



Fairness Opinions

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A Fairness Opinion Case Study

The Acquisition Of



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A Fairness Opinion Case Study

The Acquisition Of Guidant Corporation 2004-2006

The scrutiny of fairness opinions by the courts, regulatory authorities and shareholders is intensifying. Receipt of an investment banker's opinion that a transaction is fair does not relieve the Board of its duty to reach that conclusion on its own. Among other questions, Special Committees and Boards of Directors have an obligation to understand why the firm providing the opinion chose certain valuation approaches and analytical techniques while rejecting others.



On March 31, 2006, the shareholders of Guidant Corporation and Boston Scientific Corporation approved the merger of the two firms. On April 21 the merger was completed. The proxy statement for the shareholder meetings contained fairness opinions from JPMorgan and Morgan Stanley, addressed to Guidant's Board of Directors, and from Merrill Lynch and Bear Stearns, addressed to Boston Scientific's Board.



Previously, in March 2005 and December 2005, proxy statements relating to Johnson & Johnson's offers to merge with Guidant were sent to Guidant's shareholders. Each of these proxies contained fairness opinions by JPMorgan and Morgan Stanley, addressed to Guidant's Board.



While the conclusion in each of the eight opinions was essentially the same—the consideration paid in the transaction is fair to the shareholders of the company, from a financial point of view—the supporting analyses varied substantially between the investment banking firms. Further, the analytical approaches used by each of JPMorgan and Morgan Stanley changed from proxy to proxy.

Directors should be aware that fairness opinions are not identical and that an understanding of why an investment banking firm used certain analytical approaches and not others is an important component of the assessment of the opinion.

INTRODUCTION

Fairness opinions prepared by investment bankers have been part of the M&A landscape for more than twenty years. They are viewed as both a necessary and routine component of the information that the board of directors of a public company should consider when evaluating an offer to acquire the company. Less frequently, the board of the acquiring company will also obtain an opinion on the fairness of the consideration it is paying.

The purpose of a fairness opinion is to provide the board with a professional assessment of the value of the purchase offer relative to the value of the company. The opinion addressed to the board of a selling company typically contains a conclusion expressed in a manner similar to "the consideration to be received by the holders of common shares of the Company is fair from a financial point of view to such holders." While this wording may be common across various investment banking firms, the specific analyses supporting the conclusion can vary substantially.

There are a number of broad valuation approaches which produce metrics that can be applied to the target company and lead to a comparison with the offer price. If the consideration offered by the acquirer includes common stock, some of these approaches may be applied to the acquirer. A partial list of approaches includes:

- Valuation metrics for comparable public companies
- Valuation metrics for acquisitions of other companies
- Discounted cash flow valuation
- “Sum of the parts” valuation for a company with diverse lines of business
- A leveraged buyout analysis
- The premium represented by the offer price to the target’s stock price
- Comparison of the target’s current stock price with its historical prices
- Comparison of the offer price with research analysts’ target prices
- Relative contribution to the combined company of each of the target and acquirer
- Various industry specific metrics such as price relative to proved reserves of oil or gas

Within each valuation approach, there is room for significant differences in how investment banking firms carry out their analyses. As a simple example, one firm may look at a number of comparable companies and use the ratios of enterprise value to EBITDA as the key metric; another firm may choose a different universe of comparables, ignore the EBITDA ratios and consider only price/earnings ratios.

THE CASE STUDY: GUIDANT – JOHNSON & JOHNSON – BOSTON SCIENTIFIC

The recent acquisition saga involving Guidant Corporation and the efforts of Johnson & Johnson (“J&J”) and Boston Scientific Corporation (“BSC”) to acquire it, provides an interesting study of how a fairness opinion conclusion is supported by different investment banking firms. The circumstances are described in three proxy statements sent to Guidant shareholders on March 23, 2005, December 23, 2005 and March 1, 2006. The first two described merger terms and agreements with J&J, the third described the merger terms and agreement with BSC.

