

KEITH MCFARLAND,

Plaintiff,

v.

BRYAN CAVE LLP, PAUL WEIL,

MARSHALL & STEVENS INCORPORATED,

CARL G. HOGAN, JR., BRIAN J. HOGAN, and

DAVID HOGAN,

Defendants.

Civil Action No. 03-433-MJR

COUNT I

NATURE OF ACTION

In all relevant respects, defendants acted in concert with each other in order to further

their fraudulent scheme. Beginning not later than September, 2001, defendants, their various agents and employees, and their co-conspirators, form an “enterprise” (the “Enterprise” herein) as that term is defined in **18 U.S.C. § 1961(4)**. That Enterprise has functioned as an organized association-in-fact since 2001 to achieve its goal, through illegal means, of receiving illegal funds derived by falsifying both federal and state estate tax returns and avoiding the consequences of its actions. Each defendant has participated in the operation and management of the Enterprise, and has committed numerous acts to maintain and expand the Enterprise.

In order to avoid discovery of their fraudulent conduct and the possibility that they might be called to account for their conduct, defendants engaged in a scheme to ruin and discredit the plaintiff by making false and deceptive statements and concealing documents that they knew would have exposed their illegal conduct.

The effect of defendants’ fraudulent scheme and wrongful conduct continues to this day; defendants continue to enjoy the illegal funds obtained by their unlawful and tortious conduct and continue to conceal their activity from the authorities; and unless restrained by this Court, defendants are likely to continue their unlawful activities into the future.

I. JURISDICTION AND VENUE

Jurisdiction of this Court is invoked in part pursuant to **28 U.S.C. § 1331**. This action is authorized pursuant **18 U.S.C. § 1964(c)**, and is based on **18 U.S.C. § 1962(d)** conspiracies to violate **18 U.S.C. § 1962©**).

Plaintiff, Keith McFarland, resides at Greenville, Illinois, in the Southern District of Illinois. He was employed by the defendant, Marshall & Stevens Incorporation, for more than 15 years and much of his duties of employment with said defendant were executed in the

Southern District of Illinois. Plaintiff began his employment with Marshall & Stevens Incorporation at its Illinois office in Chicago, Illinois.

Defendant, Bryan Cave LLP, has law offices in Illinois and conducts much of its affairs in the Southern District of Illinois making said district appropriate for venue pursuant to **18 U.S.C. § 1965 (a)**.

Defendant, Marshall & Stevens Incorporated, has appraisal offices in Illinois and conducts much of its affairs in the Southern District of Illinois making said district appropriate for venue pursuant to **18 U.S.C. § 1965 (a)**.

II. PARTIES

Plaintiff, Keith McFarland is an individual citizen and protected by the laws of the United States.

At all relevant times the defendant, Bryan Cave LLP, has continuously been and is now a limited liability partnership doing business in the Southern District of Illinois. At all relevant times said defendant acted as a fiduciary for the Estate of Carl G. Hogan, Sr. At all times pertinent to this Complaint, said defendant individually and through its agents, materially participated in the Enterprise, and materially participated, conspired, assisted, encouraged, and otherwise aided and abetted one or more of the other defendants in the unlawful and fraudulent conduct alleged herein, and has affected interstate commerce in the United States, including the Southern District of Illinois.

At all relevant times the defendant, Paul Weil, was an individual citizen acting as a fiduciary for the Estate of Carl G. Hogan, Sr, and as agent for the defendant, Bryan Cave LLP. At all times pertinent to this Complaint, said defendant individually and through his agents,

materially participated in the Enterprise, and materially participated, conspired, assisted, encouraged, and otherwise aided and abetted one or more of the other defendants in the unlawful and fraudulent conduct alleged herein, and has affected interstate commerce in the United States, including the Southern District of Illinois.

At all relevant times defendant, Marshall & Stevens Incorporation (M & S herein), has continuously been and is now a Missouri corporation doing business in the Southern District of Illinois. At times pertinent to this Complaint, said defendant individually and through its agents, materially participated in the Enterprise, and materially participated, conspired, assisted, encouraged, and otherwise aided and abetted one or more of the other defendants in the unlawful and fraudulent conduct alleged herein, and has affected interstate commerce in the United States, including the Southern District of Illinois.

