



Capabilities and Core Services

KATS M & E, LLC

855 466-4200



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Capabilities Overview

- Senior Appraiser: Joel D. Gonia, ASA MTS & ARM
 - Accredited Since 1989
 - Compliance with USPAP
 - 30 Years Experience
- True Team Approach utilizing a multidisciplinary office
- Annual M&E appraised valuations in excess of \$1 Billion
- Over 100 Projects Annually
- General Expertise (All Industries) vs. Specific
- Competitive Fees
- Most projects completed within 2 3 weeks
- Core Services
 - Equipment Appraisal
 - Appraisal Review
 - Inventory Appraisal
 - Consulting
- · Clientele primarily located in Midwest
 - Commercial Lending
 - Financial Reporting
 - Tax Appeal
 - Portfolio Management
 - Estate Planning
 - Litigation Support
- Projects located throughout U.S., Canada, Mexico

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Competitive Advantages

We live in a world of supply and demand, where to estimate value we analyze risks and associated benefits. Valuation is simply a measure of risk within specific market criteria. It is the understanding of these market conditions and the correct employment of appropriate valuation methodologies that separate one appraiser from another.

KATS M & E's Competitive Advantages include:

- Solid reputation for providing real world values
- Competitive Fees -- Majority of our work is competitively bid
- Timing -- Most projects completed within 2 3 weeks
- Multidisciplinary Team Leadership
- Ability to ramp up and / or customize your Project -- One location or many, few assets or thousands, we have the necessary support in-house
- Communication -- Our Senior Appraiser is directly involved in each project and either he or our Team Leader is available to discuss all aspects of your project before, during, and afterward KATS M & E, LLC

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Core Services

Equipment Appraisal

- All Assets of a Business (s)
- Specific Bundle of Assets
- Individual Machines

Appraisal Review

- USPAP Compliance
- Opinion of Value
- Peer Review

Inventory Appraisal

Retail

• Manufacturing

• Distribution

Raw materials by type

Finished goods

Work-In-Progress

Consulting

Each of these services are performed according to the *Intended Use* and *Intended Users* identified within the approved Scope of Work

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Industry Expertise

Aggregate

Automotive

Construction

Food & Beverage

Healthcare & Medical

Manufacturing - Metal, Plastic, Rubber, Glass, Wood

Mining and Oil & Gas

Power Generation – Bio-Diesel, Coal, Gas, Nuclear

Processing: Chemical, Pharmaceutical, Paper, Steel, Waste

R & D and IT Systems

Rail Road

Specialty - High Tech

Telecommunications

Textiles

Transportation

the United States.

USPAP Compliance

All appraisals completed by KATS M& E, LLC comply with the *Uniform Standards of Professional Appraisal Practice* – Most recent edition effective <u>January 1, 2018</u>. Authorized by the US Congress, USPAP is issued by the Appraisal Foundation to provide standards for developing and communicating appraisals within

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Multidisciplinary Leadership

Projects often involve multiple perspectives to appropriately represent an overall value. As the Team Leader we coordinate these professionals to insure timely project completion. It is critical all team members understand their role so all assets are accounted for without overlap.

Multidisciplinary Valuation Management services encourage input from all professionals assigned to your project:

- Business Valuation
- Real Estate
- Machinery & Equipment
- Inventory
- Intangible Other
- Personal Property Other

Multidisciplinary Projects represent a significant part of our business. We anticipate our participation as both a Team Leader and a Team Member will only increase. Thus, our Senior Appraiser *Joel D. Gonia*, *ASA* has acquired the necessary education, knowledge and experience to receive a 2nd Accreditation for *Appraisal Review & Management* (ARM).

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Qualifications -- Senior Appraiser

Joel D. Gonia, ASA - MTS & ARM

- Accredited Since 1989
- 30 Years Experience

"real world" values.

- Compliance with USPAP
- Expert Witness in State and Federal Courts
- Approved Appraiser by IRS, SBA & USDA



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Accredited Senior Appraiser (ASA) by the American Society of Appraisers within the valuation discipline of Machinery / Technical Specialties – Industrial Machinery & Equipment and Appraisal Review & Management www.appraisers.org

Reaccreditation every 5 years with minimum 200 hours continuing education within specific valuation discipline

Joel is one of the few professional appraisers to spend his entire career within the valuation industry – 30 years and counting. His expertise as a "generalist" appraiser within the Machinery & Equipment field began with a contract with the US Small Business Administration providing equipment appraisals to update their portfolio – Over 600 loans on all types of assets. Over the years he has gained considerable knowledge regarding numerous types of equipment and established a solid reputation for providing straight-forward KATS M & E, LLC 855 466-4200



Team Approach

We rely on a True Team Approach to accomplish most aspects of our projects in-house. By utilizing a multidisciplinary office environment, clients benefit from the wide range of experience / exposure within various markets. Subcontracting is minimal allowing us direct control over your project. Our Team consist of career oriented valuation professionals, each providing "hands-on" services throughout project completion.

