



NACVA

— SUMMARY OF CHANGES TO NACVA'S STANDARDS —

Effective: June 1, 2011

To All NACVA Members:

NACVA's new Professional Standards reflect revision of NACVA's Standards since 2008. Changes were made to coordinate NACVA and IBA professional standards, while maintaining parity with AICPA's Statement on Standards for Valuation Services No. I (SSVS).

The significant changes are:

1. New Jurisdictional Exception¹. Members should follow governmental, judicial or another authority when they differ from NACVA development or reporting standards².
2. Development Standards
 - a. Must avoid bias³
 - b. May rely on information from any source without corroboration if disclosed in report⁴
 - c. Members should retain documentation for a sufficient time period to comply with legal regulatory and professional requirement⁵
 - d. Financial statement adjustments, earnings determination, capitalization/discount rate, and market-ability, control and other discounts are no longer specifically listed
3. Reporting Standards set minimum standards and may now include:
 - a. Hypothetical conditions/assumptions and reason for their inclusion⁶
 - b. Disclosure and consideration of subsequent events⁷
 - c. Denial of access to essential data⁸
 - d. Site visit disclosure⁹
 - e. Reconciliation of estimates and conclusion of value¹⁰
4. The revised standards are effective for engagements accepted on or after June 1, 2011. Earlier adoption by Members is encouraged.

Respectfully Submitted,

NACVA's Standards Committee

¹ Section III D.

² Section III D.

³ Section IV B.

⁴ Section IV C.

⁵ Section IV I.

⁶ Section V C. 1. C) (11)

⁷ Section V C. 1. C) (12)

⁸ Section V C. 1. C) (14)

⁹ Section V C. 1. D) (9)

¹⁰ Section V C. 1. D) (10)