SOLUTIONS BEYOND THE OBVIOUS

Firm Overview

TRONCONI SEGARRA & ASSOCIATES LLP

Certified Public Accountants
Business Consultants

Introducing Tronconi Segarra & Associates

Solutions Beyond the Obvious. More than a theme line, it's the philosophy that Tronconi Segarra & Associates' partners adopted many years ago to convey how they, and all Firm associates, serve and work with our clients...providing more in-depth information to our clients, taking a closer look at our clients' business activities, inquiring about more than just accounting, auditing and tax matters, ensuring that our most senior level professionals are intimately involved in every client engagement, and tapping into the unique, collective expertise and experience of all of our associates to develop innovative ways to assist our clients in achieving their objectives.

Over the years, our clients have told us that our solutions have made a difference in their businesses and given them the confidence to take the next steps – acquire a new business, expand a plant, open a new branch, prepare to sell, hire additional employees, secure external financing, develop an executive compensation program, and more. In other words, grow, prosper and provide opportunity to numerous stakeholders...employees, vendors, customers...even the cities and towns in which they do business.

This is what makes our Firm different. A practiced commitment to put our clients first. A dedication to maintain the highest ethical standards. A belief that the trust we have earned from our clients is more precious than gold. And a desire to constantly improve, challenge ourselves, and do better each and every day.

Facts and Figures

- Full-service Certified Public Accounting/Business Consulting firm, offering traditional accounting, auditing and tax services, plus specialized services including, but not limited to, outsource services (CFO, tax director), state & local tax consulting, transaction advisory services, Canadian/international business consulting and compliance services, business valuations, fraud & forensic accounting & auditing, and internal audit/risk assessment.
- Serving clients in a wide range of industry sectors, including, but not limited to, manufacturing, higher education, retail food, healthcare, entertainment/gaming/hospitality, wholesale/distribution, franchisees, chemicals, defense contracting, school districts, municipalities and governmental entities, and small businesses.
- 150 Firm members, including nearly 70 CPAs. Many of our associates hold additional certifications and designations, including but not limited to, Masters in Business Administration (MBA), AICPA ABV (Accredited in Business Valuation) and Certified Fraud Examiner (CFE).
- 22 partners and 11 principals in our team of senior management professionals, many of whom have large, national CPA firm experience.
- Many are members of the American Institute of Certified Public Accountants (AICPA), the New York State Society of Certified Public Accountants (NYSSCPA) and several other professional organizations as well.
- Participant of the AICPA triennial Peer Review Program. Our most recent peer review resulted in a rating of "Pass," with no letter of comment, the highest peer review rating conferred by the AICPA.

Learn more by visiting www.tsacpa.com.

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- Foodservice
- Utilities

To learn more about Tronconi Segarra & Associates, contact Jim Segarra, Managing Partner, at 716.633.1373, or visit us at www.tsacpa.com.

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Tax Services

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Tax Services

From selecting the most advantageous entity for a new business to preparing consolidated tax returns for a company with dozens of multi-state or multi-national subsidiaries, Tronconi Segarra & Associates has the expertise and the acumen to guide any organization toward its ultimate goal of maximizing its profits.

Even more valuable (as reported by our clients) than our tax return preparation services is the communication we have with our business clients all year long to stay abreast of activities and issues within their businesses. Knowing their annual goals and their anticipated strategies for achieving those goals positions Tronconi Segarra & Associates to provide our clients with tactical recommendations designed to help them understand the potential tax ramifications of such strategies and tactics. Further, we can often identify alternate courses of action that may reduce, defer or eliminate tax obligations in many situations.

It is the breadth and depth of experience that Tronconi Segarra & Associates' tax partners, principals and associates have providing tax planning and consulting services to a widely varied client base that enables us to be a year-round resource for our clients. While there may be no shortage of storefront tax preparers, there is no substitute for the dedicated tax CPAs at Tronconi Segarra & Associates who are committed to helping their business clients grow and thrive for generations to come.

