

# CAMBRIDGE PARTNERS & ASSOCIATES, INC.

## Valuation Services for Today's Value Minded Economy

Cambridge Partners is pleased to announce its recent completion of an intellectual property appraisal of the patents, trademarks and other non-patented technology of a firm engaged in designing and implementing E-Z pass systems and other automated vehicle classification systems.

Cambridge Partners is a management consulting firm providing valuation and appraisal services to the U.S. and international business communities. Among others, our services include: valuations of intangible assets, business enterprises, real estate, fixed assets and construction cost segregation analysis.

The results of our work are relied upon by: attorneys, private equity groups, banks and financial institutions, public and privately held companies worldwide, accountants, real estate investment trusts (REITS) and other professionals whose clients may require appraisal services.

### Contact:

James Lemperis  
National Director, Valuation Services  
Cambridge Partners & Associates, Inc.  
500 N. Plum Grove Rd. Palatine, IL 60067  
847-776-1976  
jlemperis@cambridge-partners.com  
www.CambridgePartners.com

### Valuation Services:

- \* Fairness & Solvency Opinions
- \* Valuations for FASB compliance (ASC 805, 350)
- \* Business & Stock Valuations
- \* Intangible Asset Appraisals
- \* Options Valuations (ASC 718, IRC 409A)
- \* Transfer Pricing in compliance with IRC § 482
- \* Cost Segregation Studies
- \* Valuations for Litigation Support and Fresh Start
- \* Valuations of FLPs and LLCs for Estate & Gift
- \* M&A Advisors for business sale transactions

Machinery/Equipment

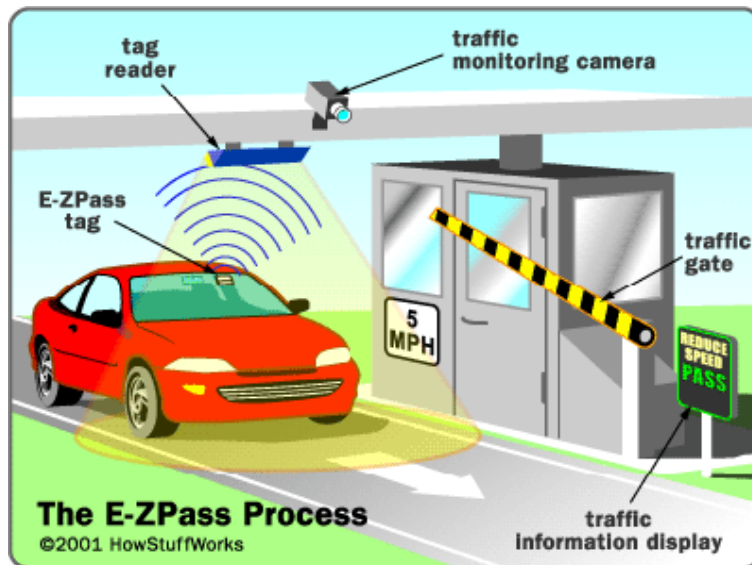
Business Valuation

Real Estate

Cost Segregation

Intangible Assets

Financial Reporting



**As part of a proposed business combination,  
Cambridge Partners valued the intellectual property of a  
company engaged in designing E-Z Pass technology**

The income approach utilizing the relief from royalty method was applied in the valuation of the patents. In using this method, we assumed the manufacturer/marketer of the product did not own the underlying patents or patent applications to which the products relate, and therefore they would be obliged to negotiate a license with, and pay royalties to, the owner of the technology for the rights to such property. By virtue of ownership, this expense is avoided or relieved.

The underlying concept set forth in the valuation is that of the present value of expected future cash flows in the form of net royalty savings generated over the remaining life of the patents or patent applications and of an analysis relative to the risks associated in obtaining such cash flow returns.

A forecast of applicable net sales is developed for patents by associating them with their related product group's forecasted sales over their remaining lives. The pretax royalty savings due to the patents and patent application was calculated by application of the estimated economic royalty rate to the projected applicable net sales. We then tax affect these cash flows and present value them using an appropriate risk adjusted rate of return.