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## Tim Kolstad, CFA, ASA

Partner

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### EDUCATION

Arizona State University, M.B.A., Finance, 2001

Arizona State University, B.S., Finance, 1997

### PROFESSIONAL DESIGNATIONS

Chartered Financial Analyst (CFA)

Accredited Senior Appraiser (ASA)

### PROFESSIONAL AFFILIATIONS

CFA Institute

Phoenix CFA Society

American Society of Appraisers (ASA)

Association for Corporate Growth

Arizona Business Leadership

Arizona State University MBA Council

### BUSINESS HISTORY

Ringel Kotzin Valuation Services (Phoenix): Manager, Business Valuation and Litigation Support Services Group (2000-2009)

Reuters StockVal (Phoenix): Financial Analyst (1998–1999) Former fundamental research arm of Bridge Trading Company/  
Bridge Information Systems

### RANGE OF EXPERIENCE

#### BUSINESS AND INTANGIBLE ASSET VALUATION

Performed business enterprise valuations and intangible asset valuations for various purposes including financial reporting, estate and gift taxes, IRC 409A, mergers and acquisitions, spin-offs, fairness opinions, dissenting shareholder litigation, marital dissolution, bankruptcy and reorganization proceedings, and damages in commercial litigation.

Developed detailed financial valuation models to be utilized in the valuation of businesses, intangible assets, equity securities, debt securities, stock options, restricted stock and other derivative securities.

Estimated reasonable royalty rates for licensing transactions relating to intellectual property.

Performed extensive industry and competitor analysis across a broad spectrum of industries ranging from early development, high technology companies to mature, multi-business service and manufacturing firms.

Estimated the optimal capital structure of client companies through incorporating unique financial profiles with debt rating metrics and financial theory.

Utilized option pricing models in the valuation of restricted stock options on restricted and unrestricted stock, incorporating appropriate discounts for marketability impairment.

Created simulation models for valuation of biotechnology projects in various stages of development.

Developed models to be utilized in determining appropriate blockage discounts for blocks of stock large relative to normal trading volume.

Utilized contingent claims analysis based upon option pricing methodologies to estimate the value of common equity reflecting liquidation preferences and participation features of preferred equity securities.

Created valuation models for purposes of estimating the fair value of embedded derivative securities pursuant to Accounting Standards Codification (ASC) 815, Derivatives and Hedging.

Utilized the income, market, and cost approaches to perform purchase price allocations and value intangible assets acquired in business combinations pursuant to ASC 805, Business Combinations.

Created discounted cash flow analyses and developed valuation multiples from publicly traded and recently acquired companies in order to determine and measure goodwill impairment as stipulated by ASC 350, Intangibles – Goodwill and Other.

Utilized closed form (i.e., Black Scholes) and lattice (i.e., binomial) models incorporating employee demographic information and option exercise/forfeiture behavior data in the valuation of employee stock options in publicly held companies pursuant to ASC 718, Compensation – Stock Compensation.

Performed valuations for the determination of the relative equity ownership in both existing businesses (based on relative capital contributions and pre-money valuation) and newly formed ventures (based on the valuation of underlying contributed intellectual property and other assets contributed by the respective parties).

Determined the fair value of warrants issued with down-round (anti-dilution) provisions pursuant to ASC 815 utilizing Monte Carlo simulation techniques.

Performed valuations of customized profit units in a complex equity capital structure using an option framework for purposes of incentive compensation based on preferential returns to other capital providers and participation thresholds/limits of existing equity interests.

Determined appropriate expected volatility, term and forfeiture assumptions to be utilized in the valuation of employee stock options in publicly traded and privately held companies.

Assisted in the valuation and design of complex employee stock options incorporating service, market and performance conditions.

Developed custom simulation models to be utilized in the valuation of options/warrants containing embedded compound derivatives (e.g., conversion rights, anti-dilution provisions, redemption features).

Performed valuations of interest rate caps pursuant to ASC 820 – Fair Value Measurements and Disclosures.

#### COMMERCIAL LITIGATION AND FORENSIC ACCOUNTING

Performed economic analyses to determine damages for commercial litigation. Calculations have included lost business profits, lost wages, and economic damages resulting from diminution in value.

Traced and reviewed account activity among various business accounts, highlighting potential unusual activity.

Created multiple scenario valuation models to be utilized in support of dissenting shareholder litigation.

Reviewed financial statements and performed detailed analysis of multi-store restaurant chain for the purposes of identifying fraudulent conveyance allegations and asset diversions.

Reviewed opposing experts' reports and depositions and prepared rebuttal reports and cross-examination questions.

Prepared graphs and exhibits used by legal counsel at trial.

Assisted in the development of a valuation methodology to be utilized in establishing an equity-linked note in bankruptcy.

Determined the value of a diversified healthcare business pursuant to A.R.S. § 10-1434 - Election to Purchase in Lieu of Dissolution.

Assisted in the quantification of the impact on business value relating to contingent liabilities.

Estimated the apportionment in the value of stock options for marital dissolution purposes utilizing the methodologies specified in the California cases Hug and Nelson.

Estimated the apportionment in the increase in value and profits of businesses for marital dissolution purposes utilizing the frameworks specified in Arizona decisions Cockrill and Rueschenberg.

#### ARTICLES

"Got Value?" Valuation Perspectives, July/August 2005

#### PRESENTATIONS

"Business Valuation in a Distressed Economy," Phoenix CEO-CFO Group, July 2010

#### OTHER

Certificate of Achievement in the area of real options presented by the American Society of Appraisers (ASA)

President, ASU MBA Finance Association, 2000-2001