



SINGLE PROBABILITY DLOM

Based on Marketing Period Probability

Valuation Date: 03/10/2016

For: **Sample Company**

SINGLE PROBABILITY DISCOUNT FOR LACK OF MARKETABILITY

Based on Marketing Period Probability

Appraiser

Sam Murray
Sample Company
9876 4th Street, Suite 1
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Valuation Subject

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

Valuation Date

03 / 10 / 2016

Report Date

04 / 14 / 2016

Probability-Adjusted Discount for Lack of Marketability

26.4%



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Summary Results

Discount for Lack of Marketability

Probability Adjusted DLOM	26.4%
Cumulative DLOM at Marketing Mean	14.0%
Cumulative DLOM at Marketing Median	10.6%
Cumulative DLOM at Marketing Mode	4.4%

Marketing Period

Average	206.7
Standard Deviation	182.1
Median	155.1
Mode	87.3
95th Percentile	1,289.1
Probability Adjusted Marketing Period	202.9
Coefficient of Variation	0.9

Price Volatility

Average	40.0%
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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
Asking Price	\$79,000 to \$194,000	203.4	177.9	0.9	2.3	5,924	198.9	207.9
Employees	0 to 5	204.2	178.3	0.9	1.7	11,134	200.9	207.5
Annual Revenue	\$0 to \$830,000	207.3	181.7	0.9	1.6	12,336	204.1	210.5
Year	1998, 1999, 2000	196.4	181.6	0.9	4.3	1,778	187.9	204.8
Month	Aug, Sept, Oct	219.3	189.5	0.9	2.9	4,218	213.6	225.1
Region	AR, CA, CO	208.7	196.7	0.9	3.7	2,846	201.5	215.9
Weighted Average of Factors		206.7	182.1	0.9	0.9	38,236	204.9	208.5
Population of Transactions		213.2	187.8	0.9	1.5	15,138	210.2	216.2
Transactions With All Factors		164.3	144.2	0.9	21.7	44	121.7	206.9

User Provided Volatility

Volatility

40%

Formula Inputs

Selected Formula

Marketing Period Carrying Cost

Cost of Money (APR)

