



MIRUS CAPITAL
ADVISORS



SEE THE OPPORTUNITY.

THEN SEIZE IT.

You've worked hard to build your business. Now it's time to take it to the next level. You have options: growth capital, acquisition, merger, strategic partnering, or sale. Mirus Capital Advisors can help you choose the right path.

Mirus prepares independent and objective business valuations for acquisitions, divestitures, private placements, tax and estate planning and restructuring events, and renders fairness opinions for boards of directors, creditor committees, and other parties in interest to mergers and acquisitions. Mirus also provides valuations of stock options for compliance with IRC §409A. In addition to preparing sophisticated financial models that enable our clients to evaluate potential outcomes under a variety of circumstances, Mirus provides insightful analysis as to the company's suitability for debt and equity financing, financial restructuring and liquidity options. Our firm adheres to the highest professional standards and provides full support for all of our valuation work.

BUSINESS VALUATIONS

Our clients have commissioned a valuation analysis to facilitate a buyout, resolve a shareholder dispute, or effect estate planning goals. By combining sophisticated financial analysis with over 20 years of experience in merger and acquisition advisory, Mirus Capital Advisors brings depth and perspective to valuations of businesses and securities. We employ several methodologies in every valuation analysis, providing our clients with multiple data points in addition to the overall analysis in order to give a broader perspective. We then document our analysis in a comprehensive report, appropriate to the scope of the engagement.

§409A VALUATIONS

Mirus has performed dozens of business valuations under Internal Revenue Code §409A, which requires private companies to follow stringent guidelines when issuing stock options. §409A valuations go beyond traditional enterprise valuations because they must model the financial features of a company's capital structure and allocate the value of the equity among different classes of shareholders. Non-compliance can lead to acceleration of taxable income, penalty taxes, withholding tax issues and potential exposure for board members, but hiring a qualified appraiser shifts the burden of proof regarding the soundness of the valuation to the IRS.

FAIRNESS OPINIONS

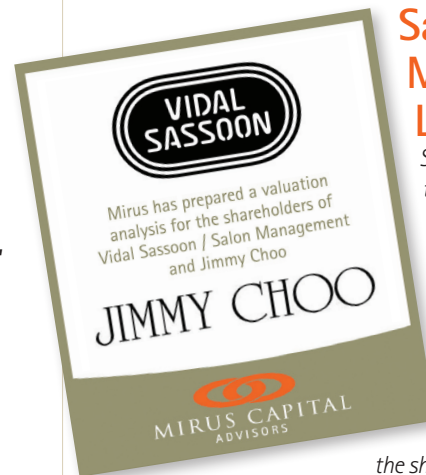
Transactions involving acquisitions, divestitures, and reorganizations often require expert opinions, typically rendered by investment bankers, as to the fairness of the terms of the transaction from a financial point of view. Mirus has provided fairness opinions to Boards of Directors, special committees, and other parties in interest. In its due diligence, Mirus reviews detailed information about the subject company's historical performance, future prospects, competitive threats and opportunities. Mirus also analyzes the valuation and structure of the proposed transaction, the form and timing of consideration, market factors, and the financial, accounting, and tax implications. To date, we have never had an opinion overturned.

CASE STUDY



BCGI

Mirus was retained by the Board of Directors of Boston Communications Group, Inc. (NASDAQ: BCGI) to render a fairness opinion on a \$65 million tender offer from Megasoft Limited (BSE Code No.: 532408). Mirus conducted a detailed analysis of the company and the transaction, reported to the board of directors, and participated in the preparation of the company's SEC filings. The board of directors endorsed Mirus's opinion, and the transaction was completed with overwhelming shareholder support.



Salon Management Ltd.

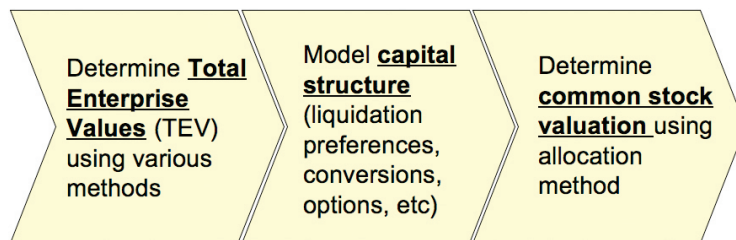
Salon Management Ltd., the U.K. parent Company of Vidal Sassoon Salons and Academies as well as the fashionable Jimmy Choo footwear concern, retained Mirus to value the Company's assets and make recommendations to the shareholders. Mirus' analysis and recommendations enabled the shareholders to reach agreement on a plan to generate liquidity through the sale of certain assets while providing for the long-term growth and stability of the core business.

SECTION 409A VALUATIONS

Under newly promulgated Internal Revenue Code Section 409A, private companies are required to follow new, more stringent guidelines when issuing stock options and other forms of non-qualified deferred compensation. The consequences of failing to comply with these regulations can be dire. Noncompliance can lead to acceleration of taxable income, penalty taxes, company withholding tax issues and potential exposure for board members. Additionally, non-compliance with Section 409A could impact the marketability of a business to investors and/or acquirers. By obtaining a fair market valuation from a qualified independent appraiser, companies automatically qualify for a "safe harbor," shifting the burden of proof regarding the soundness of the valuation to the IRS.

Mirus is exceptionally well qualified to help private companies prepare 409A valuations. We have performed numerous 409A valuations and have in-depth expertise in the many theoretical and practical considerations necessary to prepare a sound common stock valuation. Mirus has in-depth expertise in the full range of traditional valuation methodologies, sophisticated modeling of capital structures and a deep understanding of the methods for allocating value across different classes of equity.