JPMorgan and Morgan Stanley represented Guidant and each delivered a fairness opinion to the Guidant Board with respect to each of the three offers. Merrill Lynch and Bear Stearns represented BSC and each delivered a fairness opinion to the BSC Board with respect to its offer. Each proxy statement describes analyses done by the investment banking firms in support of their fairness opinion conclusions. The Merrill Lynch and Bear Stearns analyses were presented jointly as if done by one firm.

A review of the three proxy statements shows the differences in valuation approaches and analyses used by each firm. As one example, in each of the three proxies JPMorgan considered the ratios of Enterprise Value to EBITDA for eight precedent transactions. In contrast, in the first proxy, Morgan Stanley looked at seventeen precedent transactions and considered the premiums to the target’s stock price represented by the offer, not Enterprise Value to EBITDA. In the second and third proxies, Morgan Stanley referenced no analysis based on precedent transactions.

It is also possible to track changes in the valuation approaches and analyses used by an investment banking firm over the course of the three proxy statements. As one example, in the first proxy JPMorgan examined the stock price ratios between Guidant and Johnson & Johnson. In the second proxy, that analysis was not referenced but the average price of Johnson & Johnson’s stock over various periods was considered. In the third proxy, neither of these analyses was referenced.

The reference valuation range for Guidant common stock resulting from a particular approach can also vary significantly. In the March 23, 2006 proxy, JPMorgan's analysis of precedent transactions produced a reference value range per Guidant share of \$55-\$72. In the same proxy, Morgan Stanley's analysis of precedent transactions resulted in a reference value range of \$73-\$80.

NOTES FOR DIRECTORS

The information in this case study illustrates three points about fairness opinions. First, multiple valuation approaches and analyses are used to support the conclusion about a transaction's fairness. Second, different investment banking firms can choose different approaches with respect to the same target at the same time. Third, the valuation approaches used by an investment banking firm may change over time, even with respect to the same target.

As a result, the Boards and Special Committees to which these opinions are addressed must take the time to understand why the firm providing an opinion chose certain approaches and analyses and ignored others.

Boards and Special Committees should also consider the conflict of interest facing the provider of the opinion. Typically, the firm providing a fairness opinion acts in an advisory role as well, and will receive most of its compensation only if the transaction is completed. This conflict of interest is receiving increased scrutiny from the courts, regulatory authorities and shareholders. For example:

- The Delaware Chancery Court denied a summary judgment motion in part because "... the Special Committee chose to use the legal and financial advisors already advising [the selling company]. This alone raises questions regarding the quality and independence of the counsel and advice received. Furthermore, the contingent compensation of the financial advisor... of roughly \$40 million creates a serious issue of material fact, as to whether the [financial advisor and its counsel] could provide independent advice to the Special Committee."
- The NASD has proposed a new rule applicable to NASD member firms issuing fairness opinions. Rule 2290 would expand the investment banking firm's required disclosures about potential conflicts of interest and impose internal and procedural opinion review requirements on the firm.
- Ten NYSE shareholders objected to the terms of the proposed merger with Archipelago Holdings and sued. Among the allegations was the lack of independence of Lazard, which provided a fairness opinion to the NYSE. In this case, the lack of independence was not blamed on Lazard's compensation, as its only compensation was a non-contingent, flat fee for the opinion. Rather, the shareholders charged that Lazard was not independent from Goldman Sachs, one of the financial advisors in the transaction. The suit was settled by retaining a new firm, Citigroup, to render its opinion to the Court. Citigroup found the existing terms to be fair.

Boards and Special Committees should consider the advisability of obtaining a fully independent fairness opinion. It could save a great deal of time and expense and avoid additional risk to the completion of the transaction.

Note: The information contained in this case study was taken from the respective proxy statements and includes each approach and technique which was described in meaningful detail. If a technique was not described, we assumed that either it was not considered, or it was deemed not meaningful. Each investment banking firm states that the information presented in detail does not represent everything they considered or every analysis they performed.