At all relevant times the defendant, Carl G. Hogan, Jr., was an individual citizen acting as a fiduciary for the Estate of Carl G. Hogan, Sr. At all times pertinent to this Complaint, said defendant individually and through his agents, materially participated in the Enterprise, and materially participated, conspired, assisted, encouraged, and otherwise aided and abetted one or more of the other defendants in the unlawful and fraudulent conduct alleged herein, and has affected interstate commerce in the United States, including the Southern District of Illinois.

At all relevant times the defendant, Brian J. Hogan, was an individual citizen acting as a fiduciary for the Estate of Carl G. Hogan, Sr. At all times pertinent to this Complaint, said defendant individually and through his agents, materially participated in the Enterprise, and materially participated, conspired, assisted, encouraged, and otherwise aided and abetted one or more of the other defendants in the unlawful and fraudulent conduct alleged herein, and has

affected interstate commerce in the United States, including the Southern District of Illinois.

At all relevant times the defendant, David Hogan, was an individual citizen acting as a fiduciary for the Estate of Carl G. Hogan, Sr. At all times pertinent to this Complaint, said defendant individually and through his agents, materially participated in the Enterprise, and materially participated, conspired, assisted, encouraged, and otherwise aided and abetted one or more of the other defendants in the unlawful and fraudulent conduct alleged herein, and has affected interstate commerce in the United States, including the Southern District of Illinois.

At all relevant times, each defendant was a “person” within the meaning of **18 U.S.C. § 1961(3)**, because each defendant was “capable of holding a legal or beneficial interest in property.”

III. STATEMENT OF CLAIM

A. The Formation of the Enterprise and the Nature of the Conspiracy

1. The Effect of Estate Taxes

For a person who died in the year 2001, the laws and regulations of the United States provides that any estate with a net value of more than \$675,000.00 shall incur an estate tax. The computation of the tax is determined by a schedule which varies according to the size of any particular estate.

For a person dying with an estate in 2001 worth \$100,000,000.00, the estate tax imposed on such an estate would roughly be \$9,230,650.00 on the first \$17,184,000.00 of the estate, plus 55% of amount from \$17,184,000.00 to \$100,000,000.00, or \$45,548,800.00, producing a total federal estate tax liability of \$54,779,450.00.

Many of the states of the United States impose separate and additional estate taxes. The

State of New Hampshire in 2001 imposed an 18% estate tax on transfers of property at death. If the same person in the above hypothetical died in New Hampshire in the year 2001, then a possible state inheritance tax liability of roughly \$18,000,000.00 might have been imposed under New Hampshire law.

Since the election of George W. Bush there have been many changes with respect to estate taxes, both at the federal and state level.

At the federal level, the estate tax will be phased out over a ten year period with its total elimination by year 2010.

Many states, like New Hampshire, have completely repealed their inheritance tax laws. An estate for a person dying after January 1, 2003, in New Hampshire will incur no estate tax liability for the assets transferred at death.

With gradual disappearance of the federal and state estate tax provisions there are those in the industry providing services to the computation of such taxes, such as lawyers, accountants and appraisers, who believe that is acceptable to falsify information relating to estate tax returns which under existing law would create large tax liabilities.

2. The Formation of the Initial Enterprise and the Nature of its Conspiracy

On or about January 14, 2001, Carl G. Hogan, Sr., passed away at his New Hampshire residence leaving behind a substantial sized estate.

The Estate of Carl G. Hogan, Sr., was probated in the Cheshire County Probate Court at Keene, New Hampshire. Defendants, Carl G. Hogan, Jr., Brian J. Hogan and David Hogan were the co-executors of said estate, herein referred to as the "Hogan Brothers".

The Hogan Brothers sought the counsel of Paul Weil for preparation and filing of Federal

Form 706, which is the Federal Estate Tax form used to report any such tax liability. Paul Weil at all times acted as the agent of Bryan Cave LLP, which is a law firm boasting more than 800 attorneys world wide.