Longstaff

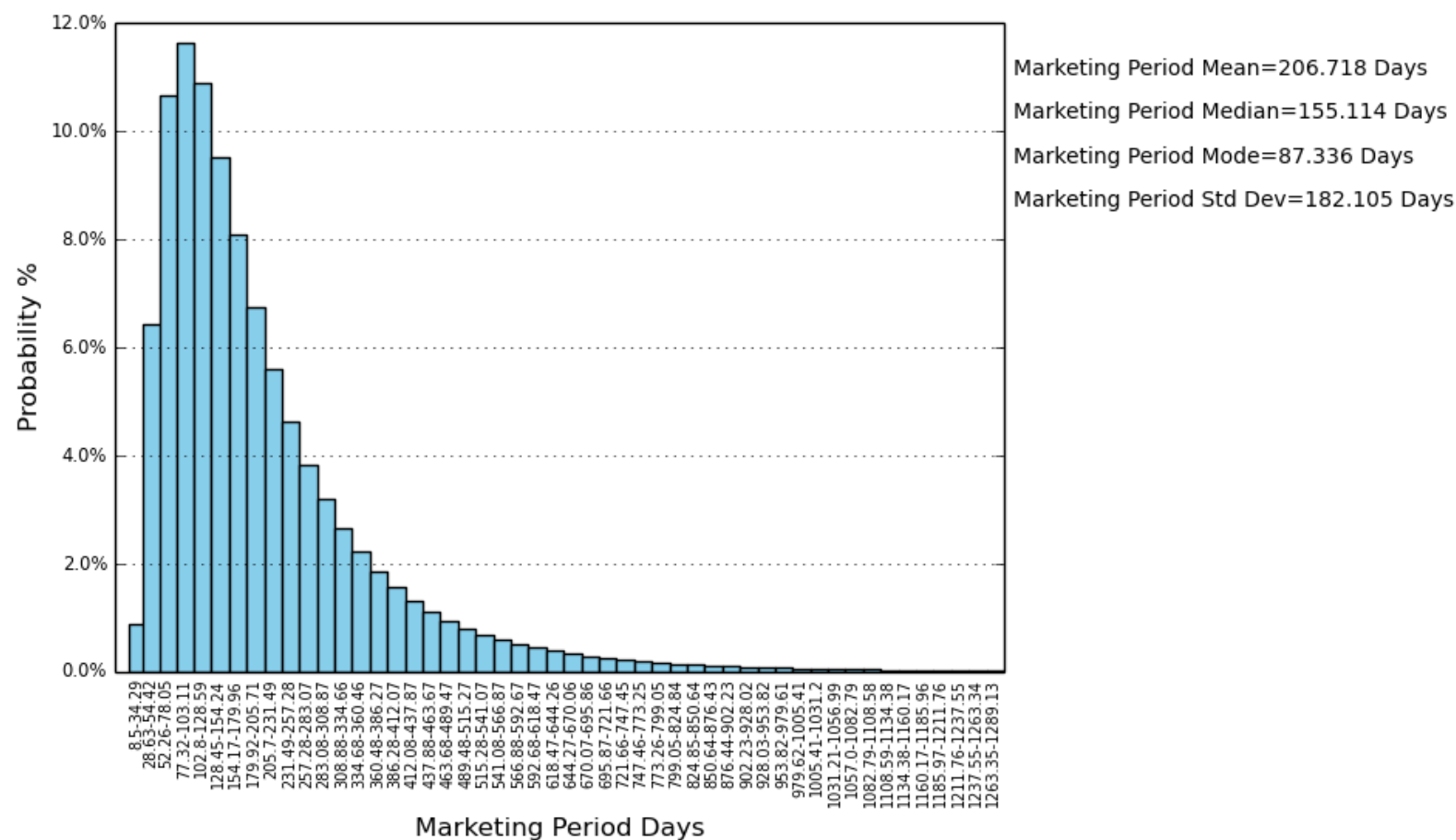
Simple

10%



Marketing Period Graphs

Probabilities by Marketing Period Intervals





SINGLE PROBABILITY DLOM

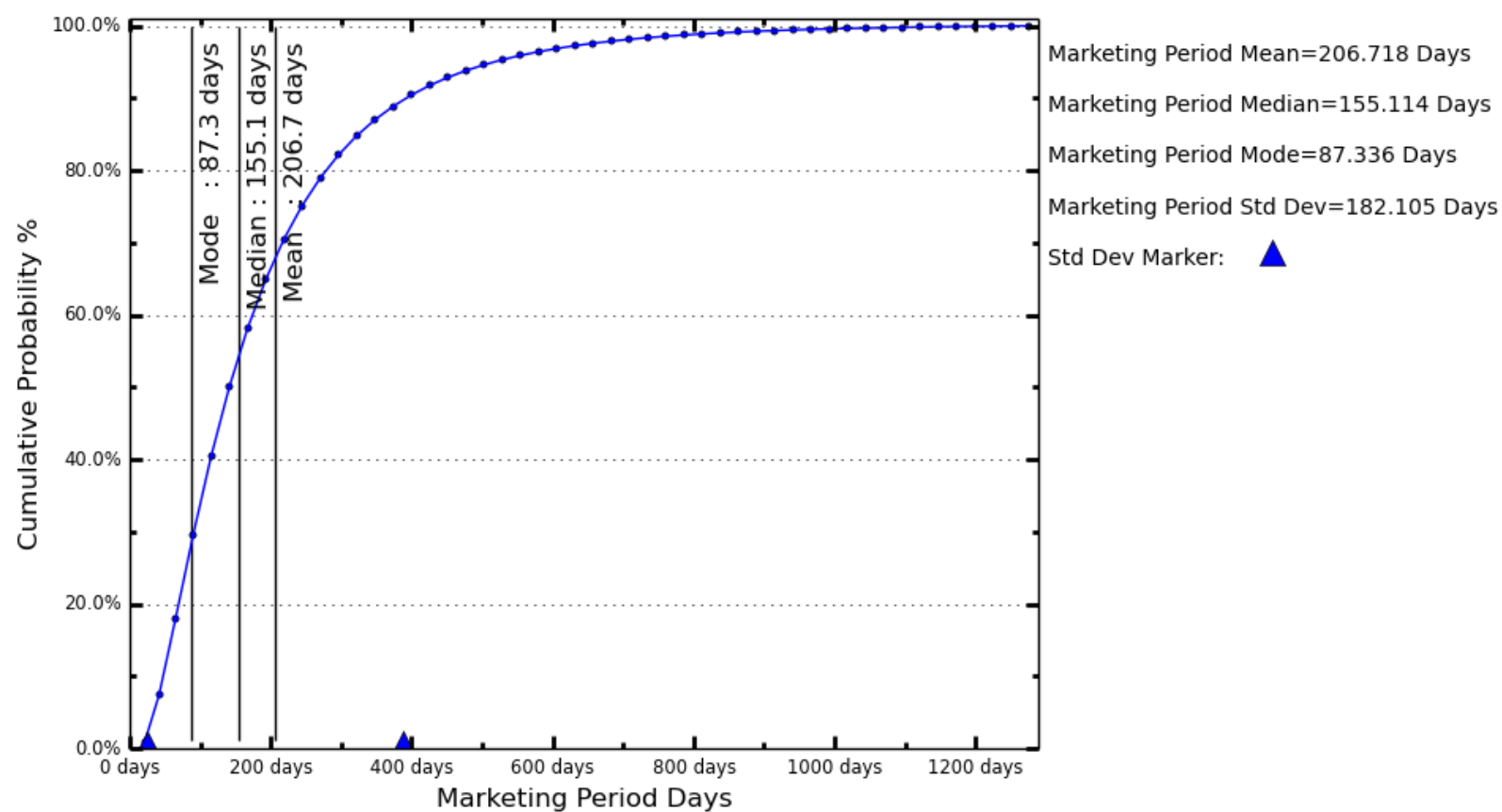
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Marketing Period Graphs