KEY DATES AND EVENTS

DATE	EVENT	NOTES	GUIDANT STOCK PRICE
December 6, 2004		Stock price one day prior to reported rumors about J&J and Guidant	\$ 68.75
December 15, 2004	Merger agreement executed between Guidant and J&J	Consideration to be cash and J&J common stock valued at \$76.00/share	\$72.05
December 15, 2004	Each of JPMorgan and Morgan Stanley deliver a Fairness Opinion to Guidant		\$72.05
March 23, 2005	Proxy statement sent to Guidant shareholders	Shareholders' meeting scheduled for April 27	\$74.70
April 27, 2005	Guidant shareholders approve the merger		\$74.11
May 23 through late September 2005	Guidant announces several product failures	FDA classifies certain failures as "recalls" and initiates investigation	\$74.23-\$63.90
November 2, 2005	J&J announces that Guidant's product failures constitute a "material adverse effect" under merger agreement	Guidant announces that it believes J&J remains obligated to close the transaction on the original terms	\$60.40
November 7, 2005	Guidant sues J&J to force closing of the merger on original terms		\$57.52
November 14, 2005	Following negotiations, Guidant and J&J execute an amended merger agreement	Amended consideration to be cash and J&J stock valued at \$63.28 (decrease of \$12.72/ share)	\$57.75
November 14, 2005	Each of JPMorgan and Morgan Stanley deliver a Fairness Opinion on the amended terms		\$57.75
December 5, 2005	BSC delivers its merger proposal to Guidant	Consideration to be cash and BSC stock valued at \$72.00/share	\$67.98
December 23, 2005	Proxy sent to Guidant shareholders reflecting amended J&J merger terms	Shareholders' meeting scheduled for January 31, 2006	\$66.98
January 8, 2006	BSC sends definitive offer to Guidant	Consideration remains cash and BSC stock valued at \$72.00	\$67.35
January 11-13, 2006	J&J increases its offer twice	First to \$68.36/share, then to \$71.00/share	\$70.44-\$70.84
January 12-15, 2006	BSC increases its offer twice	First to \$73.00/share, then to \$80.00/share	\$70.44-\$70.84
January 16, 2006	Each of Merrill Lynch and Bear Stearns delivers a Fairness Opinion to BSC	Consideration to be cash and BSC common stock valued at \$80.00	\$70.84
January 24, 2006	Each of JPMorgan and Morgan Stanley delivers a Fairness Opinion to Guidant on the BSC terms	Consideration to be cash and BSC common stock valued at \$80.00	\$76.78
January 25, 2006	Guidant terminates merger agreement with J&J	January 31 shareholders' meeting is cancelled	\$75.19
March 1, 2006	Proxy for BSC merger with Guidant sent to each company's shareholders	Shareholders' meeting scheduled for March 31, 2006	\$77.07
March 31, 2006	Guidant and BSC shareholders' meetings	Guidant and BSC shareholders approve the merger	\$77.29
April 21, 2006	BSC completes acquisition of Guidant		\$80.10

GUIDANT FAIRNESS OPINION — Analytical Changes Between Proxies

These two pages show that both JPMorgan and Morgan Stanley supported their fairness opinion conclusions using a different set of valuation approaches and analyses in each of the three proxy statements.



