

AMERICAN BUSINESS APPRAISERS, LLP

3800 Blackhawk Road, #140, Danville, CA 94506

Voice: (925) 964-0370 / Fax: (925) 964-0374
mje@abasf.com www.businessval.com

MICHAEL J. EGGERS, CPA/ABV, CBA, ASA

BIOGRAPHICAL SKETCH

PROFESSIONAL DESIGNATION

Certified Business Appraiser, CBA Institute of Business Appraisers
Accredited Senior Appraiser, ASA American Society of Appraisers
Advanced Accreditation Business Valuation Designation, American Institute of Certified Public Accountants
Certificate Educational Achievement Business Valuation, American Institute of Certified Public Accountants

EDUCATION

B.S.C., Santa Clara University, 1972; Business major with accounting emphasis
C.P.A. - California, 1975
California Junior College certificated instructor, 1982
Annual Valuation conference sponsored by California C.P.A. foundation, 1984-01

EMPLOYMENT

American Business Appraisers LLP
Principal, 1989 to Present
Hornblower Yachts
President and CEO, 1992 and 1993 (Engagement / Assignment)
Arthur Young / Gabbard, Moore & Eggers
Partner, 1979 - 1989
Contract Office Group 1977-79
Vice President Finance,
NCAA/WBL/NBA Basketball
Part-Time Basketball Official 1977-Present
Arthur Andersen & Co.
Manager 1972-77

BUSINESS VALUATION EXPERIENCE

Court appointed and approved expert in business valuations and lost profits claims. Special Master and Mediator (court appointed and stipulated agreement). Valuations prepared in connection with estate tax preparation and probate, preferred stock issuance, mergers and acquisitions, shareholder disputes, family law and buy/sell agreements.

Royalties from Recordings
Distribution Companies
Medical practices and related specialties
Auto Dealership
Construction and contractors
Pharmaceutical manufacturing
Manufacturing
Leasehold Interest
Leasing Company
Restaurants
Travel Agencies (Wholesale and Retail)
Retail - sporting goods, shoe stores
Heavy equipment operators
Professional Services -
Law firm, Architects, & Accountants
Hornblower Yachts, Inc.

Loan Servicing Company
Manufacturing Rep Agencies
Mortgage Brokerage
Communications Company
Book Publisher
Licensed Patents & Royalty
Agreements
Franchise Operator
Professional Sports Franchise
Systems Integrator
Software Manufacturer
Software Development
Company
Real Estate - Syndicator,
Project Value
Others

EXPERIENCE AND SKILLS EXECUTIVE:

At the request of client Board of Directors, appointed President and CEO Hornblower Yachts, with "bottom-line" responsibility to effect operations and implement strategies to "turnaround" company with poor operating performance. The company has 450 employees, 4 regional locations and 22 vessels. Within 18 months (assignment completed), company had \$2.3 million bottom line improvement (break even). Interfaced with company managers, port authorities, sales and marketing managers and staff, systems and both vessel and food/beverage operations to effect change, improve morale and implement strategy.

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SALES AND MARKETING:

Directed and participated in professional services sales presentations approximating \$1,000,000 of new business annually. Designed strategic marketing and operating plans, implemented sales and contact reporting systems, counseled and trained staff in sales presentations skills/strategies. Considered "Top Salesman" and significant marketing and new business source for firm.

ENTREPRENEURIAL LEADERSHIP:

Founded local accounting firm that merged with national big Eight firm (1988). Sold founder's interest in furniture dealership to other shareholders (1979). Directed Arthur Young Entrepreneurial services Group and provided business advice to rapidly growing emerging businesses. Equity participation in real estate development ventures, Creo-Cycle Energy LLC, and Roto Distributors. Minority ownership Frank Electric Co., Inc.

FINANCE:

Supervised business plan preparation (including financial statement projections) and negotiated credit lines and term loans with financial institutions. Provided professional services to clients and interfaced with investment bankers, venture capital firms, and private limited partnership (Reg D) placements. Provided personal financial planning to significant net worth individuals and prepared integrated corporate/individual income and estate tax plans. Advisor and counsel to M&A activities, ESOP formation and leverage buyout transactions (LBO's).

STRATEGY:

Consulted on business valuations, merger and acquisitions, corporate structuring and reorganizations. With consensus executive management agreement, defined and determined business strategies regarding marketing and product distribution methods, product and services pricing, long term goals/plans, new product development and staff training/development.

SYSTEMS:

Designed ticketing and reservation systems, professional services time and billing microbased system, job cost and construction management systems. Selected application software per client needs, and managed implementation and installation of application software. Technically aware of LAN concepts, database uses, Macintosh systems. Former chairman AICPA Computer Applications Committee and author of Local Area Network Practice Aid.

STAFF DEVELOPMENT AND TRAINING

Certified instructor for IBA, AMA, & AICPA for business valuation.
Chairman of the Qualifications Review Committee.
Chairman, Professional Standards Committee, IBA.