Tronconi Segarra & Associates specializes in:

- Single and multi-state tax planning, consulting and compliance
- Subchapter C corporate taxation
- Subchapter S Corporation taxation
- Pass-through entity taxation (Partnerships, LLPs and LLCs)
- Taxation for closely-held companies and family businesses
- Taxation for entrepreneurs and small businesses
- Taxation for franchisees
- Entity selection and structuring formation / operation / liquidation assistance
- Cost sharing and transfer pricing studies
- Accounting for income taxes
- Mergers & acquisitions
- Tax due diligence
- Representation before federal and state taxing authorities
- Outsource corporate tax compliance

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SOLUTIONS BEYOND THE OBVIOUS

State & Local Tax Services

State & Local Tax Services

Our State and Local Tax (SALT) team specializes in Managing Risk and Adding Value to our clients' businesses through their years of experience providing state and local tax, including sales and use tax, consulting services to both large and small businesses, in a wide range of industries.

We manage our clients' risk by providing tax advisory services that enable them to sufficiently manage risk or potential exposure related to state & local taxes through a variety of initiatives:

- Nexus Study
- Tax Registration
- Voluntary Disclosure / Amnesty
- Tax Research
- Tax Compliance
- Audit Defense

We add value by providing tax advisory services that add value to the clients' businesses through the recovery or reduction of state & local taxes:

- Refund Study
- Utility Study
- Credits & Incentives
- Transaction Planning
- Due Diligence
- Outsourcing

What Benefits Can You Expect?

While different services are designed to yield different benefits, and state and local tax laws vary from state to state, you can expect to benefit in one or more of the following ways from our SALT services:

- Improved cash flow, if we find that you have been overpaying sales & use taxes in various ways.
- Higher level of confidence in your sales & use tax compliance process, if we find that your process was incomplete, ineffective or inaccurate.
- Access to experienced state & local tax professionals who have also earned the designation of Certified Public Accountant, giving them (and you) a much broader perspective of your issues.
- Access to former state tax department employees on our staff who understand state tax authorities' goals and can guide you successfully through a sales tax audit.

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Some of the industries our State & Local Tax Practice serves include:

- Aerospace
- Automotive
- Banking
- Consumer Products
- Construction
- Electronic Commerce
- Energy
- Food & Beverage
- (Processing, wholesale
- and retail)
- Healthcare
- Manufacturing
- Medical Devices
- Printing
- Technology

To learn more about our State & Local Tax Services (SALT), contact our SALT team leaders – David Werth, Andy Toth, and Tom Mazurek – or visit www.tsacpa.com.

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International/Canadian Cross-Border Business Solutions

Our international/cross border business services are wide-ranging, involve numerous areas of our Firm's practice and are flexible to meet the needs of the in-bound client. Following ae examples of how we have assisted international/ cross-border businesses and their owners based on the stage of their involvement with the U.S. market.

- Initial Establishment of U.S. Business Presence:
  - Determining if business is subject to U.S. federal tax under any existing international tax treaties.
  - Planning for exposure to state & local taxes including sales & use tax and state & local income & franchise taxes.
  - Alternative scenario projections and tax planning.
  - Entity selection.
  - Cross-border profit repatriation.
  - Advisement on transfer pricing strategies.
  - Capitalization of U.S. activities – debt and equity.
  - Identifying advantages of international/Canada tax treaty benefits.
  - State incentive planning & pursuit.
  - Cross-border management and employment tax issues with planning for individual exposure to U.S. taxation.
  - Tax accounting method selection.
  - Federal and state business and individual tax compliance.
  - Structuring expansion.
  - Modeling of alternative investment scenarios.
  - Cost segregation analysis of building projects.

- Internal expansion of existing U.S. business:
  - Revision to state sales & use tax strategies.
  - Update of cross-border profit repatriation planning.
  - Capitalization structuring & modeling.
  - Structuring expansion.
  - Financing the expansion through tax-efficient structures.
  - Cost segregation analysis of building projects.
  - State incentive planning and pursuit.
  - U.S. federal consolidated corporate tax return planning.
  - Modeling of alternative investment scenarios.
  - State corporate combined return planning.

