



*This document is in draft form and intended for discussion purposes only. The terms and conditions herein will change depending on negotiations between parties and applicable state law. Do not use or otherwise reply on this document without consulting the attorney of your choice.*

## PRACTICE EVALUATION

Basic valuation methodology involves analyzing the practice through a systematic examination of multiple variables. The primary goal of the transition is retain revenue and clients. While this sounds easy, both sides must evaluation and define all variables of the practice to ensure proper evaluation, estimated retention, and determines the overall match of the practices.

These variables should include but not limited to the following:

- Asset Base of the Practice and corresponding break-down of products
- Revenue mix: Both total revenue and recurring revenue
- Client demographics
- Client segmentation
- Concentration of revenue, clients, companies and products
- Firm expenses
- Client tenure
- Retention expectations
- Revenue growth (last five years)
- Complaints, arbitration, pending issues

## APPRAISAL INFORMATION

Practice Name: \_\_\_\_\_

Type of Entity: \_\_\_\_\_

Broker/Dealer: \_\_\_\_\_ Years With: \_\_\_\_\_

Previous B/D: \_\_\_\_\_ Years With: \_\_\_\_\_

Years in Industry: \_\_\_\_\_ Designations: \_\_\_\_\_

Licenses: \_\_\_\_\_

Specialty of Practice: \_\_\_\_\_

Are you an O.S.J.? Y/N

Is your office an O.S.J.? Y/N

How many producers do you supervise? \_\_\_\_\_ Total Producers in office: \_\_\_\_\_