



An Introduction

Presented By: **Douglas R. Krieser, ASA, FRICS**
President and Managing Partner

VALCON PARTNERS LTD SIMPLE FACTS

- Dedicated to the Health Care Environments
- Relationship and Team Focused
- Able To Respond Quickly to Today's Active Merger and Acquisition Markets
- Performed Hundreds of Health Care Facility Valuations
- Professionals Understand the Demands of Confidentiality
- Nationwide Network and International Experience
- Provides Clarity for STARK Regulations
- Provides Transparency for Sarbanes Oxley Compliance
- Professionals With More Than 20 Years on Average Of Health Care Related Experience
- CMS, HIPAA, Joint Commission and DNV Familiarity
- Provide Credible and Reliable Values and Consulting
- Big Five Accounting, Integrations and Court Experience

**We Fit in with Today's Leaner Healthcare Markets
and the Need to do More with Less**

TABLE OF CONTENTS

SECTION A	About Valcon Partners, LTD.
SECTION B	Services Provided
SECTION C	Markets, Industries, and Clients Served
SECTION D	References
SECTION E	Why Should I Consider Hiring Valcon Partners, LTD?
SECTION F	Why is it important to hire an ASA or RICS accredited appraiser?
SECTION G	Why does hiring an ASA accredited appraiser benefit me?
SECTION H	How do I go about deciding on a valuation or asset consultant?
SECTION I	Contact Information

About Valcon Partners, Ltd.

Valcon Partners, Ltd. is a firm dedicated to the valuation of tangible assets (i.e. Personal Property, Machinery & Equipment, and Real Estate) and other tangible asset consulting.

The professionals affiliated with Valcon Partners, Ltd. have worked for a variety of well respected international and regional valuation and consulting firms, former "Big Five" accounting firms, or owned new and used equipment distributorships. These affiliates are located throughout the United States which allows flexibility in our ability to serve you.

Our extended network includes a variety of business valuation, real estate and engineering professionals. Through this network, Valcon Partners, Ltd. has the expertise and professional depth to provide a complete solution to your valuation or asset consulting needs.

The Principals and Consultants associated with Valcon Partners, Ltd healthcare services group average more than 20 years of experience in the healthcare industry. This experience includes valuation and asset consulting, buying and selling new and used medical equipment, disposition of equipment, equipment management, logistics, and supply chain management.

The majority of these professionals hold designations such as the Accredited Senior Appraiser ("ASA") designation, Fellow of the Royal Institution of Chartered Surveyors ("FRICS") designation or other respected designations. Since they hold these designations, the valuation professionals are required to frequently update their knowledge through continuing education and are held to the highest ethical standards.

EXPERTISE AND RESOURCES

Whether the project requires the valuation of a single x-ray machine, a multi-building campus, or tagging, and reconciling thousands of assets, Valcon Partners, Ltd. has the expertise and resources to complete the project in a timely and efficient manner.

RELATIONSHIP ORIENTATED, COMMUNICATION AND TEAMWORK

Our goal is to be more than simply a provider of appraisal services. We want to become a trusted adviser who can be called upon to consult on a variety of valuation and asset-related issues. A trusted advisor communicates on a regular basis to eliminate surprises and works closely with you to come up with a variety of potential solutions to any given issue.

CREDIBILITY AND RELIABILITY

The professionals affiliated with Valcon Partners, Ltd. are held to the highest professional and ethical standards due to their memberships in various professional associations such as the American Society of Appraisers, the Royal Institution of Chartered Surveyors, or other professional associations. Also, all projects completed by Valcon Partners, Ltd. are completed in conformance with the Uniform Standards of Professional Appraisal Practice ("USPAP") published by the Appraisal Standards Board and the Principles of Appraisal Practice and Code of Ethics of the American Society of Appraisers.

For international related projects (as applicable), the reports will be produces in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Standards (Red Book).

All projects are performed in a supportable and well-documented manner that will pass the highest scrutiny, be it from a financial institution, government entity or other organization.

KNOWLEDGE BASE

The personnel who work in our health care division have a working knowledge regarding healthcare specific rules and legislation such as:

- The Stark Law
- Sarbanes – Oxley Act and Compliance
- Health Insurance Portability and Accountability Act ("HIPAA")
- Applicable Medicare Compliance Issues
- Interpreting CMS compliance Issues
- Joint Commission
- Interpreting Reimbursement Levels and How That Effects Equipment Value
- DNV Healthcare

These key personnel understand the importance of patient and information privacy and know how to effectively and efficiently work in an active healthcare environment. Confidentiality, privacy, and independence are paramount in our process.