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Estate & Trust Planning

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Estate & Trust Planning

There is possibly no other financial planning topic that sparks as much emotion as that of estate planning. Estate planning is, in its most basic form, planning for the transfer of wealth upon one's death with the intention of minimizing the tax burden while maximizing the wealth transferred. At Tronconi Segarra & Associates, we consider estate planning to encompass even more.

Beyond wealth transference, we assist families in considering matters such as control over the family's assets; continuance of the family's business(es); and family dynamics that may impact the disposition of assets, not to mention the influence of family relationships. Retirement planning is often a consideration with estate planning since the tax implications of retirement planning will most likely have an impact on the overall value of the estate. And for those who wish to establish a legacy through charitable organizations, we assist in planning for gifts, contributions and endowments to specific organizations identified or created by our clients.

Often, we work hand-in-hand with the family's attorney and/or wealth manager in establishing a strategy for achieving the client's goals for the disposition of assets, and the minimization of tax implications, both during life and for future generations. Our approach in working with each family is unique and tailored to their specific needs and circumstances. We respect each family's individuality and are committed to helping our client families experience the tangible outcomes of their estate planning.

Estate planning activities will often require the creation or review of other legal and financial documents, such as wills, powers of attorney, insurance policies, health care proxies and trust instruments. Tronconi Segarra & Associates can help facilitate family discussions concerning topics such as techniques for protecting assets, legal ownership of assets, and selecting trustees, executors and beneficiaries, which are instrumental in creating an estate plan.

Following are some of the types of trusts that the experienced estate planning professionals at Tronconi Segarra & Associates can assist with:

- Grantor-retained annuity and uni-trusts
- Life insurance trusts
- Charitable lead trusts
- Charitable remainder trusts
- Bypass trusts
- Personal residence trusts
- Family limited partnerships
- Marital deduction trusts
- Revocable lifetime trusts
- Intentionally defective trusts

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Employee Benefit Plan Services

Employee Benefit Plan Services

Audit

It can be challenging for an employer to understand and comply with the numerous fiduciary responsibilities accompanying employee benefit plan offerings. Tronconi Segarra & Associates has extensive experience with audits of employee benefit plans for public and private plan sponsors of defined benefit and defined contribution plans. We have been accepted as members of the AICPA Employee Benefit Plan Audit Quality Center ("EBPAQC"); and we continue to demonstrate that we meet the stringent qualifications required to earn this designation by following specific audit policies and procedures and obtaining annual continuing professional education specific to employee benefit plans. Furthering our commitment to providing the highest quality of services to our clients, we are members of the International Foundation of Employee Benefit Plans.

We offer our clients a documented, streamlined audit approach, a timetable from audit inception to completion, and superior client service every step of the way. Specific employee benefit plan audit services include:

- Full scope or limited scope audits of qualified defined contribution and defined benefit employee benefit plans as required by the Employee Retirement Income Security Act ("ERISA").
- Audits of 401(k), 403(b), profit sharing, pension and multi-employer plans.
- Multi-employer and single-employer Taft-Hartley employee benefit plan audits, and training fund audits.
- Audits of welfare benefit plans.
- Review of Form 5500.
- Multi-year audits of plans not compliant with annual reporting obligations.
- Consultation regarding operational defects.
- Consultation regarding plan termination.
- Consultation regarding issues of eligibility, vesting, deferral calculations and remittance and employer contribution calculations.
- Technical updates on DOL or IRS matters.

Tax

Tronconi Segarra & Associates offers a wide range of tax compliance and planning services to qualified retirement plans and equity-based plans such as options, SARs and phantom stock. Specific tax services include:

- Annual Form 5500 preparation.
- Annual contribution calculations and allocations.
- DOL notice filings
- SARs/phantom stock design assistance and review
- Tax advice

Members:

Employee Benefit Plan Audit Quality Center AICPA

International Foundation of Employee Benefit Plans
Education | Research | Leadership

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Cost Segregation Study Services

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Cost Segregation Study Services

Have you built, acquired, or renovated a facility in the past few years and want to maximize the tax benefit of these capital costs? A cost segregation study conducted on your buildings, plants and the components therein may help you realize tax savings today and have a positive impact on your cash flow.