In or around June of 2001, Paul Weil, Bryan Cave, through Weil, and the Hogan Brothers conspired to generate false state and federal estate tax returns for the Estate of Carl G. Hogan, Sr., by acquiring, inter alia, appraisals of estate assets containing false and fraudulent information and values. The conspiracy consisted of a scheme whereby Paul Weil and Bryan and Cave LLC, through Weil, would engage an appraisal firm for making certain appraisals of certain assets of the Estate of Carl G. Hogan, Sr. Weil and Bryan and Cave LLP, would then illegally and inappropriately interfere with the appraisal firm's ability to prepare accurate appraisals by providing said firm with false legal conclusions and information regarding matters affecting the values of certain assets. The scheme also provided that the Hogan Brothers would assist Paul Weil and Bryan Cave LLP in interfering with said appraisals by personally providing, or having the employees the Estate's companies provide agents of the appraisal firm false information about assets of the companies and/or the accounting records of said companies.

By forming the above said conspiracy, PAUL WEIL, BRYAN CAVE LLP, CARL G. HOGAN, JR., BRIAN J. HOGAN and DAVID HOGAN create and "Enterprise" whose fundamental goal was to illegally prepare and file federal and state estate tax returns. The Enterprise and conspiracy had the further purpose and scheme beyond the filing of such tax returns of misleading government officials and concealing information from them to prevent detection of their illegal activity. Included in the continuing scheme would be letters of opinion by Paul Weil and Bryan Cave LLP to the appraisal firm to make any decision of value reduction

by said firm look as if it were based on “strategy” by legal opinion, when in fact the underlying basis would be the illegal conduct of the attorneys. Further, it was contemplated that the issue of value might be litigated and that the Enterprise would have to take certain actions to continue to conceal from and deceive government officials as a result thereof.

3. Mashall and Stevens Incorporated Joins the Enterprise and Conspiracy

Soon after the initial Enterprise and conspiracy was made, the Enterprise retained Marshall & Stevens Incorporated to prepare appraisals of certain assets of the Estate of Carl G. Hogan, Sr.

The assets of the Estate of Carl G. Hogan, Sr., included, inter alia, the following businesses:

- a) Hogan Services, Inc.;
- b) Hogan Racing, LLC;
- c) Hogan Real Estate Development Partnership;
- d) Hogan Motor Leasing, Inc.; and
- e) C & M Service, Inc.

Marshall & Stevens Incorporated agreed for a certain fee to prepare appraisals on the above referenced businesses of the Hogan Estate. The preparation of the those appraisals is referred to herein as the “Hogan File”.

At the time the Hogan File began, the plaintiff, Keith McFarland, served as Appraisal Director in the St. Louis office of Marshall & Stevens Incorporated and his duties included reviewing reports by other appraisers in the office regarding the ethical and legal compliance of certain undertakings by the other appraisers in completing assignments. As such, the other appraisers would from time to time report to the plaintiff if he or she believed someone was attempting to procure a false or otherwise unethical determination of value in an appraisal.

Plaintiff was assigned to completing the appraisal of Hogan Real Estate Development Partnership. Other appraisers in his office were assigned work on the other four business listed above as being the Hogan File.

Prior to his issuing his first draft appraisal on or about July 23, 2001, the plaintiff received reports by the other appraisers working on the Hogan File that the attorneys (Paul Weil and others at Bryan Cave LLP) were asserting undue pressure on them to state false and fraudulent values in their appraisals. Undue pressure included false and misleading information being provided by said attorneys through telephone calls, emails, faxes, letters and in person conversations.

In early September the plaintiff received false communications by telephone from Paul Weil regarding a proposed bridge project which Weil believed would lower the value of the property for which the plaintiff was compiling an appraisal.

On or about July 23, 2001, the plaintiff submitted his draft appraisal of the Hogan Real Estate Development Partnership.

On or about September 3, 2001, the plaintiff was summoned to a conference room at M & S for a teleconference meeting with Paul Weil and some of the other appraisers working on the Hogan File. Present in the conference room were Ray Essma, a regional manager for M & S, and Steven Krekeler, senior appraiser at M & S., and Jared Renderer an associate appraiser at M & S. The conference was held with Paul Weil via speaker phone.