We work closely with our clientele in order to perform our valuations in a manner which is minimally intrusive yet comprehensive.

FULL SERVICE

The valuation professionals affiliated with Valcon Partners, Ltd. are experts at valuing both tangible and intangible assets.

Examples of tangible assets include, but are not limited to the following

1. Machinery and Equipment/Personal Property
2. Real Estate
3. Inventory
4. Accounts receivables

Examples of intangible assets include, but are not limited to the following:

1. Trademark/Trade name
2. Trade Secrets
3. Patents and Un-patented Technology
4. Assembled Workforce
5. Customer Relationships
6. Contracts
7. Goodwill

INTERNATIONAL FOCUS

Through our strategic alliances with Sanderson Weatherall, Valcon Partners, Ltd. provides valuation and consulting services on an International basis.

Sanderson Weatherall is one of the largest valuation and consulting firms headquartered in Europe. With offices in Leeds, London (Mayfair), Manchester, Newcastle upon Tyne and Teesside England, Sanderson Weatherall serves the British Isles and the European mainland. Associated offices in Kuala Lumpur and Sydney, Australia allow Sanderson Weatherall to service the Asian market.

Also, certain professionals on our team are members of the Royal Institution of Chartered Surveyors which is an internationally recognized organization comprised of individuals in the cost estimation, building, and valuation professions.

Further information on Sanderson Weatherall or the Royal Institution of Chartered Surveyors is available upon request.

SECTION B

Services Provided

Valcon Partners, Ltd. provides well-documented and independent valuations for a variety of purposes, including, but not limited to the following:

PURCHASE PRICE ALLOCATION/FINANCIAL REPORTING

Assist clients in financial and tax valuations to meet the requirements of ASC 805, ASC 820, IFRS 3, etc.

PRE-ACQUISITION CONSULTING

Assist clients in an evaluation of the appropriateness of the asking price of an entire business (including tangible and intangible assets) or individual assets.

FINANCIAL REPORTING

Assist clients in financial valuations to meet the requirements of ASC 805, ASC 820, ASC 360, ASC 350, etc. and provide assistance with verifying assets as part of Sarbanes Oxley compliance, etc.

AD VALOREM TAX

Assist clients in achieving a fair assessment through analyzing real and personal property, performing obsolescence and lifing studies, and reviewing assets to identify "ghost assets" and non-taxable assets. We can also provide expert witness testimony as required.

COLLATERAL FINANCING

Develop detailed and well-documented valuations which can be relied upon and which will pass the scrutiny of banks and other financial institutions.

ALLOCATION AND APPORTIONMENT OF INTEREST EXPENSE (IRS § 861/864(E))

Work with clients to set up a manageable work plan to value both the domestic and international locations of their corporation in order to meet the annual reporting requirements associated with IRS § 861/864(e).

PROPERTY INSURANCE PLACEMENT

Develop a program to identify over-insured or under-insured locations and to assure that adequate coverage is available if a loss should occur.

DONATIONS

Provide Clients with IRS compliant reports which meet or surpass the requirements of the IRS.

DUE DILIGENCE

Assist clients in cataloging and valuing assets prior to the close of a purchase or merger.

OTHER SERVICES

- Lifting Studies;
- Obsolescence Studies;
- Residual Value Analysis;
- Asset segregation and verification studies;
- Asset Tagging;
- Asset Tracking programs; and
- Expert Witness and Litigation Support.
- Sarbanes Oxley Conformance

SECTION C

Markets, Industries, and Clients Served

HEALTHCARE FACILITIES SERVED

The valuation professionals affiliated with Valcon Partners, Ltd. have provided valuation and consulting services to the following types of healthcare facilities:

- Acute Care Hospitals
- Research Hospitals
- Teaching Hospitals
- Ambulatory Surgical Centers
- Clinics
- Dialysis Centers
- Cancer Treatment Centers
- Doctor's Offices
- Nursing Homes
- Information Service Providers
- Management Service providers
- Laboratories
- Endoscopy Centers
- Spine Centers
- Physical Therapy Centers
- Healthcare Equipment Providers
- Long Term Care and Skilled Care Facilities
- Emergency Rooms and Urgent Care Centers
- Behavioral Health Hospitals

Whether the assignment calls for the valuation of one asset or several locations worldwide, we can set up a work plan to accomplish the project in a timely and efficient manner.