Cost Segregation is a formal engineering process in which a portion of building costs and land improvements traditionally depreciated over 27.5 to 39 years are reallocated to asset classes with shorter depreciable lives (5, 7, or 15-year lives). The reduction in depreciable lives results in an acceleration of depreciation deductions, a reduction in tax liability for the current and future years, and an increase in cash flow.

A cost segregation study can be performed immediately after a new building is constructed or an existing building is acquired. It can also be beneficial when an existing building has major capital improvements (due to renovation or build-out) or even for a building acquired or renovated less than 15 years ago.

Tangible personal property, land improvements, and non-structural components of buildings may qualify for inclusion in a cost segregation study. Tangible personal property and non-structural components can range from easily identifiable items (furniture, fixtures, equipment, flooring, etc.) to quite complex items (reinforced flooring, trenching, wiring, HVAC, and plumbing specifically related to processing equipment). Our studies are designed to identify these components and assign them to the proper asset classes. For some cost segregation studies, we work directly with third-party engineers to allocate the costs of the facility to these components and provide a report documenting our methods and results.

For more information about our cost segregation study services, please contact a Tronconi Segarra & Associates advisor.

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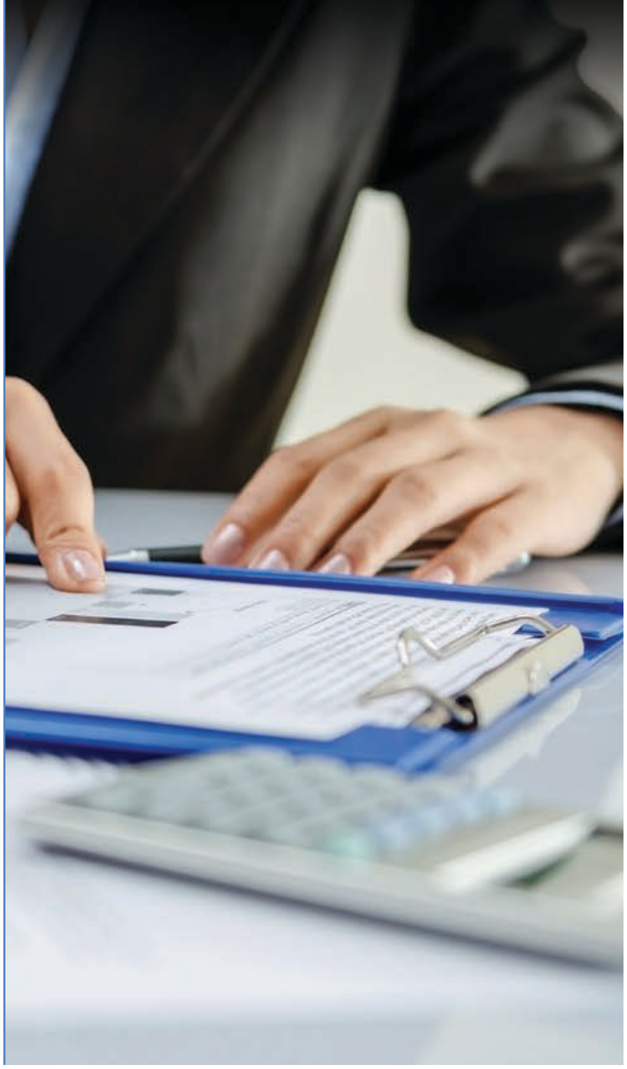
SOLUTIONS BEYOND THE OBVIOUS

Business Valuation Services



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Business Valuation Services

Establishing the worth of a business is rarely an easy process; yet knowing the worth of one's business is essential to executing both simple and complex business operations and transactions. The objective of a valuation is to provide an estimate of the value of a business or combination of entities for a described purpose, at a stated point in time. We perform valuation engagements in accordance with uniform professional standards, as promulgated by the National Association of Certified Valuators and Analysts and the American Institute of Certified Public Accountants.