During said teleconference the Enterprise, through Paul Weil, attempted to influence the plaintiff's conclusions as to value by asserting false information regarding EPA issues involving certain real estate. The plaintiff opined that it would be illegal and unethical to use the suggested

reduction in value ordered by Weil based on hypothetical EPA issues. The plaintiff refused to modify his appraisal based on such information and refused to participate in the Enterprise at which time the Enterprise, through Paul Weil, through acts of extortion, threatened to ruin plaintiff's career and lively hood by emailing every law firm in the St. Louis area and seeing to it that he would never work as an appraiser again if he didn't join the Enterprise, all in violation of **18 U.S.C. § 1951.**

After said teleconference meeting, and based on information provided by Steven Krekeler and Jared Renderer, the plaintiff concluded that the entire Hogan File have been illegally influenced and that it would be a felony for his firm to provided final appraisals based on the illegally influenced values that had been generated.

On at least two occasions on or about September 3 or 4, 2001, the plaintiff personally telephoned M & S's CEO in Los Angeles, Mark Santasario, and advised him that the Enterprise was attempting to commit fraud and that M & S should withdraw from the project.

M & S thereafter renegotiated its fee with the Enterprise and agreed to participate in the Enterprise and conspiracy by providing false appraisal values for the purpose of federal and state estate tax returns.

M & S, as a new member of the Enterprise, opined with the other members of the conspiracy that the plaintiff had become a problem in that he would not participate in the fraud. It was believed that he might even alert government officials regarding the scheme. It was therefore agreed that the Plaintiff would be removed from working on the Hogan File and later terminated after sufficient time had passed. Further it was agreed that all prior draft appraisals and file documents at M & S would have to be destroyed for which M & S would have to

purchase a paper shredder.

On or about September 5, 2003, Paul Weil sent Steve Krekeler an email confirming that the two of them had agreed that M & S would provided sworn certification to Weil's office that all prior draft appraisals had been destroyed. A copy of said email is attached hereto as Exhibit "A".

On or about September 21, 2001, Merle Atkins, Appraisal Vice President at M & S, emailed Steve Krekeler a letter attaching the plaintiff's original draft appraisal as amended by Paul Weil. This communication by Atkins illustrates that once the plaintiff was removed from the Hogan File, Paul Weil coerced a signature of someone other than plaintiff which Merle Atkins clearly states is a felony. A copy of said email is attached hereto as Exhibit "B" (Attachments omitted).

In September of 2001, M & S clearly joined and became a member of the Enterprise and conspiracy. Throughout the course of the Enterprise and conspiracy and to the present day, defendants have engaged in illegal and fraudulent acts knowingly and intentionally with a common purpose.

B. Defendants' Liability For Violations of The Racketeer Influenced and Corrupt Organizations Statute

In violation of **18 U.S.C. § 1962(d)** defendants entered into conspiracies to violate **18 U.S.C. § 1962**, subparagraph ©), and did in fact violate and continue to violate said statute, as more specifically set out herein.

Defendants, BRYAN CAVE, LLP, PAUL WEIL, MARSHALL & STEVENS INCORPORATED, CARL G. HOGAN, JR., BRIAN J. HOGAN, and DAVID HOGAN, and others known and unknown, being persons employed by and associated with the Enterprise did

unlawfully, knowingly, and intentionally conduct and participate, directly and indirectly, in the conduct, management, and operation of the affairs of the aforementioned Enterprise, which was engaged in, and the activities of which affected interstate and foreign commerce, through a pattern of racketeering activity consisting of numerous acts of racketeering, indictable under various statutes as further set out below, all in violation of **18 U.S.C. § 1962(c)**.

The racketeering activity contemplated and conducted by the Enterprise pursuant to said conspiracy included but was not limited to the activity set out below.

Through said employment with M & S, Plaintiff learned that the defendants were attempting to file false federal and state estate tax returns by intentionally understating the asset appraisal values by tens of millions of dollars. Upon information and belief by the plaintiff, the defendants did in fact file false federal and state estate tax returns thereby defrauding the United States and the State of New Hampshire, and the defendants continue to defraud the United States and the State of New Hampshire by failing and refusing to make proper amendments to said returns or otherwise report the illegal activity. A copy of the Inventory of Fiduciary is attached hereto as an exhibit labeled "REF: 0536" through "REF: 0543".

The defendants, in violation of **18 U.S.C. § 1957**, sought to engage in monetary transactions involving criminally derived property in excess of \$10,000.00, by dispersing funds from the Estate of Carl G. Hogan, Sr., to certain legatees knowing that said funds would be illegally acquired or retained due to the filing of a false federal and state estate tax returns.