JPMorgan	VALUATION APPROACH	PROXY STATEMENT DATES		
		March 23, 2005	December 23, 2005	March 1, 2006
Comparable Public Companies	Price earnings ratios	Price earnings ratios	Price earnings ratios	Price earnings ratios
Precedent Transactions	Enterprise value / EBITDA	Enterprise value / EBITDA	Enterprise value / EBITDA	Enterprise value / EBITDA
Discounted Guidant Cash Flow	DCF on two forecasts	DCF on two forecasts	DCF on two forecasts	DCF on two forecasts
Guidant "Sum of the Parts" Analysis	Not used	Not used	Not used	Not used
Share Price Analyses	Stock price ratios between Guidant and Acquirer	Deleted	Deleted	Deleted
Discounted Analyst Price Targets	Not used	Added technique – average price of Acquirer's stock over various periods	Deleted	Deleted
Acquirer Analyses	"Sum of the parts" analysis of Acquirer using P/E ratios on 20 companies	Not used	Deleted	Deleted
Effects on Acquirer's EPS	Not used	Added technique – dilution of Acquirer EPS	Added techniques--(A) P/E ratios; (B) DCF over 2006-2015	Added technique – dilution of Acquirer EPS



VALUATION APPROACH	PROXY STATEMENT DATES		
	March 23, 2005	December 23, 2005	March 1, 2006
Comparable Public Companies	(A) P/E ratios; (B) Enterprise value / EBITDA; (C) Enterprise value / revenue; (D) P/E ratios relative to growth rate	Deleted (B), (C) and (D)	Deleted (B), (C) and (D)
		Modified technique (A)– P/E ratios using the same companies chosen by JPMorgan	Modified technique (A)– P/E ratios using the same companies chosen by JPMorgan
Precedent Transactions	Offer price premiums to historical stock trading prices	Deleted	Deleted
Discounted Guidant Cash Flow	DCF on two forecasts	DCF on two forecasts	DCF on two forecasts
Guidant “Sum of the Parts” Analysis	Not used	Added technique – valued stent business with DCF model; valued balance using a multiple of 2008 EPS	Deleted
Share Price Analyses	For Guidant: (A) Merger price to stock prices; (B) Stock price growth versus S&P and other companies; (C) Merger price premiums	Deleted (B) and (C)	Deleted (B) and (C)
		(A) Merger price to stock prices	(A) Merger price to stock prices
	For Acquirer: (A) Acquirer stock price versus historical prices; (B) Stock price growth versus S&P and other companies	For Acquirer: (A) Acquirer stock price versus historical prices; (B) Stock price growth versus S&P and other companies	For Acquirer: (A) Acquirer stock price versus historical prices; (B) Stock price growth versus S&P and other companies
Discounted Analyst Price Targets	Discounted equity research analysts' targets for each of Guidant and Acquirer	Discounted equity research analysts' targets for each of Guidant and Acquirer	Discounted equity research analysts' targets for each of Guidant and Acquirer
Acquirer Analyses	For seven comparables: (A) P/E ratios; (B) Enterprise value / EBITDA; (C) P/E ratios relative to growth rate	Similar – for (A) and (C) but, eliminated two companies from A	Similar – for (A) and (C) but, eliminated two more companies from (A)
		Deleted (B)	Deleted (B)
Effects on Acquirer's EPS	Dilution of Acquirer EPS	Dilution of Acquirer EPS	Dilution of Acquirer EPS
			Added technique – DCF over 2006-2015 using three different projections (results now identical to JPMorgan)





GUIDANT FAIRNESS OPINION — Analytical Differences Between Investment Bankers

The next three pages compare the valuation approaches and analytical techniques used by each of the four investment banking firms which provided a total of eight fairness opinions in connection with Guidant's acquisition.