Business owners, CFOs, attorneys and others in business and professional positions seek our valuation services in order to obtain the necessary information to execute their business operations and transactions from a position of strength. We recommend a new valuation to our business clients approximately once every three to five years so that they have the most up-to-date facts and figures possible, considering possible changes in their operations, industry and the national economy.

Businesses should consider having a valuation performed for the following purposes:

- Valuations for mergers and acquisitions.
- Validate whether or not past equity transactions were made at an appropriate arm's length price – not too high or too low.
- Provide management with information about the true value of their respective businesses to facilitate important strategic decisions.
- Support for gifting purposes.
- Establish a value for business for a sale to a third-party, in whole or in part.
- Determine value utilized within a buy-sell agreement governing a group of shareholders.
- Reduce the potential exposure from scrutiny imposed by oversight organizations, such as the IRS.
- Enhance the ability to monetize the business. In other words, assist in making management decisions (such as reducing costs or inventory levels) that will lead to a higher value in the future and a business that can more easily be sold to a third party.
- Aid in modifying the ownership structure of a business in the event of incoming or exiting partners.

Our Firm has performed valuations in numerous industries across the U.S. including, but not limited to, the manufacturing, medical and lumber industries. A typical engagement requires that we independently develop a valuation approach, method and assumptions as deemed appropriate, using our professional judgment and knowledge of the specific business. The client deliverable is a signed valuation report that includes detailed support for each assumption included within the report and provides the highest degree of support if examined by a third party.

In addition to providing valuations for the purposes above, we also work closely with attorneys to provide valuation services for marital dissolutions and shareholder disputes, and to provide expert witness testimony and litigation support as needed in regard to any valuations.

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Transaction Advisory Services

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Business Consultants

Transaction Advisory Services

Known for our ability to quickly understand the desired goal and get it done right the first time, the experienced professionals from the Tronconi Segarra & Associates Transaction Advisory Services team can be trusted to provide the appropriate strategic direction needed to maximize your deal value, minimize risk for all stakeholders and achieve an efficient and swift closing. Our proven expertise in providing our clients (private equity firms, brokers, attorneys, public and private companies) with significant added value has earned us both respect and the ultimate compliment – repeat business.

Buy-side services include:

- Quality of earnings analysis
- Deal structuring & contract assistance
- Financial and transaction modeling
- Pre-deal evaluation
- Purchase price dispute services
- Purchase accounting
- Post-transaction compliance
- Valuation support and analysis
- Evaluation of tax position of target
- Integration into buyers' tax structures
- Tax modeling of integrated business

Sell-side services include:

- Divestiture strategic planning
- Data room establishment
- Deal structuring & contract assistance
- Financial and transaction modeling
- Preemptive due diligence
- Purchase price dispute services
- Post-transaction compliance
- Valuation support and analysis
- Structuring for tax minimization

Recent Notable Transactions:

Industry	Aerospace
Client Size	$2 billion annual revenue
Deal Size	$50- $400 million
Counterparties	Public & Private Companies
Services	Numerous buy-side transactions
Result	Tax structuring ideas resulted in millions in tax savings

Industry	Manufacturing
Client Size	$140 million annual revenue
Deal Size	$135 million
Counterparties	Private equity
Services	Buy-side structuring
Result	Identified $1MM in savings through effective tax structuring

Industry	Health Care Services
Client Size	$100 million annual revenue
Deal Size	$120 million
Counterparties	Private Equity/Public Cos.
Services	Sell-side preemptive due diligence
Result	Identified significant accounting adjustments not previously identified by outside accountants. Our work resulted in better quality financial information provided to prospective buyers.