Joel Gonia, ASA	M & E and Appraisal Review	30 Years
Brian O'Connell, ASA	M & E and Inventory	32 Years
Michael Gonia	M & E – General	12 Years
Jim Housley	M & E Chemical and Nuclear	35 Years
Jim Satterwhite	M & E Rail Road & Aircraft	35 Years
Brandon Keel	M & E – General	15 Years
Jeff Burton	Real Estate – Commercial & Industrial	20 Years
Bill Moore	Real Estate - Cost Segregation	17 years

Individual CVs will be provided within attached Supplemental Information

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Listing of Projects

Allegany Ballistics Chrysler Automotive Clark Memorial Hospital Cox Interiors Dave O'Mara Contractors Delaco Kastle **Eagle Industries** Florida Tile **Great Escape Theatres Jones Plastics** Miller's Ale House **Nunn Milling** Pan-Oston **Propulsys** Renovo Rail ResCare **Ross Castings Spencer Industries Superb Industries The Wells Group Toyota Manufacturing** TSS Technology **Vivid Impact Wabash Steel Zeon Chemical**

Almost Family Cincinnati Inc. **Clean Water Cullman Casting Eastman Chemical Co** General Electric - Ind'l **Harrison Gypsum** Maulec **NA Industries Odom Industries** Papa Johns **PSC Industries Republic Wire Rieth-Riley Construction Scotty's Contracting** St. Mary's Hospital **Superior Battery Thermwood Corp Trace Die Cast Universal Trailers** W Rogers Company **YFS Automotive**

Zores, Inc.

Complete General DanaFilms Duncan Machinery Easy Gardener Products General Motors Jewish Hospital Mckechnie Vehicle **Net Shape Technologies Orbital ATK Proctor & Gamble Quality Industries Republic Wire** R.I Corman Rail **Southern Recycling Sterling Boiler Tarter Gate** Toyota Boshoku **Trillium Industries**

Appriss Inc.

City-Net

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Listing of Unique Projects

Largest shoelace manufacturer in North America

NASA Space Shuttle

Largest producer of health food drinks in North America

Largest producer of pork rinds in North America

Nationwide network of long-haul fiber optics and transmission telecommunications equipment

Largest retail distribution warehouse in US

Largest tobacco processing facility in the US

Excess of \$1 Billion of specialized tooling for Toyota

NY City Subway after 9/11

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Request for Proposal – Data Needed

Upon receipt of data, we will provide a quote to assist in identifying the appropriate Scope of Work, our estimated range of fees and our anticipated timing to start and complete the project:

- Intended Use for appraisal
- What services do you need:
 - M & E Appraisal / Appraisal Review and / or Management
- Intended Users of the appraisal
- Who is the Client
- Who will pay our Fees
- What is the Effective Date of Value
- What valuation concept(s):
 - Value In Use
 - Value In Exchange
- How many separate locations and where are they
- Is the appraiser required to personally observe the assets
- Type of assets and how are they utilized
- Provide an Asset Listing / Description for our review
- Does the Asset Data need to be independently verified
- Does the Operating Condition need to be independently verified
- Does the Preventive Maintenance need to be independently verified
- Timing How soon do Draft Schedules need to be submitted KATS M & E, LLC

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Contact Information

To discuss your potential project or to schedule an appointment:

Joel D. Gonia, ASA

Toll Free: 855 466-4200 Cell: 502 235-0727

Email: joelgonia@katsme.com Website: www.katsme.com

Facebook: www.facebook.com/katsmellc

LinkedIn: https://www.linkedin.com/in/joelgonia

KATS M & E, LLC Fed ID No.: 46 – 1669407

Louisville, KY Office

2810 Rosewood Road Louisville, KY 40031

Corporate Office is:

212 North Main Street Nicholasville, KY 40356 859 885-3273

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References

Banc of America Leasing – Paul Cogley	(401) 278-8036
BKD CPA – Jerry Henderson	(502)581-0435
Chase Bank Commercial Finance, Steve Cooper	(502)566-2793
Chase Bank Equipment Finance – Tom Sexton	(614) 213-4883
Crowe Horwath – Valuation, Bill Probus	(502) 420-4440
G E Capital – Equipment Finance, Bryan Nusky	(502) 456-4311
Hilliard Lyons – Jim Gravitt	(502) 588-8482
Huntington Bank – Equipment Finance, Brad Smith	(513)762-1886
Huntington Bank – Middle Market, Tom Tulloss	(513)762-1885
Key Equipment Finance – Scott Daugherty	(317) 464-8062
Old National Bank – SVP, Darrin McCauley	(502)540-7315
Stock Yards Bank – Commercial SVP, Bill Otten	(502)625-3977
Superb Industries – John Miller, President	(303)852-0500
US Bank - Market President, David Wombwell	(502)562-6685

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Testimonials

"Joel Gonia has provided us with appraisal services over the past 8 years. He has always done a thorough job of establishing value based on the current market conditions. He is competent, professional, and reliable."

John Miller, President SUPERB Industries, Inc. An INC5000 Company

We rely on Joel to provide accurate appraisals, charge competitive fees, and complete our projects quickly. In the fourth quarter of 2013, Joel and KATS provided guidance leading to an innovative approach to help our bank close on an important new client financing.



Darrin J. McCauley Senior Vice President Old National Bank

I have worked with Joel for many years on multiple projects – He has always performed beyond expectations.

Randall Anderson, CPA President Focus CPAs



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Testimonials

I have worked with Joel for more than 10 years. He has always provided services in a timely fashion. I appreciate his ability to provide credible appraisals across a broad spectrum of industries.

Eric A. Walker, CPA, MBA U.S. Bank Community Banking



Joel Gonia is a critical part of my valuation projects. He is experienced, responsive, and professional. He is dedicated to maintaining the highest professional appraisal standards.

Kyle Wininger Harding, Shymanski & Company, P.S.C



"We have worked with Joel for our appraisal needs on numerous occasions and have always found his services to be accurate, timely and fair. Joel is very responsive and reacts quickly when there is a tight timeline. Also his knowledge of our industry makes my job easier. He already understands the terminology and cost drivers in our industry."

Rod England Chief Financial Officer Scotty's Contracting & Stone, LLC



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Notes

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MACHINERY & EQUIPMENT VALUATION

Supplemental Information

- Individual CVs
- Ability to support large projects
- Expert Testimony Experience
- Appraisal Review
- Background valuing manufacturing equipment
- Background valuing construction & aggregate equipment
- Background valuing healthcare & medical equipment

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Individual CVs for Team Members

We rely on a True Team Approach to accomplish most aspects of our projects in-house. By utilizing a multidisciplinary office environment, clients benefit from the wide range of experience / exposure within various markets. Subcontracting is minimal allowing us direct control over your project. Our Team consist of career oriented valuation professionals, each providing "hands-on" services throughout project completion. Our principal appraisers include:

Joel Gonia, ASA	M & E and Appraisal Review	30 Years
Brian O'Connell, ASA	M & E and Inventory	32 Years
Michael Gonia	M & E – General	12 Years
Jim Housley	M & E Chemical and Nuclear	35 Years
Jim Satterwhite	M & E Rail Road & Aircraft	35 Years
Brandon Keel	M & E – General	15 Years
Jeff Burton	Real Estate – Commercial & Industrial	20 Years
Bill Moore	Real Estate - Cost Segregation	15 years

Additionally, we have ten junior appraisers available to assist with field work and research as appropriate. Experience varies from 2-10 years – All employed full-time.

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Qualifications -- Senior Appraiser

Joel D. Gonia, ASA - MTS & ARM



- Accredited Since 1989
- 30 + Years Valuation Experience
- Compliance with USPAP
- Expert Witness in State and Federal Courts
- Approved Appraiser by IRS, SBA & USDA
- Excess of \$1 Billion in appraised value annually



Joel is one of the few professional appraisers to spend his entire career within the valuation industry – 30 years and counting. His expertise as a "generalist" appraiser within the Machinery & Equipment field began with a contract with the US Small Business Administration providing equipment appraisals to update their portfolio – Over 600 loans on all types of assets. Over the years he has gained considerable knowledge regarding numerous types of equipment and established a solid reputation for providing straightforward "real world" values.

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Qualifications -- Senior Appraiser: Continued

Joel has acquired the necessary education, knowledge and experience to receive a 2nd Accreditation for *Appraisal Review & Management* (ARM).