Plaintiff refused to participate in the Enterprise at which time the enterprise, through Paul Weil, through acts of extortion threatened to ruin plaintiff's career and lively hood by emailing every law firm in the St. Louis area and seeing to it that he would never work as an appraiser

again if he didn't join the tax fraud scheme, all in violation of **18 U.S.C. § 1951**.

Plaintiff refused to participate in deriving false value conclusions and refused to sign or affix his signature to said appraisal which effectuated him being removed from working on the Hogan File by the enterprise and then later being terminated from employment with Marshall & Stevens Incorporated.

The acts committed by defendants as set out in the preceding two paragraphs above were committed in furtherance of the conspiracy and as a necessary component of the alleged conspiracy.

_____ When the plaintiff refused to join conspiracy the defendants became concerned and worried, and believed the plaintiff would either tell law enforcement officials of the activity or would be asked by law enforcement officials about the illegal activity.

On or about September 5, 2001, after plaintiff had been removed from the Hogan File, the enterprise through Paul Weil and Marshall & Stevens Incorporated agreed to destroy all prior appraisal drafts in violation of **18 U.S.C. § 1510** knowing the plaintiff was either likely to tell law enforcement officials about the illegal activity or otherwise be questioned by law enforcement officials about such activity (Exhibit "A").

On or about September 24, 2001, the enterprise through Paul Weil modified plaintiff's original appraisal draft in violation **18 U.S.C. § 1510**, knowing the plaintiff was either likely to tell law enforcement officials about the illegal activity or otherwise be questioned by law enforcement officials about such activity. (Exhibit "B").

Contemplated in the conspiracy to violate **18 U.S.C. § 1962©)** was that the participants of the Enterprise would necessarily violate the **18 U.S.C. § 1341** mail fraud, and **18 U.S.C. § 1343**

wire fraud provisions of law by utilization of the United States Postal Service and telephone/email communications to facilitate the scheme.

From July of 2001 to July of 2002 the enterprise did in fact transmit dozens of letters, telephone calls and emails through either the U.S. Postal Service or wire communication in interstate commerce, for the purpose of executing their conspiracy.

The transmittals referenced in the above preceding paragraph included but are not limited those matters set out as follows:

a) On or about September 5, 2001, Defendant, attorney Paul Weil, emailed Steve Krekeler of Defendant, Marshall & Stevens Incorporated, a communication wherein said attorney confirmed in writing that they had agreed to destroy all prior appraisal drafts. (Exhibit "A", also labeled as "REF: 0012".)

b) On or about August 21, 2001, Defendant, attorney Paul Weil, emailed Steve Krekeler of Defendant, Marshall & Stevens Incorporated, a communication wherein said attorney dictates reduction of values to the appraisal firm. (A copy of said email is attached hereto as an exhibit labeled as pages "REF: 0001" through "REF: 0004".)

c) On or about August 23, 2001, Defendant, attorney Paul Weil, emailed Steve Krekeler of Defendant, Marshall & Stevens Incorporated, a communication wherein said attorney dictates reduction of values to the appraisal firm. (A copy of said email is attached hereto as an exhibit labeled as pages "REF: 0005" through "REF: 0008".)

d) On or about August 23, 2001, Defendant, attorney Paul Weil, emailed Steve Krekeler of Defendant, Marshall & Stevens Incorporated, a communication wherein said attorney suggests inappropriate reduction of values to the appraisal firm by way of said

attorney's accountant's notes. (A copy of said email is attached hereto as an exhibit labeled as pages "REF: 00015" through "REF: 00017".)

e) On or about August 23, 2001, Defendant, attorney Paul Weil, emailed Steve Krekeler of Defendant, Marshall & Stevens Incorporated, a communication wherein said attorney dictates reduction of values to the appraisal firm. (A copy of said email is attached hereto as an exhibit labeled as pages "REF: 0018" through "REF: 0020".)

f) On or about September 12, 2001, Defendant, attorney Paul Weil, emailed Steve Krekeler hypothetical information regarding the Mississippi River Bridge project. (A copy of said email is attached hereto as an exhibit labeled "REF: 0033" through "REF: 0034".)

