

M E M O

To: Duane Pearsall
From: Art Mooney
Date: May 4, 1973
Subject: Stock Value Computation--Formula Basis

Based on my understanding of the Board of Directors' decision of February 20, 1973, with respect to the stock price computation, the attached schedule represents the "book" and "audit" calculations of that price. Obviously, the "audit" calculations are based on verbal figures provided to me by Lynn Gillespie, which remain unpublished at this date.

Art Mooney

STATITROZ Corp
COMPUTED (FORMULA) VALUE PER SHARE
 MARCH 31, 1973

	1	2	3	4
	3/31/73 <u>PER BOOKS</u>		3/31/73 <u>PER AUDIT</u>	
	<u>TAXES</u>	<u>PROFITS</u>	<u>TAXES</u>	<u>PROFITS</u>
<u>A. COMPUTED ANNUAL INCOME:</u>				
NET INCOME BEFORE TAXES as at 3/31/73		\$ 280000		\$ 277587.00
<u>LESS: NET INCOME BEFORE TAXES</u> as at 9/30/72		(71128)		(71128)
Computed Taxable Income for last 6 MONTHS		208872		206459
Multiply by 2		x 2		x 2
COMPUTED ANNUAL INCOME <u>BEFORE TAXES</u>	\$ 417744	\$ 417744	\$ 412918	\$ 412918
<u>B. FORMULA TAX COMPUTATION</u>				
<u>LESS: NET OPERATING LOSS (NOL)</u> Carry Forward (YE 1973)		(160779)		(160779)
COMPUTED ANNUAL INCOME FOR TAX COMPUTATION	\$ 256965		\$ 252139	
Multiply by 55.44%	x .5544		x .5544	
COMPUTED TAX BEFORE EXCLUSION	\$ 142461		\$ 139786	
<u>LESS: EXCLUSION (25000 x 28.6%) OF 7150</u>		(7150)		(7150)
COMPUTED ANNUAL TAX	\$ 135311	(135311)	\$ 132636	(132636)
<u>C. FORMULA STOCK COMPUTATION:</u>				
COMPUTED ANNUAL INCOME <u>AFTER TAXES</u>		\$ 282433		\$ 280282
Multiply by 7.1		x 7.1		x 7.1
COMPUTED VALUE - ALL SHARES ISSUED		\$ 2005271		\$ 1990002
DIVIDE BY 76998 SHARES ISSUED		÷ 76998		÷ 76998
COMPUTED VALUE PER SHARE		\$ 26.04		\$ 25.84

4804 - Buff
5804 - Blue
8804 - Green