

News Release

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AICPA ISSUES STATEMENT ON STANDARDS FOR VALUATION SERVICES No. 1

January 1, 2008 Effective Date for CPAs Performing Valuation Services

NEW YORK, NEW YORK -- JUNE 21, 2007--The Consulting Services Executive Committee of the American Institute of Certified Public Accountants (AICPA) announced today the release of a new professional standard on valuation services, *Statement on Standards for Valuation Services No. 1 (SSVS No. 1) "Valuation of a Business, Business Ownership Interest, Security, or Intangible Asset."* The standard provides guidelines to CPAs for developing estimates of value and reporting on the results. It applies to AICPA members who perform an engagement that estimates the value of a business, business interest, security or intangible asset for numerous purposes, including sales transactions, financing, taxation, financial reporting, mergers and acquisitions, management and financial planning and litigation. SSVS No. 1 is effective for engagements accepted on or after January 1, 2008. A copy of the standard has been posted to the AICPA Web site at <http://bvfis.aicpa.org/Resources/Laws+Rules+Standards+and+Other+Related+Guidance/AICPA+Valuation+Standard+and+Implementation+Toolkit.htm>.

"The AICPA developed the valuation standard to improve the consistency and quality of practice among its members who perform engagements that estimate values for various reasons," said Barry Melancon, CPA, AICPA President and CEO. "Congress, government agencies and accounting regulators have recently focused their attention on appraisal issues – such activity shows the importance of valuation to the business community and individuals. In addition, an increasing number of CPAs offer valuation services. The standard promotes greater transparency and provides our members with a set of guidelines in the unique context of a CPA practice."

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"The demand for valuation services has significantly increased over the past 20 years. The standard should benefit the public because it promotes consistent practice among CPAs performing valuation services and adequate disclosures for users of these services," said Michael Crain, CPA/ABV, Chair of the AICPA Business Valuation Committee.

SSVS No. 1 specifies two types of engagements: valuation engagements and calculation engagements. For valuation engagements, two types of written reports are permitted – detailed reports and summary reports. For calculation engagements, one type of written report is permitted – calculation reports. Oral reports are allowed for *all* engagements under the standard.

"SSVS No. 1 is the product of a thoughtful and open standard-setting process that constantly seeks to improve the quality of valuation services offered by CPAs," said Edward J. Dupke, CPA/ABV, Chair of the BV Standards Task Force of the AICPA Business Valuation Committee. "Although the effective date is not until January 1, 2008, we are urging firms and CPAs to begin earlier implementation."

The AICPA estimates that more than 25,000 CPAs currently provide Business Valuation and Forensic & Litigation Services (BVFLS). More than 2,500 CPAs hold the AICPA's Accredited in Business Valuation (ABV) credential which signifies their expertise as preferred valuation professionals. To locate an ABV credential holder, please visit www.aicpa.org/BVFLS and select "Find an ABV." For more information about the ABV credential or the BVFLS Membership Section, please select the Membership tab.

About AICPA

The American Institute of Certified Public Accountants (www.aicpa.org) is the national, professional association of CPAs, with approximately 330,000 members, including CPAs in business and industry, public practice, government, and education. It sets ethical standards for the professional and U.S. auditing standards for audits of private companies; federal, state and local governments; and non-profit organizations. It also develops and grades the Uniform CPA Examination. Media representatives are invited to visit the AICPA Online Media Center at www.aicpa.org/mediacenter.

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