic benefits that exceeds an appropriate rate of return on the value of a selected asset base (often net tangible assets) used to generate those anticipated economic benefits.

Excess Earnings Method.* A specific way of determining a value indication of a business, business ownership interest, security or intangible asset determined as the sum of a) the value of the assets derived by capitalizing excess earnings and b) the value of the selected asset base. Also frequently used to value intangible assets. See **Excess Earnings**.

Fair Market Value.* 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 arm's 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. (Note: In Canada, the term "price" should be replaced with the term "highest price")

Fairness Opinion.* An opinion as to whether or not the consideration in a transaction is fair from a financial point of view.