Cumulative Probability of Marketing Period





SINGLE PROBABILITY DLOM

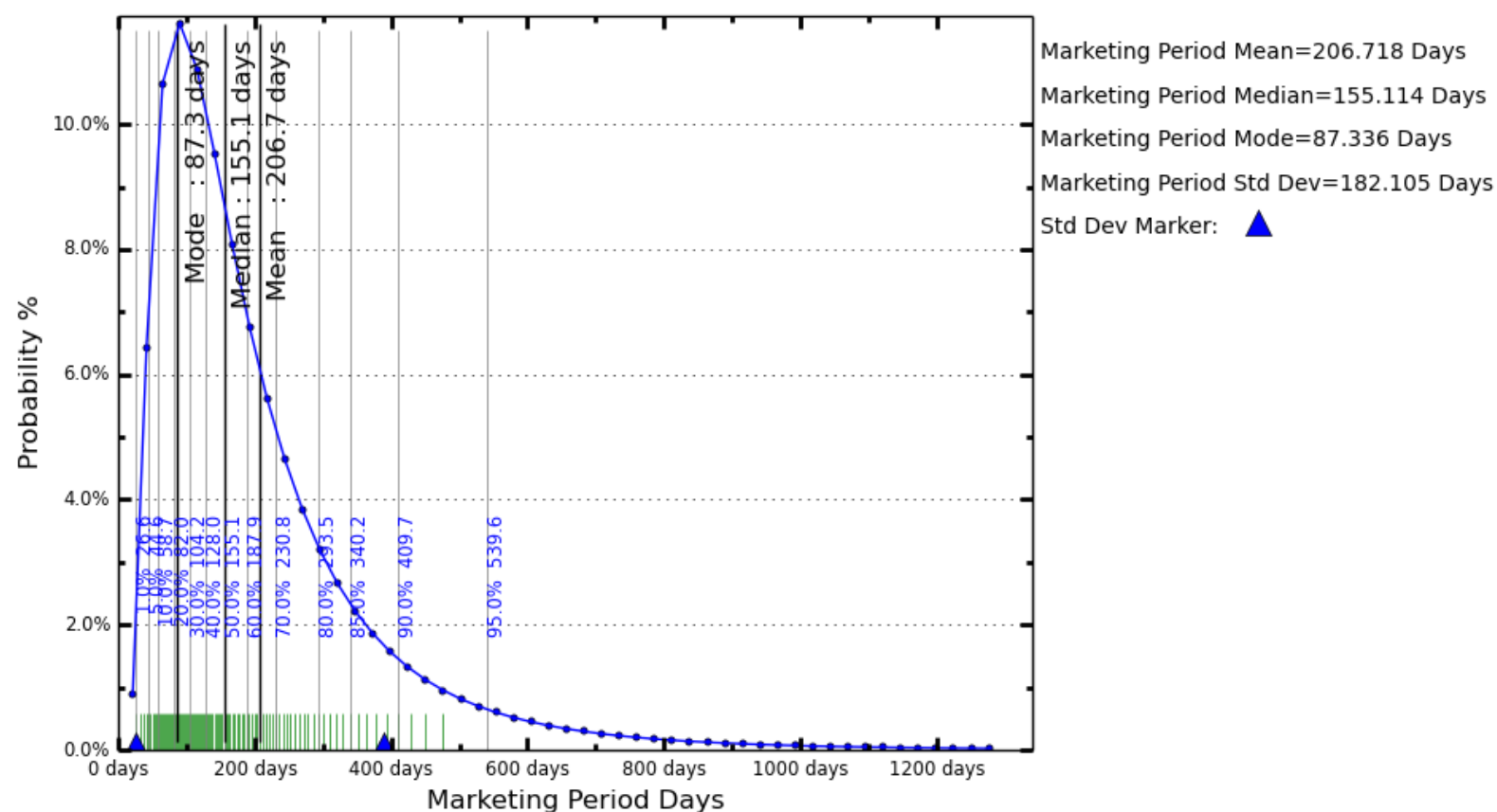
Based on Marketing Period Probability

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For: **Sample Company**

Marketing Period Graphs

Probabilities by Marketing Period Intervals





