

Comprehensive Guide for the Valuation of Family Limited Partnerships 4th Edition

Authors and Publisher

Partnership Profiles, Inc. is pleased to offer the 4th Edition of *Comprehensive Guide for the Valuation of Family Limited Partnerships* which was last updated in 2006. As a practical resource, this book examines the latest methods for valuing FLPs and other noncontrolling interests, and includes step-by-step case studies for valuing minority interests under both the Income and Market Approaches. This new edition focuses on cutting-edge valuation techniques that incorporate the best empirical data available.

This 4th Edition not only tackles the difficult issues valuation professionals face when valuing FLPs, it also addresses those questions most frequently asked by appraisers since the first edition of *Comprehensive Guide for the Valuation of Family Limited Partnerships* was released in 2001. This new edition features:

- Updated studies that demonstrate how to quantify and support Discounts for Lack of Marketability based on the IRR method
- A detailed analysis on how much of the total price-to-value discount observed in transactions involving Publicly Held Limited Partnerships is due to Lack of Control vs. Lack of Marketability
- A discussion of the key components of a thorough appraisal report for valuing an FLP
- Updated Rate of Return data for Publicly Held Limited Partnerships and REITs
- How to develop and apply discount rates for valuing FLPs when using the Income Approach
- How to identify and select comparable guideline entities when using the Market Approach
- Sources of Closed-End Fund data for valuations involving marketable securities and other equities, along with a discussion of IRC 852 and how it affects using Closed-End Funds
- Five complete valuation examples covering FLPs that own:
 - Marketable Securities
 - Income Producing Real Estate
 - Nonincome Producing Real Estate
 - Mixed Assets
 - Oil & Gas Interests
- Issues to consider when valuing FLPs with:
 - General Partnership Interests
 - Multiple-Tiered Limited Partnerships
 - Nonmarketable Securities
 - Promissory Notes
- Partnership Profiles' annual "Partnership Re-Sale Discount Studies" published from 1992 through 2009

The complete Table of Contents for this new FLP book is available at www.PartnershipProfiles.com

An order form is provided on the back page should you decide to order a copy of the 4th Edition of *Comprehensive Guide for the Valuation of Family Limited Partnerships*. For quickest processing, please order from our website at www.PartnershipProfiles.com

Partnership Profiles, Inc. (PPI) was founded in 1988 and is the leading provider of research on publicly-held limited partnerships and real estate investment trusts (REITs) that are not listed for trading on a securities exchange. Since 1990, PPI has collected and published transaction data on limited partnerships and REITs that trade in the secondary market for these investments. With this data, PPI has published annual surveys since 1992 which report real-world pricing of minority interests in partnerships and REITs that is widely used by appraisers when valuing noncontrolling interests in entities owning real estate and other assets. In conjunction with the appraisal firm Munroe, Park & Johnson, PPI sponsors the highly acclaimed "Appraising Family Limited Partnerships" seminars that take valuation professionals to the next level in appraising these interests.

Munroe, Park & Johnson (MPJ) began in 1986 as a regional business valuation firm. Since 1993, MPJ has been developing, improving and teaching the valuation methodology presented in *Comprehensive Guide for the Valuation of Family Limited Partnerships*. Over the past five years the firm has performed 400 to 500 family limited partnership appraisals. The principals of MPJ have testified in both Tax and Federal Court on issues ranging from the appraisal of family limited partnership interests to discounts for lack of marketability. While no one person has invented the methodology used by appraisers to value privately held interests, MPJ has strived over the past 18 years to take incremental steps to improve the data and methods used to determine the Fair Market Value of privately held interests. This has led to relationships with companies such as PPI and Practitioners Publishing Company (PPC) to develop real estate rate of return benchmarks, discount for lack of control methodologies and discount for lack of marketability studies that are used throughout the valuation industry.

Bruce A. Johnson, ASA is a partner in the business valuation firm of Munroe, Park and Johnson, Inc. located in San Antonio, Texas. He holds a degree in Engineering and MBA from Texas A&M University. His background includes positions in corporate finance and operations including manufacturing, acquisitions and strategic planning. Mr. Johnson is an Accredited Senior Appraiser of the American Society of Appraisers. He was the expert witness for the taxpayer in the Estate of Elsie J. Church, the first FLP case to go to court. Mr. Johnson has been published on a wide range of valuation topics including S Corp Tax Treatment, Discounts for Lack of Marketability and the Valuation of Family Limited Partnerships.

Spencer J. Jefferies is president and founder of Partnership Profiles, Inc., a Dallas-based limited partnership research company founded in 1988. Mr. Jefferies is editor of *Direct Investments Spectrum*, a bimonthly newsletter that provides transaction information on limited partnership interests and non-listed REITs that trade in the secondary market. In addition to its research publishing activities, Partnership Profiles provides direct consulting to broker-dealers, real estate companies, law firms and other third parties on matters related to direct investments. Mr. Jefferies is a frequent speaker on publicly-registered, non-publicly traded limited partnerships and REITs and the secondary market for these investments. He has testified before committees of both the U.S. Senate and U.S. House of Representatives on matters related to publicly-registered limited partnerships. He has also served as an expert witness in U.S. Tax Court. He holds degrees in Real Estate and Finance from the University of Texas at Austin.

James R. Park, ASA is a partner in the business valuation firm of Munroe, Park and Johnson, Inc. located in San Antonio, Texas. Mr. Park holds a degree in Finance from Texas A&M University. Prior to joining Munroe, Park and Johnson, Inc., Mr. Park spent eleven years working in the commercial banking industry in areas including financial analysis, forecasting and commercial lending. Mr. Park is an Accredited Senior Appraiser of the American Society of Appraisers and a former president of the San Antonio ASA chapter. In addition, he serves on the Board of Directors of the St. Mary's University Forum on Entrepreneurship. Mr. Park has testified in District, Federal, Tax and Bankruptcy courts on a variety of valuation related issues.