What makes 409A valuations different from other valuations? Most valuations begin and end with an estimate of the value of the total enterprise and its equity. However, a 409A valuation goes beyond an enterprise valuation because it is critical to model the financial features of a company's capital structure and allocate the value of the equity among different classes of shareholders, as shown in the Exhibit to the right.



- **ESTIMATING THE VALUE OF THE ENTERPRISE**

A range of traditional valuation methods is available to estimate this enterprise value, such as public comparables, precedent transaction comparables, discounted cash flows analysis, liquidation value and other methods.

- **MODELING THE FINANCIAL FEATURES OF A COMPANY'S CAPITAL STRUCTURE**

This additional step raises a series of complex questions including: What liquidation preferences are in place for preferred stock holders? Are there any participation rights (or "double dips")? Are the participation features capped in some way? What conversion features are available to the different shareholders? Mirus has extensive experience and proprietary models to analyze even the most complex capital structures and calculate proceeds to the various stakeholders under all possible scenarios.

- **ALLOCATING THE VALUE OF THE EQUITY AMONG DIFFERENT CLASSES OF SHAREHOLDERS**

Given the benefits and drawbacks of different allocation methods, which allocation method should be deployed? Mirus can help you determine the method that is most suitable for your specific situation, and will implement this method to arrive at an estimate of the fair market value of your company's common stock that is used to set the strike price of stock options.

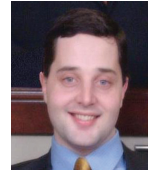
Through our work as M&A experts, we are continuously helping buyers and sellers determine the accurate market value of companies at all stages of growth. Mirus appreciates that stock options can be an important incentive for employees and a key ingredient for your company's success. IRC 409A introduces additional considerations to take into account when you are issuing stock options. We can help you navigate these implications and ensure that your company avoids future problems. Mirus has built a storehouse of expertise over nearly 20 years of transaction and valuation mandates, making it a superior resource for companies seeking assistance in meeting Section 409A standards.



Jamie Grant, Partner

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Jamie Grant has managed over 60 engagements for clients in a variety of industries including manufacturing, industrial services, building products, electronics, capital equipment, distribution, and business services. He primarily advises family-owned and closely-held businesses, but has also represented public companies and venture-backed firms. He has a wealth of experience in negotiating, structuring, valuing and closing mergers and acquisitions, financings, restructurings and leveraged buy-outs. He is a Registered Securities Principal, a graduate of the University of New Hampshire, and holds series 7, 79, 24, and 63 certifications from FINRA.



Bas van der Brugge, CFA

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Bas joined Mirus in 2002 and heads up the Mirus valuation practice in addition to managing client engagements as a deal Principal. Bas has worked on several dozen client engagements during his tenure with the firm, focusing primarily on clients in software, business services, online media and defense. Prior to joining Mirus, Bas was an associate with McKinsey & Co. He is a chartered financial analyst (CFA) and graduated with a Masters degree in Financial Econometrics from Erasmus University in Rotterdam, the Netherlands.



David Hoffer, Partner

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David Hoffer brings over 20 years of experience in both business and corporate law to Mirus. He has successfully managed numerous transactions for clients in business services, software, healthcare, and other industries. Previously, he served as chief operating officer of three Boston-area technology companies and practiced law in both law firm and in-house settings. David is a Registered Securities Principal, a graduate of Harvard College, Harvard Law School, and the Harvard Business School, and holds series 7, 79, 24, and 63 certifications from FINRA.



Mike Krongel

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Mike Krongel heads up Mirus Resort Capital, focusing on mergers, acquisitions, leveraged buy-outs and financings for operating resorts and middle market companies in the travel and recreation industry. With over 30 years experience Mike brings to Mirus a unique understanding of resort operations and resort development. Mike was a senior executive with American Skiing Company, of Park City, Utah. He was the lead corporate officer focused upon business acquisition and disposition for ASC. Mike has also been a consultant to many of the largest banks and insurance companies in North America, assisting with the disposition of under performing assets. Mike is a graduate of Ithaca College.



Peter Alternative, Partner

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Peter Alternative brings over 15 years of experience advising middle market, technology-based companies. He has been a financial advisor to both public and closely-held companies on divestitures, capital raising, recapitalizations, strategic acquisitions, mergers and cross-border transactions. He has managed and closed twenty-five engagements with companies across a variety of segments of information technology and professional services, with a particular focus on the software industry. Peter is a graduate of Hobart College and received an MBA from Bentley's McCallum Graduate School of Business. He holds series 7, 79 and 63 certifications from FINRA.



Brendan Kiernan

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Brendan Kiernan is experienced in valuation and corporate finance advisory. He manages the support efforts for the partners including industry research, valuation analysis, and client reporting. Brendan is a graduate of Boston College and earned his MBA from Bentley's McCallum Graduate School of Business. He holds series 7, 79 and 63 certifications from FINRA.



Laura Kevghas, Partner

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Laura Kevghas brings to Mirus more than 20 years of experience in mergers and acquisitions, with a background that includes both investment banking and corporate development. Laura's unique background on both sides of the table informs her negotiating, structuring and due diligence activities on behalf of her clients. Over her career, Laura has completed more than 60 transactions, including the sale of companies in the business services, defense and government services, manufacturing and software sectors, along with the acquisition of numerous companies in the media space. Laura is a graduate of Bentley University and holds an MBA with high honors from Bentley's McCallum Graduate School of Business. She holds series 7, 79 and 63 certifications from FINRA.



Sherry Goldberg, CPA

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Sherry Goldberg is our Director of Finance & Administration. Sherry focuses on the overall financial systems and reporting, manages operational and administrative functions, and is responsible for FINRA-related activities for Mirus Securities. Sherry is a graduate of Merrimack College, a Certified Public Accountant and holds a Series 28 Financial and Operations Principal (FINOP) certification from FINRA.