Very Similar
Medium Differences
Substantial Differences





MARCH 23, 2005 PROXY VALUATION APPROACH		
Comparable Public Companies	Three companies: P/E ratios on 2005 estimates	Ten companies: P/E ratios on 2005 and 2006 estimates
Precedent Transactions	For eight transactions: Enterprise value divided by LTM EBITDA	For seventeen transactions: Premiums to stock trading price over selected periods
Discounted Guidant Cash Flow	For each of two forecasts: Seven year unlevered cash flow; terminal growth rates 3.5-4.5%; discount rates 9.5-10.5%	For each of two forecasts: Ten year unlevered cash flow; terminal growth rates 3.5-4.5%; discount rates 9.5-10.5%
Acquirer Analyses	"Sum of the parts" using P/E ratios on 2005 estimates for 20 companies in four different lines of business	For seven companies: P/E ratios on 2005 and 2006 estimates
Relative Share Price Analyses	Historical ratios of Guidant's common stock prices relative to the Acquirer's	No comparable analysis
	Ratio of Guidant's common stock price on 12/14/04 to the merger price	Ratios of merger price to Guidant's 5 year high and low prices and to selected average prices
Discounted Analyst Price Targets	Nothing described	Acquirer's 5 year high and low stock prices and the average prices over selected periods
Effects on Acquirer's EPS	Nothing described	Five year price change for each of Guidant and Acquirer compared to the S&P 500 Index and selected companies Research analysts' stock price targets discounted at 10% to (A) the present and (B) 6 months out, for each of Guidant and Acquirer Calculated dilution and accretion of Acquirer's EPS 2005-2007 both with and without synergies and amortization of intangibles

DECEMBER 23, 2005 PROXY VALUATION APPROACH		
Comparable Public Companies	Three companies: P/E ratios on 2006 and 2007 EPS estimates	In this proxy, P/E ratios on the same three companies selected by JPMorgan on 2006 and 2007 EPS
Precedent Transactions	For eight transactions: Enterprise value divided by LTM EBITDA	Nothing described-apparently deleted this technique which was used in March 23rd proxy
Discounted Guidant Cash Flow	For each of two forecasts: Ten year unlevered cash flow; terminal growth rates 3.5-4.5%; discount rates 9.75-10.75%	For each of two forecasts: Ten year unlevered cash flow; terminal growth rates 3.5-4.5%; discount rates 9.5-10.5%
Acquirer Analyses	Nothing described	Four companies: P/E ratios on 2006 and 2007 EPS Four companies: P/E ratio relative to growth rate
Relative Share Price Analyses	Historical average prices of Acquirer common stock over periods up to one year The relationship between the Acquirer's historical prices and the merger price	Acquirer's 5 year high and low stock prices and the average prices over selected periods Nothing described
Discounted Analyst Price Targets	Nothing described	Five year price change for Acquirer compared to S&P 500 Index and an index of six companies Historical prices of Guidant common stock and comparison with the merger price
Effects on Acquirer's EPS	Added this analysis – now very similar to Morgan Stanley's technique. For 2006-2007, calculated dilution and accretion of Acquirer's EPS both with and without synergies and amortization of intangibles	Research analysts' stock price targets discounted at 10% to the present for each of Guidant and Acquirer For 2006-2007, calculated dilution and accretion of Acquirer's EPS both with and without synergies and amortization of intangibles
Guidant "Sum of the Parts" Analysis	Nothing described	Added this analysis-for each of two forecasts: Valued Guidant's stent business using a DCF model over the years 2008-2015 and valued the non-stent business using multiples of 20-24X 2008 EPS; discounted the sum of the two 2007 values to 12/31/05 using a rate of 10%

