

## Fair Market Value Guidelines

When completing the Fair Market Valuation form please follow these guidelines:

- The IRA owner will fill out the fair market valuation form, but the valuation may not be completed by the IRA owner OR a disqualified person.
- Because these valuations are used to determine the fair market value of a particular asset, an independent, neutral, qualified party must complete the valuation.
- This form must be sent back with supporting documents.

### Examples of Supporting Documents:

**Real Estate** - An appraisal is acceptable but not necessary. Although an appraisal is a valuation, they are not one and the same. A qualified real estate professional who is strictly "arms length" from both you and the investment may provide a comparative market analysis to meet this requirement. We understand that real estate agents may not provide appraisals but they are qualified to determine the market value of a property. The IRS specifically does not allow a tax assessor valuation. Below are acceptable forms of market value.

- Appraisal by a Certified Appraiser – not necessary
- Comparative market analysis by a licensed Real Estate Broker
- Average of 3 online real estate estimates (ex. Zillow.com/**e-appraise.com**/online- home-values.com) please attach documentation.
- Accurate State or County Government "Fair Market Value" from tax forms. Assessed value is not acceptable.

**Single LLC** - A value of each asset within the LLC is required in order to determine the value of the LLC. Real estate assets owned in an LLC must be evaluated by a third party using the same standards as if it were owned directly by the IRA. Other assets, such as bank or brokerage accounts should have year-end statements proving their value. If you need further guidance on how to determine the value of the LLC, consult your financial advisor. K-1s are not acceptable valuations because they represent the book value of the company which is based on historical cost less depreciation. Note: for future valuations there will need to be documentation proving that title to the LLC assets is in the LLC name.

**Private Placements** - You must contact the manager of the private placement and ask how you can obtain a value for the investment. The value of asset may be provided by a qualified third party, but they must provide sufficient supporting documents. Below is a list of valuation firms that you can contact or use a valuation firm of your choice.

Howard Frazier Barker Elliott, Inc. [www.hfbe.com](http://www.hfbe.com)  
FMV Opinions, Inc, [www.fmv.com](http://www.fmv.com)  
Business Valuations, Ltd., [www.bizvalsLtd.com](http://www.bizvalsLtd.com)  
Pluris Valuation Advisors, LLC, [www.pluris.com](http://www.pluris.com)  
Iron Horse Business Valuation Group, [www.gibbsp.com](http://www.gibbsp.com)

**Notes** - Fair market value for a promissory note is determined by calculating the present value of the expected payments on the note. In a world of alternative investments, a hypothetical investor considers the current situation of the borrower and the default remedies available under the terms of the note in developing a return requirement (discount rate) sufficient to induce investment. If that return requirement is different than the interest rate stated on the note, the fair market value of the note is not the principal balance, but rather the present value of expected future payments, which will be higher if the discount rate is lower, and vice versa. The fair market value of the note is sensitive to the contractual timing of the scheduled payments as well as the required return. Below are acceptable forms of market value of Notes.

- Face value plus interest owed
- Amortized value
- Note evaluation

### List of Note valuers:

US Mortgage Resolution  
[www.usmresolution.com](http://www.usmresolution.com)  
(303) 779-6996

Ridge Gate Financial, LLC  
[www.promissorynoteappraisers.com](http://www.promissorynoteappraisers.com)  
(877) 808-4767

**Precious Metals, Brokerage Accounts and Cash** - These do NOT need a valuation as these investment values can be easily determined by annual statements or with a set face value.

# Fair Market Valuation Form

Please fax completed form to 973-302-8622, or email to [operations@camaplan.com](mailto:operations@camaplan.com).

The following form is designed to assign a fair market value for assets that do not have a readily available market. Because these valuations are used to determine the fair market value of a particular asset, a qualified, independent third party should complete valuations/appraisals.

Account Information: IRA Owner Account Number: \_\_\_\_\_

Asset Name/CUSIP	FMV as of 12/31/2011 (note NC for no change )	Valuation Date	**Valuator/Appraiser Name & Address

*\*Documentation - Please include supporting documentation with regards to this valuation/appraisal.*

*\*\*I certify that I am qualified to give an independent valuation/appraisal for this particular asset. I understand that this appraisal will be used for reporting purposes to the Internal Revenue Service. I understand that any false or misleading valuation/appraisal of any assets may result in penalties and fines for both the valuator/appraiser and the account owner.*

Account Holder \_\_\_\_\_ Date \_\_\_\_\_

Valuator/Appraiser \_\_\_\_\_ Date \_\_\_\_\_

Valuator/Appraiser \_\_\_\_\_ Date \_\_\_\_\_

Valuator/Appraiser \_\_\_\_\_ Date \_\_\_\_\_

*Note: CAMAPlan reserves the right to assign, determine, calculate and assess your account a fee for determining a reasonable fair market value to your self-directed account. If a valuation is three or more years old, CAMAPlan reserves the right to resign as the record keeper of the account.*