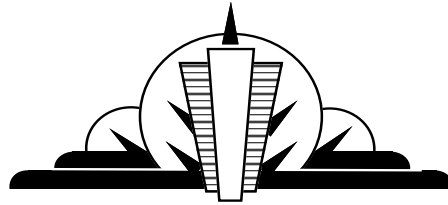


Reasonable Compensation Analysis, RCASM

Company: Tucker Associates, Inc.

Subject: Thomas Tucker, Test Case 1



C B A

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Completed and Respectfully Submitted by:

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Data Gathered, Analysis, and Calculations Performed

The Annualized Salary or Wage in Cash for Payroll Compensation

A "Reasonable Compensation" Salary or Wage Replacement Cost Amount Calculation

The estimated Reasonable Compensation for **Thomas Tucker** was calculated as an annual salary or wage in cash for payroll at **\$76,025** for **2016**.

Treas. Reg. §1.162-7(b)(3) defines "reasonable" compensation as the amount that "would ordinarily be paid for like services by like enterprises under like circumstances."

Reasonable Compensation Analysis, RCASM salary or wage calculation process completed by the client resulted in the following observations:

The calculated salary or wage of **\$76,025** was determined to be **Reasonable Compensation** based on the type of work performed, the skill level of the work performed and the number of hours the work is performed annually.

You told us that you work 2080 hours per year in Hamilton County, OH.

Your analysis indicates the annual salary or wage of \$76,025 would be a reasonable replacement cost to hire an employee(s) to perform the duties and responsibilities the same or similar to those that you currently perform.

The following page(s) list your research data and analyses choices by job category, time, and proficiency with the related compensation calculations by weekly and annualized hours, wages per hour by job category and description, and overall compensation percentages.

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Valuator David A. Dinsmore, Specialized Knowledge, Skills, Experience, Training, and Education Summary

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Board Certified in Business Appraisal, BCBA, Certification #4034 - 1998

Professional Associations and Active Memberships in Good Standing



Institute of Business Appraisers, Inc., IBA Certified Financial Planner Board of Standards
The Financial Planning Association, FPA International Association of Professional Financial Consultants, IAPFC
Tri-state Business Valuation Roundtable - A Founding Director & Director of Education Programs
National Association of Tax Practitioners, 25 Years, Retired National Association of Security Dealers, Inactive

Mr. Dinsmore has been active in the industry's advanced educational programs with over **210 CEU hours since 1998**. He is a graduate of the College for Financial Planning in Denver, Colorado, holding the professional license of '**Certified Financial Planner, CFP[®]** which is recognized for business valuation. He is a **Registered Financial Consultant**, RFC having met the seven criteria set by the International Association of Professional Financial Consultants, Inc. FPA website: 'CFP[®] professionals are dedicated to using the financial planning process to serve the financial needs of individuals, families and businesses.'

He has earned the professional designations of Certified Financial Planner and Registered Financial Consultant by successfully completing their requirements and he continues **to maintain these license and credentials with extensive continuing educational programs**. Mr. Dinsmore is among a select group of international financial professionals to be admitted to the Registry of CFP[®] Licensed Practitioners.

Mr. Dinsmore holds a BCBA, **Board Certified in Business Appraisal**. This professional designation granted by the National Association of Appraiser Specialists attests to his completion of the business valuation education program, **passing the proctored written examination on business appraisal, exhibiting valuation skills in a board peer reviewed demonstration report** and his acceptance of the association's code of ethics. **He has consulted on business valuations since his entry into financial analysis and planning in 1978 with a significant portion of his continuing education programs focused on business planning and valuation**. In addition, he has passed all of the noted licensing and professional work product reviews and exams on the first test and has not had any professional disciplinary proceedings.

David Allen Dinsmore started his independent financial analysis firm in 1988 after 10 years of insurance licensure and investment industry registration in 1981. His valuation and business brokerage experience go back to 1979. Mr. Dinsmore was born in Dayton, Ohio in 1951 and graduated with a BS with Major Biology, Minor Math, and Education from Ball State University in 1973. He began his career in the financial services industry after leaving public education in 1978. After passing the state required examinations, he became **licensed in casualty, life, health and disability insurance** in Indiana, and later Ohio and Kentucky with the Horace Mann Insurance Company

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Reasonable Compensation Analysis, RCASM

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specializing in estate planning. The LUTC professional designation was earned in 1979 from the Life Underwriting Training Council and was the first formal training in the concepts of business valuation for buy-sell agreements and estate planning with IRS compliance. In 1981, he became licensed to sell securities by passing the National Association of Security Dealers, NASD exam for VALIC where the concentration was on securities investments for retirement.

To meet the growing diversity of client needs, Mr. Dinsmore established Dinsmore Financial Services Agency in 1986 as a Registered Representative of the Aetna Life Insurance and Annuity Co. and the Integrated Resource Equity Co. In 1987 he was instrumental in establishing American Benefits Administration, Inc., a third party fringe benefit administrator, and became the first treasurer and a founding director. He sold his business interests in 1987 to start the current firm.

The CFP[®] education and training programs cover the advanced topics of Real Estate Investment Trusts (REIT), investor-managed real estate, and passive activity and at-risk rules for real estate exceptions. The International Association of Professional Financial Consultants, IAPFC continuing education, Tri-state Business Valuation Roundtable programs such as the May 2008 meeting on Commercial Real Estate Trends given by Eric J. Gardner, is Vice President of Colliers Turley Martin Tucker, and the NAR, National Association of REALTORS[®] as well as The Appraisal Institute with weekly updates are some of the resources used to keep current on commercial real estate. Experience in personal property and tax assessment, preparation of the Ohio Form 920 (an ad valorem tax is a tax levied in proportion to the value of that which is being taxed), construction (new, repair, and remodeling including design, electrical, masonry, and mechanicals), farming, industrial machining, auctions, real estate investing with associated annual tax reporting and taxation at sale, and property (business, real and personal) insurance underwriting and claims form the basis for the ability to offer machinery & equipment, M&E, commercial real estate (industrial, warehousing/flex space, manufacturing, retail, and medical practice facilities), and other asset appraisals; and he is in compliance with Ohio Appraiser Licensure, Certification & Registration and Kentucky. No one can be an expert in every area. Areas of real property not worked, but not limited to: residential; transactions; questions of ownership, rights, title, and leases and other agreements; property management; apartments; mining, mineral, and other resources; damages; estate & gift tax; and for compensation or promise of compensation, list or offer to list, sell or offer to sell, buy or offer to buy, negotiate or offers to negotiate either directly or indirectly for the purpose of bringing about a sale, purchase or option to purchase, exchange, auction, lease, or rental of real estate, or any interest in real estate, or as a real estate agent. No appraisals/valuations are completed for insurance purposes, U.S. Federal Government related matters, or federally related transactions including financing. No valuations are completed for 'fair value reporting' under SFAS 157, 141R, 142, 160R, and 123R, or ESOP valuations.

Mr. Dinsmore is the author of two workbooks entitled 'The Financial Action Organizer' and 'The Navigator Business Planner: Do-It-Yourself Business Planning Guide.' He developed the 'Small Business Operation's Audit' which is a straight forward evaluation of the characteristics found in successful small businesses.

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