MARCH 1, 2006 PROXY VALUATION APPROACH			 
Comparable Public Companies	Three companies: P/E ratios on 2006 and 2007 EPS estimates	Three companies: P/E ratios on 2006 and 2007 EPS estimates	Nothing described
Precedent Transactions	For eight transactions: Enterprise value divided by LTM EBITDA	Nothing described	For eleven transactions: Multiples exhibited
Discounted Guidant Cash Flow	For each of two forecasts: Ten year unlevered cash flow; terminal growth rates 3.5-4.5%; discount rates 9.75-10.75%	For each of two forecasts: Ten year unlevered cash flow; terminal growth rates 3.5-4.5%; discount rates 9.5-10.5%	For eleven transactions: Premiums paid to stock prices
Acquirer Analyses	2 Companies: P/E ratios on 2006 and 2007 EPS estimates DCF over 2006-2015 using three projections, terminal growth rates 3.5-4.5% and discount rates of 9.75-10.75%	2 Companies: P/E ratios on 2006 and 2007 EPS estimates P/E ratio relative to growth rate DCF over 2006-2015 using three projections, terminal growth rates 3.5-4.5% and discount rates of 9.5-10.5%	Nothing described Nothing described Nothing described
Relative Share Price Analyses	Nothing described	Merger price compared to selected Guidant stock prices Acquirer's 5 year high and low stock prices and selected average prices over selected periods Five year price change for Acquirer compared to S&P 500 index and two companies Ratios of Guidant's stock prices to Acquirer's stock prices; ratio of the merger price to 1/23/06 Acquirer stock price	Noted but no description Nothing described Nothing described Nothing described
Discounted Analyst Price Targets	Nothing described	Discounted research analysts' stock price targets for each of Guidant and Acquirer using a rate of approximately 10%	Estimated range of January 1, 2007 Acquirer stock prices using street and management estimates and P/E ratios of 15-25X
Effects on Acquirer's EPS	Calculated dilution of Acquirer's 2006-2008 EPS both with and without synergies and amortization of intangibles	Calculated dilution of Acquirer's 2006-2008 EPS both with and without synergies and amortization of intangibles	Calculated pro forma revenues, adjusted EBIT and adjusted EPS for 2007-2011 using Acquirer management and street estimates; transaction is accretive in either 2010 or 2011 Calculated the effect on Acquirer's revenue and EPS growth rates 2007-2011
Guidant "Sum of the Parts" Analysis	Nothing described	Nothing described-apparently deleted this technique which was used in the December 23 proxy	Calculated enterprise value/revenue and P/E ratios for 2006-2008 for selected companies comparable to segments of Guidant's business; adjusted for synergies to be achieved and other items

Value Range Comparisons Between Investment Bankers

Most of the valuation approaches produce a metric such as an implied reference value range for the common stock or dilution of the acquirer's future EPS. This table compares the metrics as calculated by each of the four investment banking firms.

March 23, 2005 Proxy	 Implied Reference Value Range – \$ Per share	 Implied Reference Value Range – \$ Per share	
Valuation Approach			
Comparable Public Companies	52-65	51-70	
Precedent Transactions	55-72	73-80	
Discounted Guidant Cash Flow	60-91	62-94	
Acquirer Analyses	Acquirer: 51-69	Acquirer: 47-63	
Discounted Research Analyst Price Targets	N/A	Guidant: 51-82 Acquirer: 52-68	
Effects on Acquirer's EPS	N/A	<u>Dilution</u> : 2005 -5.2% to +1.4% 2006 -4.4% to +1.8% 2007 -3.6% to +2.1%	
December 23, 2005 Proxy			
Valuation Approach			
Comparable Public Companies	37-60	37-62	
Precedent Transactions	43-56	N/A	
Discounted Guidant Cash Flow	54-72	55-75	
Acquirer Analyses	N/A	Acquirer: 53-66	
Discounted Research Analyst Price Targets	N/A	Guidant: 45-62 Acquirer: 68-73	
Effects on Acquirer's EPS	<u>Dilution</u> 2006: -1.9% to -7.3% 2007: -3.9% to +.2%	<u>Dilution</u> 2006: -.5% to -7.3% 2007: -3.7% to + 2.5%	
Guidant "Sum of the Parts" Analysis	N/A	55-72	
March 1, 2006 Proxy			  Implied Reference Value Range – \$ Per share
Valuation Approach			
Comparable Public Companies	37-61	34-58	N/A
Precedent Transactions	39-50	N/A	N/A
Discounted Guidant Cash Flow	53-72	55-75	67-93
Acquirer Analyses	Acquirer: 24-35	Acquirer: 24-35	N/A
Discounted Research Analyst Price Targets	N/A	Guidant: 44-64 Acquirer: 21-38	Acquirer: 22.36-37.27
Effects on Acquirer's EPS	<u>Dilution</u> 2006: -35.9% to -60.2% 2007: -23.2% to -46.2% 2008: -10% to -32%	<u>Dilution</u> 2006: -35.9% to -60.2% 2007: -23.2% to -46.2% 2008: -10% to -32%	N/A
Guidant "Sum of the Parts" Analysis	N/A	N/A	61.00-86.25