VALCON PARTNERS, LTD. CLIENT LIST

Adena Health System	Hugeley Medical Associates Indiana University	Seton Family of Hospitals
Alaska Spine Center LLC	Health	Scott & White Memorial
Alliance Surgical Center LLC	International Nuero Surgical Clinic	Shawnee Mission Medical Center
Affymetrix Clinical Services Laboratory	J.C. Blair Hospital	Sharpstown Hospital System
American Diagnostic Medicine	Jefferson Health System (incl. Thomas Jefferson	Sister of the Sorrowful Mother
Arise Austin Medical Center	University Hospital)	Smithsvill Regional Hospital
Artesia General Hospital	Kirkwood Hospital	Southern New England Healthcare
Asante Health System	Laguna Niguel Surgery Center	South Placer Surgery Center
Barranca Surgery Center	Laguna Hills Surgery LLC	Southwest Fort Worth Endoscopy
Bellevue Medical Center, Inc.	Lakeside Surgery Center	Southwest Hospitals MRI, Inc.
Bellin Healthcare System	Lancaster General Hospital	Southern Wisconsin Health Care
Biomedical Systems	Maitland Surgery Center	Sonora Surgery Center
Borgess Ambulatory Center	Marshfield Clinic	SSM Healthcare St. Louis
Burlington Family Practice	Mayo Clinic	St. Francis Hospital and Health Center
Ellis Hospital	Medcenter One Health Systems	St. Helena Hospital
Capital City Surgical Center	Memorial Care Surgery Center	St. Joseph's Hospital System
Central Minnesota Surgical Center LLC	Mendocino Radiology	St. Lukes Healthcare
Central Texas Hospital	Meridian North Imaging Center	Stonebridge Surgery Center
Centro Medico Del Turabo	Mississippi Surgical Center	Surgery Center of the Pacific
Colorado Valley Medical Center	Mississippi Valley Surgical Center	Surgery Center of Rockville
Cuero Community Hospital	Multicare Health Systems, Inc.	Surgical Care Affiliates
DISC Sport & Spine Center	Nacogdoches County Hospital District	Surgical Center Partners
Florida Hospital Image Center	Naples Diagnostic Imaging	Surgical Hospital of Oklahoma LLC
Fort Worth Endoscopy Center	Navigenics, Inc.	Surgicare of Central New Jersey, Inc.
Gateway HomeCare, Inc.	Nix Healthcare System	Texas Health Surgery Center
Glendale Adventist Medical Center	Northeast Surgery Center	Thousand Oaks Endoscopy Center
Glendale Endoscopy Center LLC	Northreach Healthcare	Tower Hematology Oncology Medical Group
Greater Gulf/Lake Regional Medical Center	Pacific Medical Imaging and Oncology Center	Triad Hospitals
Greater Long Beach Endoscopy Center	Peace Health Medical Group	Ukiah Valley Medical Center
Greenville Surgery Center	Peninsula Eye Surgery Center	Valley Baptist Hospital
Gresham Station Surgery Center	Primary Carenet of Texas	Waco Internal Medicine Associates
Gulf Coast Medical Health Group	Providence Health Center	West Coast Endoscopy
Fort Worth Surgery Center	Quest Imaging Medical Associates	Wheaton Franciscan Services, Inc.
Healthspan Health Systems	Saddleback Surgery Center	Wilshire Maples Oncology
Heart Institute of Brownsville	Sand Lake Surgery Center	Wilson Memorial Hospital
Hennepin County Metropolitan Hospital	Santa Monica Surgery	
Hospital San Jose Tec de Monterrey	Seashore Surgical Institute, Inc.	

SECTION D

References

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SECTION E

Why Should I Consider Hiring Valcon Partners Ltd?

EXPERTISE

The valuation professionals affiliated with Valcon Partners, Ltd. perform valuations and consulting on a full-time basis. Since many of these professionals have experience with major accounting firms and other consulting organizations, they provide more than simply a value conclusion. They understand how their value conclusion impacts your bottom line and can effectively communicate the results of the valuation to various end users.