The Benefits of Engaging Tronconi Segarra & Associates

- Your professional services will be provided by skilled, experienced CPAs, accountants and other para-professionals focused on delivering your work accurately and efficiently.
- Partners and senior management team members of our Firm will be actively involved in client engagements.
- You will work with a team of professionals who will actively listen to you to understand your unique needs, which will be the basis for our approach to tailoring an engagement that best suits you.
- We will look for opportunities to add value to every engagement we perform for you and will draw on our years of expertise and best practices gained across a wide range of industries to provide you with additional insights, competitive rates and exceptional client service.
- Above all, Firm associates will exhibit qualities of honesty, integrity, enthusiasm and innovation in the delivery of professional services to you.

Some of the industries we serve include:

- Manufacturing
- Wholesale / distribution
- Healthcare companies
- Medical practices
- Medical imaging facilities
- Higher education
- Labor unions
- Automobile dealerships
- Technology companies
- Financial institutions
- Convenience stores / chains
- Professional services firms
- Municipalities and other governmental sectors
- School districts
- Not-for-profit organizations and foundations
- Franchisees
- Gaming / entertainment / sports venues
- Foodservice
- Utilities

To learn more about our Transaction Advisory Services, contact Mark Ferm, Partner; or visit us at www.tsacpa.com.

TRONCONI SEGARRA & ASSOCIATES LLP

Certified Public Accountants
Business Consultants

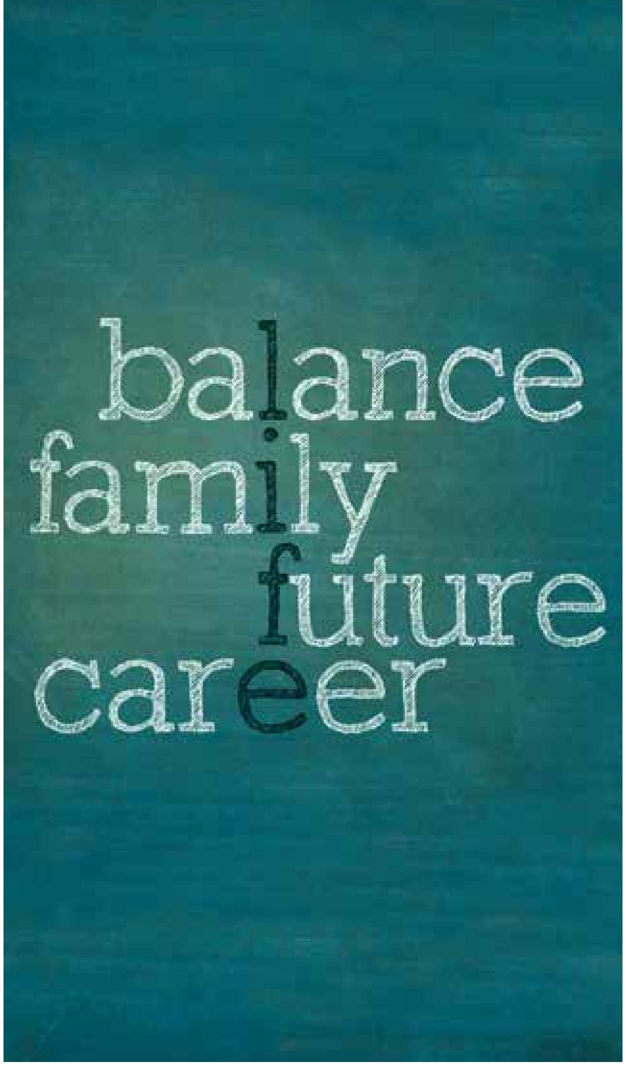
SOLUTIONS BEYOND THE OBVIOUS

8321 Main Street / Williamsville, NY, 14221 / 716.633.1373 / Fax 716.633.1099
175 Walnut Street, Suite 2 / Lockport, NY 14094 / 716.438.2190 / Fax 716.438.2450

Members – American Institute of Certified Public Accountants (AICPA) and the New York State Society of Certified Public Accountants (NYSSCPA).

SOLUTIONS BEYOND THE OBVIOUS

Succession Planning



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Succession Planning

Many business owners and family-owned businesses struggle with the issue of succession. It is often something that is put off until "tomorrow."