g) On or about September 7, 2001, Paul Weil emailed Steve Krekeler hypothetical information about bridge project to influence value reduction. (A copy of said email is attached hereto as an exhibit labeled "REF: 0035" through "REF: 0036").

h) On or about September 7, 2001, Paul Weil emailed Steve Krekeler hypothetical information about environmental hazards to influence value reduction. (A copy of said email is attached hereto as an exhibit labeled "REF: 0038").

i) On or about September 4, 2001, Steve Krekeler faxed David Hogan outlines showing how both the Report and Model could be changed per the information provided by Weil and the Hogan Brothers. (A copy of said fax is attached hereto as an exhibit and labeled "REF: 0485 through "REF: 492").

j) On or about September 15, 2001, Paul Weil emailed Steve Krekeler information regarding real estate values. (A copy of said email is attached hereto as an exhibit labeled

“REF: 0497”).

Upon information and belief the plaintiff alleges that the defendants, in violation of **18 U.S.C. § 1957**, did in fact engage in monetary transactions in criminally derived property in excess of \$10,000.00, by dispersing funds from the Estate of Carl G. Hogan, Sr., to certain legatees knowing that said funds were be illegally acquired. Said transactions began soon after the death of Carl G. Hogan, Sr., and continue to the date hereof.

As a result of aforesaid conspiracy to commit unlawful acts and the unlawful acts committed by defendants, plaintiff has been damaged in his business and property.

IV. PRAYER FOR RELIEF

WHEREFORE, the plaintiff, as against the defendants, BRYAN CAVE LLP, PAUL WEIL, MARSHALL & STEVENS, INC., CARL G. HOGAN, JR., BRIAN J. HOGAN, and DAVID HOGAN, respectfully requests this Court to:

A. Grant a permanent injunction enjoining defendants, their officers, successors, assigns, and all persons in active concert or participation with them, from engaging in any unlawful activity which is the basis of this action.

B. Order defendants to make whole plaintiff by paying his loss of income and pre-judgment interest, in amounts to be determined at trial, and other affirmative relief necessary to eradicate the effects of the unlawful racketeering activity.

C. Order defendants to make whole the plaintiff by providing compensation for past and future pecuniary losses from the unlawful racketeering activities described herein.

D. Order defendants to make whole the plaintiff by providing compensation for past and future nonpecuniary losses resulting from the unlawful activities described herein, in an amount

to be determined at trial.

E. Order defendants to pay the plaintiff triple damages as allowed by law.

F. Order defendants to pay the plaintiff punitive damages for their malicious and/or reckless conduct, in an amount to be determined at trial.

G. Grant such further and relief as the Court deems necessary and proper.

PLAINTIFF REQUESTS A TRIAL BY JURY.

COUNT II

_____TORTIOUS INTERFERENCE WITH CONTRACT

The Plaintiff, Keith McFarland, by and through his attorney, Daniel F. Goggin, for his complaint herein, alleges as follows:

_____NATURE OF ACTION

This action is also based on the common law of Illinois for tortious interference with the contractual rights of the plaintiff.

I. JURISDICTION AND VENUE

Jurisdiction is invoked pursuant to **28 U.S.C. § 1367**. This action is predicated on the common law of Illinois and supplemental jurisdiction is necessary.

II. PARTIES

Plaintiff, Keith McFarland, by and through his attorney Daniel F.Goggin, realleges and incorporates by reference in this Count the allegations contained in Section II of Count I of this Complaint, as if fully set forth herein.

III. STATEMENT OF CLAIM

Plaintiff, Keith McFarland, by and through his attorney Daniel F.Goggin, realleges and

incorporates by reference in this Count the allegations contained in Count I of Section III of this Complaint, as if fully set forth herein.

At the time the conspiracy alleged herein was formulated the plaintiff had a contractual right of employment with the defendant, MARSHALL & STEVENS, INC.

The plaintiff had a reasonable expectation that his contractual right of employment with Marshall & Stevens, Inc., would continue.

The defendants, BRYAN CAVE, LLP, PAUL WEIL, CARL G. HOGAN, JR., BRIAN J. HOGAN and DAVID HOGAN (CAVE AND HOGAN herein), knew or should have known of the plaintiff's contractual right of employment with Marshall & Stevens, Inc.