SINGLE PROBABILITY DLOM

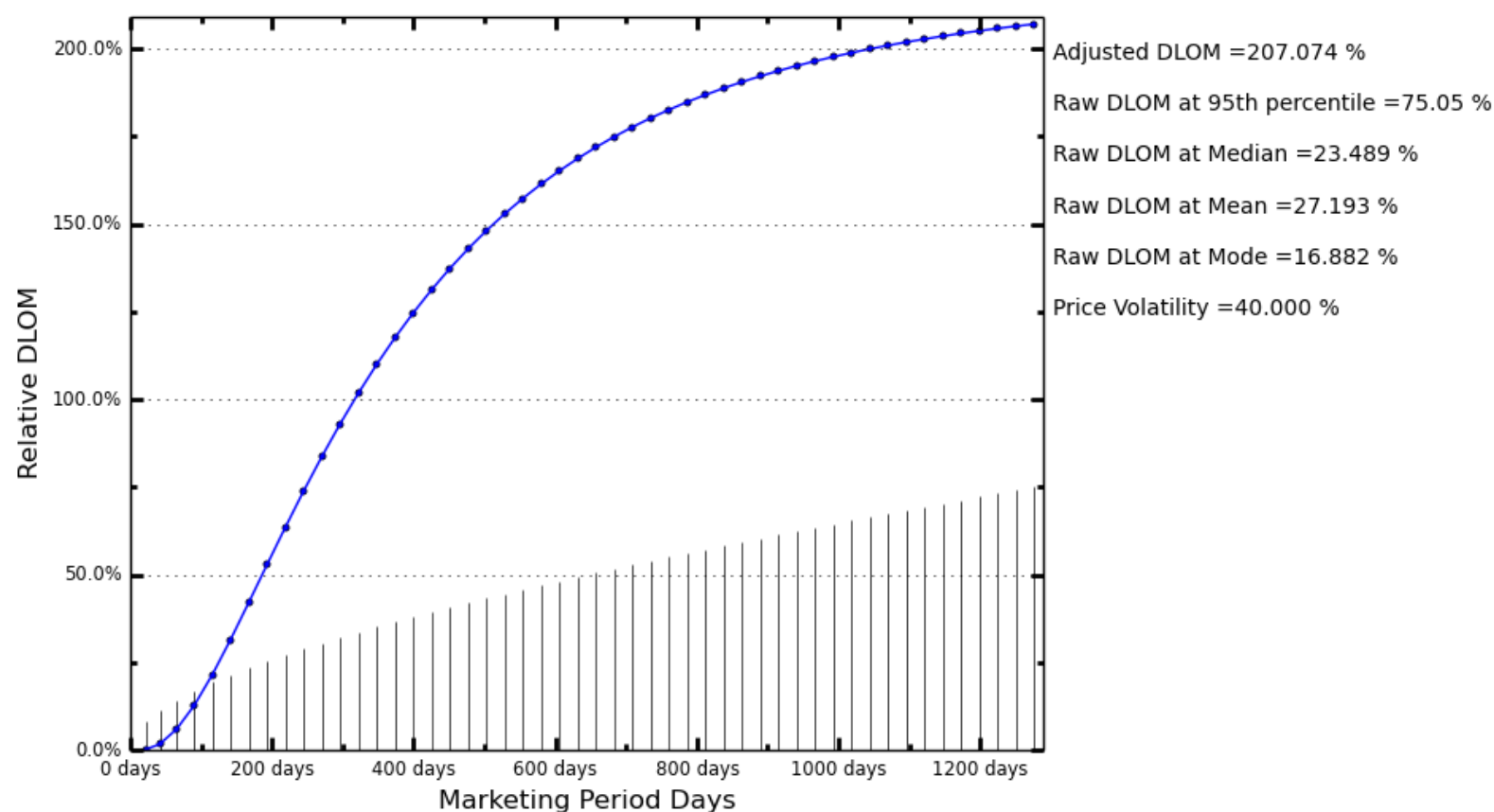
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DLOM Graphs

Cumulative Probability Adjusted DLOM (Marketing Period)





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DLOM Graphs

Cumulative Probability Adjusted DLOM (Marketing Period)