LACK OF TIME

You and the employees of your company are operating a business and the main goal of that business is to make a profit. Time spent performing tasks such as inventorying assets, reconciling asset registers, setting up asset tracking systems, analyzing data for tax appeals or insurance reporting and other tasks take away from time which can be spent conducting profit-making activities. Also, it has been our experience that projects such as those listed above which are performed by internal personnel are likely to be postponed or abandoned due to the day to day demands of operating a business. The consultants affiliated with Valcon Partners, Ltd. are dedicated to the project and will complete it in a significantly shorter time than if the same project were performed by internal personnel.

INDEPENDENCE

Our independence allows us to provide services to a wide range of clients without those clients worrying about conflicts of interest or other independence issues. This is a significant issue, especially today, as many transactions and relationships are undergoing significant public, government, and industry scrutiny.

UNBIASED OPINION

Outside consultants such as those affiliated with Valcon Partners, Ltd. bring a fresh eye to internal projects and can provide a non-partisan analysis and solution to a problem.

CREDIBILITY

The professionals affiliated with Valcon Partners, Ltd. are held to the highest professional and ethical standards due to their memberships in various professional associations such as the American Society of Appraisers, the Royal Institution of Chartered Surveyors, and other professional associations. Also, all projects completed by Valcon Partners, Ltd. are completed in conformance with the Uniform Standards of Professional Appraisal Practice ("USPAP") published by the Appraisal Standards Board and the Principles of Appraisal Practice and Code of Ethics of the American Society of Appraisers. For international related (as applicable), the reports will be produced in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Standards (Red Book).

SECTION F

Why is it Important to Hire an ASA or RICS Accredited Appraiser?

Accredited appraisers, such as those holding the Accredited Senior Appraiser (“ASA”) designation provided by the American Society of Appraisers, or the Member of the Royal Institution of Chartered Surveyors (“MRICS” or “FRICS”) designation provided by the Royal Institution of Chartered Surveyors are held to a higher standard.

ASA designated appraisers are bound by the Uniform Standards of Professional Appraisal Practice (“USPAP”) published by the Appraisal Standards Board and the Principles of Appraisal Practice and Code of Ethics of the American Society of Appraisers.

RICS designated appraisers are bound by the Royal Institution of Chartered Surveyors Appraisal and Valuation Standards (Red Book) fifth edition for all applicable valuations.

In addition, members of both the ASA and RICS are required to continually update their education and to re-accredit their designation on a regular basis.

SECTION G

Why Does Hiring an ASA Accredited Appraiser Benefit Me?

Utilizing an ASA accredited appraiser provides you with assurance of the following:

- The appraiser will provide a truly unbiased opinion of the value of the asset or assets being valued
- The appraiser is performing an independent consulting project or valuation
- The appraiser is performing the valuation or consulting project in an ethical and competent manner
- Confidentiality will be maintained
- The report produced and the values concluded will be adequately detailed for the stated purpose, will be reliable and accurate, and will not be misleading
- The appraiser is not being compensated based on the value concluded
- Due to the continual education requirements, the appraiser is keeping up to date with the latest valuation techniques and processes
- The appraiser will consider all of the relevant approaches to value and will use the appropriate approach for the valuation of the asset or assets
- The appropriate market place and highest and best use of the asset or assets will be considered
- Adequate detail to support the valuation conclusions will be maintained for a period of at least five years or two years after the final disposition of any judicial proceeding in which testimony was given (whichever is greater).

SECTION H

How Do I Go About Deciding on a Valuation or Asset Consultant?

Before the decision is made to hire a valuation or asset consultant, you want to make sure that they truly understand the significance of the project at hand, the steps necessary to complete the engagement, and will provide a meaningful deliverable in a timely manner.

The answers to the following questions will assist you in evaluating potential consultants.

1. Is the person just an “appraiser” (i.e. will they simply provide a “value”) or are they a business consultant who understands the “big picture”?
2. Does the consultant have experience in a variety of different engagements and occupancies and, in particular, our situation?
3. Will the consultant communicate with us on a frequent basis so we will avoid surprises and will understand the progress of the project on an ongoing basis?
4. Is the consultant independent and unbiased?
5. Is the consultant accredited and is their work product produced under professional guidelines?
6. Will the work produced by the consultant be supportable, reproducible, and well documented if a challenge arises?

SECTION I

Contact Information

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