CAVE and HOGAN tortiously interfered with the plaintiff's contract of employment with Marshall & Stevens, Inc., by convincing Marshall & Stevens, Inc., to alter the plaintiffs' job duties and ultimately terminating his employment.

CAVE and HOGAN effectuated the termination of plaintiff's employment with Marshall & Stevens, Inc., for their own benefit and profit as alleged herein in that with the plaintiff's departure it would be more likely that CAVE and HOGAN would succeed in defrauding the United States in tax fraud.

MARSHALL & STEVENS, INC., acquiesced in CAVE and HOGAN's influence over it with respect to the plaintiff's termination, despite the fiduciary duty it had to deal with the plaintiff in good faith.

MARSHALL & STEVENS, INC., otherwise converted its fiduciary duty owed to the plaintiff to its own benefit.

All of the defendants received a benefit from the tortious interference with the plaintiff's

employment right by sharing in the illegal revenue made possible by the plaintiff's termination.

The unlawful acts complained of above were committed willfully, intentionally and with callous and reckless disregard to the rights of plaintiffs.

IV. PRAYER FOR RELIEF

WHEREFORE, the plaintiff, as against the defendants, BRYAN CAVE LLP, PAUL WEIL, MARSHALL & STEVENS, INC., CARL G. HOGAN, JR., BRIAN J. HOGAN, and DAVID HOGAN, respectfully requests this Court to:

A. Grant a permanent injunction enjoining defendants, their officers, successors, assigns, and all persons in active concert or participation with them, from engaging in any unlawful activity which is the basis of this action.

B. Order defendants to make whole plaintiff by paying his loss of income and pre-judgment interest, in amounts to be determined at trial, and other affirmative relief necessary to eradicate the effects of the tortious interference with the plaintiff's employment right.

C. Order defendants to make whole the plaintiff by providing compensation for past and future pecuniary losses from the wrongful activities described herein.

D. Order defendants to make whole the plaintiff by providing compensation for past and future nonpecuniary losses resulting from the unlawful activities described herein, in an amount to be determined at trial.

E. Order defendants to pay the plaintiff punitive damages for their malicious and/or reckless conduct as allowed by law, in an amount to be determined at trial.

F. Grant such further and relief as the Court deems necessary and proper.

PLAINTIFF REQUESTS A TRIAL BY JURY.

COUNT III

SLANDER OF CHARACTER

The Plaintiff, Keith McFarland, by and through his attorney, Daniel F. Goggin, for his complaint herein, alleges as follows:

NATURE OF ACTION

This action is based on the common law of Illinois for slander of character.

I. JURISDICTION AND VENUE

Jurisdiction is also invoked pursuant to **28 U.S.C. § 1367**. This action is predicated on the common law of Illinois and supplemental jurisdiction is necessary.

II. PARTIES

Plaintiff, Keith McFarland is an individual citizen and protected by the laws of the United States.

At all relevant times the defendant, Bryan Cave LLP, has continuously been and is now a limited liability partnership doing business in the Southern District of Illinois

At all relevant times the defendant, Paul Weil, was an individual citizen acting as a fiduciary for the Estate of Carl G. Hogan, Sr, and as agent for the defendant, Bryan Cave LLP.

At all relevant times the defendant, Carl G. Hogan, Jr., was an individual citizen acting as a fiduciary for the Estate of Carl G. Hogan, Sr.

At all relevant times the defendant, Brian J. Hogan, was an individual citizen acting as a fiduciary for the Estate of Carl G. Hogan, Sr.

At all relevant times the defendant, David Hogan, was an individual citizen acting as a fiduciary for the Estate of Carl G. Hogan, Sr.

III. STATEMENT OF CLAIM

Around or about June of 2001, Plaintiff, Keith McFarland, under the employ of Marshall & Stevens Incorporated (M & S herein) undertook an agreement with M & S whereby Plaintiff agreed to perform certain appraisal work and professional services for M & S.

M & S had been retained by the defendants, BRYAN CAVE LLP, PAUL WEIL, CARL G. HOGAN, JR., BRIAN J. HOGAN and DAVID HOGAN, to perform appraisals of assets belonging to the Estate of Carl G. Hogan, Sr.