TECHNICAL PRESENTATIONS

Presentations to AICPA Annual Meeting (1985); Judicial Council (1993, 1994); East Bay Chapter of CPA's (continuing basis); National NAPVO Convention (1982, 1995) and continuing education of California Bar Association (local chapter) continuing basis. California Judges Association / Rutter Group, 1998. National IBA Convention (1999,2003), National AICPA Business Valuation Conference, 2000. Contributing Author to "Valuation for M&A" text.

REFERENCES FOR MICHAEL J. EGGERS

<u>Mr. John Domingos</u> , Attorney at Jonas, Mathews, Domingos, et al	(415) 394-7000
351 California St., Suite 600, San Francisco, CA 94104-1211,	
<u>Mr. Terry MacRae</u> , Owner, Hornblower Yachts, Inc.	(415) 788-8866
Pier 3, The Embarcadero, San Francisco, CA 94111	(x241)
<u>Mr. Alan Neckritz</u> , Law office of Alan Neckritz	(925) 933-8962
2099 Mt. Diablo Boulevard, Walnut Creek, Ca 94596	
<u>Mr. Jack Ditty</u> , Supervisor of Officials, West Coast Conference	(650) 873-9490
523 Cypress Ave., Millbrae, CA	
<u>Mr. Joe Colmery</u> , Chairman and CEO, Retired	(925) 838-0760
California BancShares, Alamo, CA 94507	
<u>Judge Harry Sheppard</u> , Presiding Judge,	(510) 208-4927
Alameda County Superior Court, Oakland, CA	
<u>Judge Robert Freedman</u> , Alameda County Superior Court	(510) 272-6093
Alameda County Superior Court, Oakland, CA	
<u>Judge James Libbey</u> ,	(925) 646-4040
Department 40, Contra Costa County Superior Court, Martinez, CA 94553	
<u>Justice Patricia Sepulveda</u> , California Court of Appeals,	(925) 865-7200
350 McAllister St., San Francisco, CA	
<u>Justice Donald B. King</u> , California Appellate Judge, Retired	(415) 759-1461
35 Rockwood Ct., San Francisco, Ca 94127-1031	
<u>Mr. Chip Lion</u> , Attorney at Morrison Foerester, Palo Alto	(650) 813-5615
<u>Mr. Ken Adelson</u> , Attorney at Cooley Godward, San Francisco	(415) 693-2037
<u>Mr. Rick Climan</u> , Attorney at Cooley Godward, Palo Alto	(650) 843-5174
<u>Judge Daniel Weinstein</u> , Retired, JAMS San Francisco Office	(415) 982-5267

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January, 2002 / Recent Case Summaries

Provisional Director / CCC Sec 2000

Two long time 50% shareholders were at odds. The company was highly profitable (\$40 million in pre-tax profit) with no debt. The CEO (Shareholder "A") would not distribute the excess cash in order to assert control over the other shareholder. Shareholder "B" filed for appointment of a Provisional Director.

After interview and appointment, a series of Board Meetings were held to provide corporate governance and decide disputed issues. Shareholder "A" filed for corporate dissolution (CCC Sec 1900) and Shareholder "B" responded with a request for CCC Sec 2000 relief. After a long series of valuation meetings, differing interpretations of CCC Sec 2000 provisions, etc the company was formally offered for sale. Investment bankers and transaction counsel were engaged, a sales process initiated and several highly technical deal issues (stand-by lock up options; whether a statutory requirement to provide representations and warranties exists, value with and without a covenant not to compete; asset vs. stock sale; fiduciary responsibility of CEO to assist in "highest possible sale price" vs. personal desire to purchase; rules of conduct for CEO) and other matters were addressed.

A Settlement Agreement was reached allowing Shareholder "A" to purchase "Shareholder B" for \$120 million. Incentive payments to employees, KEYSOP funding, excess cash and working capital, and proprietary information agreements were also issues requiring Board decisions.

References: Judge Robert Freedman, Alameda County Superior Court
Chip Lion, Morrison Foerester, Palo Alto
Art Shartsis, Shartsis, Friese & Ginsberg, San Francisco
Ken Adelson, Cooley Godward, San Francisco
Honorable Daniel Weinstein, JAMS San Francisco
Geoff Blades, Goldman Sachs, Menlo Park

Receiver

Two long time 50% shareholders were in dispute. Complaints and Cross Complaints included eight parties with separate counsel. The pleadings were contradictory with respect to basic facts. There was a complex series of related companies with intercompany transactions. Each recommendation made by the Receiver was opposed by at least one party.

With the assistance of in-place management, the companies were operated and offered for sale. A prospective buyer was identified and LOI received. Certain investigative accounting procedures were conducted and the Court, without significant change, approved all Receiver requested actions. The case settled and the assets distributed in accordance with Court Orders.

References: Judge Robert Freedman, Alameda County Superior Court
Judge James Richmond, Alameda County Superior Court
Chris Kuhner / Eric Nyberg, Kornfield Paul & Nyberg, Oakland
Tim Smallsreed, Fitzgerald, Abbot & Beardsley, Oakland
Law Office of David Roth, Oakland