Appraisal Review services are routinely performed by Mr. Gonia to provide an independent opinion of the quality of work performed by other appraisers, including a professional review of the Reports to ascertain USPAP Compliance, and an independent opinion of value upon request. Appraisal Reviews are typically requested by auditors within financial reporting and commercial lenders for collateral analysis. Joel has also provided review appraisals for litigation consulting

Core Valuation specific courses (30 hrs each CE credit) include:

ASA ME 201 Introduction ASA ME 202 Methodology

ASA ME 203 Advanced Topics ASA ME 204 Advanced Topics & Report Writing

ASA ME 205 Advanced Cost Approach ASA ME 206 Inventory Valuation ASA ME 214 Mining & Mineral ASA ME 215 Financial Reporting

ASA SE 101 USPAP ASA ALL 215 Appraisal Report Writing

ASA ALL Ethics ASA ARM 201 Appraisal Review and Management

ASA ARM 204 Appraisal Review AI Real Estate Finance, Statistics, and Valuation

AI Market Analysis AI Sales Comparison Approach

AI Site Valuation & Cost Approach AI Income Approach/Part 1

AI Income Approach/Part 2 AI Report Writing & Case Studies

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J. Brian O'Connell, ASA-MTS / M & E & Inventory

Accredited Senior Appraiser (ASA) by the American Society of Appraisers within the valuation discipline of Machinery / Technical Specialties – Industrial Machinery & Equipment and Inventory.

After serving as chief appraiser at two large banks, Brian brings more than thirty years of appraisal and banking experience to clients. Brian was the first of only two in the U.S. to attain the designation of senior appraiser in inventory from the American Society of Appraisers (ASA). He was presented with the Harry H. Chen Memorial Instructor Awards of Excellence from the Commercial Finance Association. Brian developed the original National Inventory Certification exam for the ASA.

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Michael Gonia



Michael spent over 25 years as a licensed representative in Financial Services, working for International brokerages and banks as well as smaller, regional firms. His experience in financial and investment analysis and his extensive contacts throughout the business sector make him ideally qualified to serve as principal researcher for the firm over the last ten years. Michael's ability to not just look at the equipment, but to engage people in conversations about their business, leads to gaining a much more accurate picture of the assets and markets being inspected.

Michael has become a specialist in research and market analysis within the Machinery & Equipment industry with exposure to a variety of asset types and uses.



James Housley



Thirty five (35) plus years experience in commercial nuclear power and Department of Energy with emphasis in Chemistry and Power Generation and is a Senior Nuclear Safety Engineer. Specific experience with power generation and laboratory assets.

Jim serves as our project coordinator and also assist with on-site field work. As project coordinator, he not only schedules necessary site visits, but tracks all aspects of a project from start to finish. This becomes particularly critical for projects with multiple locations.



James D. Satterwhite



Jim is nationally recognized as an expert in the valuation of railroad locomotives and rolling stock for both passenger and freight.

He has owned the marketing company, Coastline Rail Service, and the leasing company, JNS Marketing Group, LLC, since 1988 dedicated to the sale and leasing of railroad assets.

In addition to RR assets, Jim assist with the appraisal of various types of industrial and commercial equipment and is actively seeking his Accreditation with the ASA.



Brandon Keel

Brandon brings over 20 years of manufacturing experience to our team, including hands-on process engineering, product development and equipment purchasing.

Brandon assist with the appraisal of various types of industrial and commercial equipment and is actively seeking his Accreditation with the ASA.

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Jeffrey L. Burton

Jeff is primarily involved with the overall management of the company, including oversight of multiple divisions. Providing appraisal services full time since 1991, Jeff is active with Real Estate, Machinery & Equipment and Business Valuation

William L. Moore, III

Bill is primarily involved with our Real Estate Division providing Cost Segregation studies and appraisals for income producing / special use commercial / Industrial properties.

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Ability to support large projects

Depending on the actual *Scope of Work*, we will complete your project on schedule, including:

- Field Visits to each location as required
 - 8 Principal Appraisers
 - 10 Junior Appraisers
- Asset Identification and Verification
- Research for Major Assets
- Value Analysis
- Submittal of Draft Schedules
- Report Generation

Communication and coordination are critical – If necessary, we will visit multiple locations simultaneously by use of several teams, each lead by one of our principal appraisers. Timing will dictate our approach / strategy to complete the necessary tasks – We will dedicate the appropriate manpower at each stage to accomplish all tasks on time in a professional manner.

Upon further disclosure and understanding of the Scope of Work, we will submit a detailed itinerary to identify who – where – when - how.

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Expert Testimony Experience

Within a separate Agreement, we will provide testimony as an expert witness to include depositions and trials. The services may be expanded to include general consulting.