After all…who wants to contemplate one's own eventuality? Acknowledge that someday the reins must be handed over to…who? And retire to a life of…what?

Day by day, "tomorrow" turns into ten, twenty and even thirty years later; and then the importance of addressing the issue of succession often becomes an emergency…a series of panicked, knee-jerk, not-well-thought-out actions that are not well-planned, not well-executed, and almost always not satisfactory to either the business owner or others involved in the matter as well.

Our experienced succession planning team – tax practitioners, transaction advisory specialists, estate planning and business consultants – takes the necessary time to talk with our clients, over time, to help them understand that succession planning is a process, sometimes one that can take many years to formulate and implement.

Our approach involves planning not only for the actual transactions that result in business ownership changes, but it also lays the groundwork for other important concepts:

- How establishing certain trusts and integrating planning ideas can help to preserve a family's wealth now and for generations to come, regardless of the eventual disposition of the business.
- How a business can help to develop the businesses' leaders of tomorrow through education, training and mentoring today.
- How to develop incentivizing executive compensation programs that will help to retain the critical knowledge base that exists among a company's executive management team.

Our philosophy is that it is never too early to begin thinking about and planning for the succession of your business. Legacies are not built in a day, and neither are solid, strategic succession plans.

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- Municipalities and other governmental sectors
- School districts
- Not-for-profit organizations and foundations
- Franchisees
- Gaming / entertainment / sports venues
- Foodservice
- Utilities

To learn more about our Succession Planning services, contact partners Jim Segarra or Mark Tronconi; or visit www.tsacpa.com.

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SOLUTIONS BEYOND THE OBVIOUS

Not-for-Profit Organizations

Balancing Oversight with Efficiency

As the competition for grants and donations increases, and with the availability of new governmental funding sources, it is more important than ever for a not-for-profit organization to gain greater control over its program, administrative and fundraising expenses in order to achieve its mission and goals each year. Having fiscal stability within the organization generates a feeling of confidence among all stakeholders, enabling the organization to better serve both its stakeholders and regulatory bodies.

Providing accurate accounting, auditing and tax services to not-for-profit organizations is a core business for the professionals at Tronconi Segarra & Associates LLP. A significant amount of our recurring compliance work is done for not-for-profit entities, including community-based organizations, cultural organizations, educational institutions, religious organizations, foundations, voluntary health and welfare organizations, social and country clubs, research/educational partnerships, and governmental entities.

Our specific not-for-profit services include, but are not limited to:

- Audits, including financial statement audits, OMB Single Audits, Program Audits and performance audits.
- Audits of New York State Consolidated Fiscal Reports ("CFR") for organizations receiving funding from New York State Education Department, Office of Mental Health, Office for People with Developmental Disabilities, and Office of Addiction Services and Supports.
- Reviews (if a financial statement audit is not required).
- Preparation of IRS Tax Forms 990, 990-PF and 990-T; and state tax forms if/as required.
- Assistance with due diligence for evaluating potential merger opportunities.
- Assistance with development, implementation and testing of internal control framework.
- Assistance with corporate governance implementation (Audit Committee requirements, financial oversight, procedures manual formation, mission and purpose, etc.).
- Analysis of the organization's accounting department structure with recommendations for maximizing segregation of duties, expertise, productivity and efficiency.
- Analysis of donor gift instruments to ensure proper classification and compliance.
- Review of spending policies for endowment funds.

Why do so many not-for-profit organizations choose Tronconi Segarra & Associates to provide their accounting, auditing, tax and consulting services? Our passion for providing exceptional customer service, coupled with our experienced and dedicated team of professionals. We leverage our collective knowledge of not-for-profit organization best practices for the benefit of every organization we work with, providing each organization with the highest possible return on its investment in high-quality professional services.

To learn more, visit www.tsacpa.com.

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- Utilities

To learn more about our services for not-for-profit organizations, contact Jim Segarra or Rick Wiktorowski at 716.633.1373; or visit us at www.tsacpa.com.

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