Cherry Tree's Outcome-Critical Valuations™ Practice

Cherry Tree created its OCV practice because there are valuation applications, such as fairness opinions, where substantial sums are at stake, the issues are complex or the result needs to be rigorously supported and defended. Our personnel have been valuing companies and securities in real world situations for decades. The purposes have included fairness opinions, financings, structuring the terms of direct investments and representing sellers and acquirers of companies.

This table illustrates the breadth and depth of our experience.

About Cherry Tree

Cherry Tree is a Minneapolis-based private investment banking and investment management firm founded in 1980. Cherry Tree Securities is a member of the NASD. During its quarter century life, Cherry Tree has been co-founder of 30 companies, acted as agent or principal in several hundred financings, acted as advisor in more than 50 merger and acquisition transactions and participated in numerous initial and follow-on public securities offerings. Cherry Tree has managed eight private equity partnerships.

Cherry Tree Personnel's Experience				
Outcome-Critical Valuation Application	Cherry Tree as Institutional Investor	Director/Special Committee Member	CEO/CFO	Investment Banker
Advise selling companies	•	•	•	•
Advise acquiring companies	•	•	•	•
Fairness opinions for acquisitions	•	•	•	•
Goodwill impairment valuation		•		
Going private transactions		•		•
Sale of equity and other securities in the private markets	•	•	•	•
Sale of equity and other securities in the public markets	•	•	•	•
Sale of restricted stock	•	•	•	
Rights offering		•		•
Shareholders' rights plan ("poison pill")		•		•
Dissenting shareholder disputes		•		•
Buy-Sell agreements	•	•	•	•
Negotiation of securities' terms	•	•	•	•
Corporate investment by a strategic investor	•	•	•	•
Pricing of initial public offerings	•	•	•	•
Analysis of corporate financing options	•	•	•	•
Expert testimony in litigation				•
Direct investment in private company equity and equity related securities	•	•	•	•
Valuation of private equity portfolios	•			•
Co-investing alongside other private equity funds	•			•
Direct investment in public company equity and equity related securities	•			•
Company co-founder/initial investor	•	•	•	



acquired by
BAYARD GROUP

ADVISOR
Strategic Sale



Fairness Opinion
in connection with the acquisition of minority shareholders interests

ADVISOR
Outcome-Critical Valuation



Valuation Services
in connection with litigation concerning the value of the company's equity

ADVISOR
Outcome-Critical Valuation



acquired by
WHITNEY INTERNATIONAL UNIVERSITY
a for-profit university created by Best Associates

ADVISOR
Strategic Sale



acquired by an affiliate of
AAVIN VENTURE CAPITAL

PLACEMENT AGENT
Private Equity Sale



merged with
PROVINTEN CORPORATION

ADVISOR
Strategic Merger



\$62,500,000
SERIES A PREFERRED STOCK

PLACEMENT AGENT
Private Equity Financing



acquired majority interest in
HUNT TECHNOLOGIES, INC.

ADVISOR
Private Equity Financing



\$69,500,000
PRIVATE EQUITY FINANCING

INVESTOR/DIRECTOR
Private Equity Financing



acquired by
REED ELSEVIER

INVESTOR/DIRECTOR
Strategic Sale

To discuss Cherry Tree's ability to assist with a fairness opinion or other OCV practice application, please contact Michael Bochert, CFA, Cherry Tree's Managing Director responsible for Cherry Tree's Outcome-Critical Valuations practice.

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