Our Senior Appraiser, Joel D. Gonia ASA, will be hands-on and familiar with all aspects of the project from beginning to end - Thus, he will be uniquely prepared to discuss the project with opposing counsel.

Joel has provided testimony services throughout his 30 year career as a valuation professional, including both State and Federal Courts. Intended Use for the original appraisal assignments include: Commercial Lending; Property Tax; Financial Reporting; and Insurance. Often his reports and subsequent testimony are part of an overall business / enterprise valuation.

Individual projects represent small, middle market and large companies, with annual sales ranging from \$10 million to over \$85 billion (Toyota).

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Appraisal Review

Within a separate Agreement, we will provide Appraisal Review services, either as part of a litigation strategy or to provide an independent opinion of an existing appraisal.

Appraisal review services allow the client to better understand the original appraiser's perspective, analyses and conclusions of value. The review appraiser may, upon request, provide his own independent opinion of value.

- USPAP Compliance
 - We will verify the original report was performed in accordance with professional valuation standards
- Opinion of Value
 - Additionally, we will provide an opinion of value based on an independent analysis of subject assets and market data
- Peer Review
 - An independent analysis and opinion for internal purposes

Our Senior Appraiser, *Joel D. Gonia* ASA, routinely provides appraisal review services, typically for litigation support, financial reporting and commercial lending.

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Inventory Appraisals

A combination of accounting, physical audit, and conventional valuation methodologies, inventory appraisals provide a current value estimate for raw materials, WIP, and finished goods. Procedures utilized include:

Total Inventory in stock Initial Price

Reported Value Item Disbursement Average Turn-over duration Average Shelf Life

Average Age Product Mix

Obsolescence Locations of Inventory items

Date of most recent Physical Audit Customer Base

Inventory Accounting Audit Procedures
Accounting / Tracking Procedures

Our Associate Appraiser, *J. Brian O'Connell* ASA, routinely provides inventory appraisal services, typically for financial reporting and commercial lending.

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Background valuing manufacturing equipment

Located in the Midwest, appraisals of manufacturing assets make up the majority of our assignments, including Automotive OEM and Tier 1, 2 and 3 suppliers. We have worked with Toyota on multiple assignments -- One specific project encompassed 22 locations.

Asset classifications include forging, powder metallurgy, stamping, casting, CNC machining, plastic injection molding and thermoforming. Materials include steel, plastic, aluminum and rubber -- We've seen it all!

Here is a partial listing of clients directly related to various manufacturing industries:

Chrysler Cincinnati, Inc. Ford General Motors

Goodyear Honda

Jones Plastics McKechnie Vehicle

NetShape Technologies
Propulsys
Quality Industries
Toyota
TSS Technology
Pan Oston
PSC Industries
Superb Industries
Trace Die Cast
YFS Automotive

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Background valuing construction & aggregate equipment

On average we appraise close to \$300 million of construction equipment annual.

Asset classifications include earth moving and hauling, highway construction (including asphalt and concrete production & paving), bridge construction, quarry and material processing, foundation & erection, utility construction, hoisting. As an adjunct, we are familiar with both surface and underground mining operations.

Here is a partial listing of clients directly related to the construction & aggregate industries:

Complete General Duncan Machinery JBI Construction **Louisville Paving Scotty's Contacting** W Rogers Company

Dave O'Mara Contractors Harrison Gypsum

Jim Smith Contractors Rieth-Riley Construction

Weddle Brothers

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Background valuing healthcare & medical equipment

We have extensive experience in appraising medical equipment from regional hospitals to private practices.

Asset classifications include

- Diagnostics and research: Laboratory diagnosis & research, Microbiology, Pathology, Radiology, Toxicology
- Sterilization: Microbiological sterilization, disinfection, quarantine & biological waste management
- Fundamental clinical specializations: Dentistry, General medicine, General surgery
- System non-specific clinical specializations: Anesthesiology, Oncology, Physical medicine & Rehabilitation, Plastic surgery, Preventive medicine
- System specific clinical specialties: Cardiology, Dermatology, Endocrinology, Gastroenterology, Nephrology, Neurology, Obstetrics & Gynecology, Ophthalmology, Orthopedics, Otorhinolaryngology (ENT), Pulmonology, Psychiatry, Urology, Vascular surgery

Here is a partial listing of clients directly related to the healthcare & medical industries:

Clark Memorial Hospital Jewish Hospital Saint Mary's Hospital Hospital Corporation of America Lourdes Hospital

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