Plaintiff, pursuant to said agreement and retention by the defendants, did perform said appraisal work and professional services, all of which was reasonable and complied with industry standards.

Despite the quality work and professionalism Plaintiff performed for the defendants, the defendants, through Paul Weil, repeatedly made communications to other parties that Plaintiff did not and cannot perform quality work.

Defendants have made such slanderous statements with malice and intent to injure Plaintiff's business and property.

Plaintiff has and will be damaged by Defendants' slanderous statements.

Plaintiff has had to retain an attorney to bring this action against Defendants for their slanderous conduct and Defendants should pay for such attorney.

IV. PRAYER FOR RELIEF

WHEREFORE, the plaintiff, as against the defendants, BRYAN CAVE LLP, PAUL WEIL, CARL G. HOGAN, JR., BRIAN J. HOGAN, and DAVID HOGAN, respectfully requests this Court to:

A. Grant a permanent injunction enjoining defendants, their officers, successors, assigns, and all persons in active concert or participation with them, from engaging in any unlawful activity which is the basis of this action.

B. Order defendants to make whole the plaintiff by paying his loss of income and pre-judgment interest, in amounts to be determined at trial, and other affirmative relief necessary to eradicate the effects of the slanderous conduct by the defendants.

C. Order defendants to make whole the plaintiff by providing compensation for past and future pecuniary losses from the wrongful activities described herein.

D. Order defendants to make whole the plaintiff by providing compensation for past and future nonpecuniary losses resulting from the unlawful activities described herein, in an amount to be determined at trial.

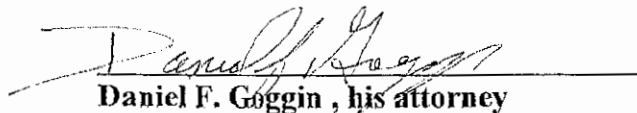
E. Order defendants to pay the plaintiff punitive damages for their malicious and/or reckless conduct as allowed by law, in an amount to be determined at trial.

F. Grant such further and relief as the Court deems necessary and proper.

PLAINTIFF REQUESTS A TRIAL BY JURY.

Respectfully submitted,

KEITH MCFARLAND



Daniel F. Goggin, his attorney
Attorney at Law
P.O. Box 157, 204 W. Oak
Greenville, Illinois 62246
(618) 664-1399
Attorney # 06210814

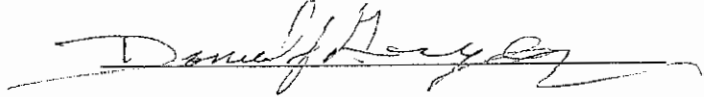
CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the foregoing instrument was served upon the following:

Russell Scott
Emily Singley
Attorneys at Law
12 Wolf Creek, Suite 100
Belleville, IL 62226

Robert Schultz, Jr.
Raymond Rose
103 W. Vandalia St., Suite 100
Edwardsville, IL 62025

by enclosing the same in an envelope addressed to such attorneys and by depositing said envelope in a U.S. Post Office box at Greenville, Illinois, on December 29, 2003.

A handwritten signature in cursive script, appearing to read "Daniel J. Heryan", written over a horizontal line.

Subj: Hogan Trucking
Date: 9/21/01 8:22:44 PM Central Daylight Time
From: Antman145@aol.com
To: Stkreker@aol.com
CC: kmcfarla@marshall-stevens.com
File: Hoganrevant1.doc (247808 bytes) DL Time (TCP/IP): < 1 minute

Steve:

Attached is the report which contains the changes you noted by the attorney. I have made a couple of additions which are needed in yellow. Deleting the unusual considerations from the letter of transmittal is technically a violation of ethics and USPAP; however, I think we have presented them within the report so as not to hide them from the reader.

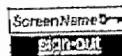
In response to my signing the report, *the attorney has a problem*. He is asking me to commit a crime which under most state licensing requirements is a felony. Thus, I will not be signing the report. If he wants me to sign, I will have to inspect the property, all the comps, etc. The fee for this at my rate of \$250 per hour will be about \$5,000 plus expenses. Keith did the appraisal and as the licensed appraiser in that jurisdiction needs to sign the report. I can sign as the reviewer. It is bad enough that the attorney has introduced hypothetical considerations into the report, now he wants to dictate who signs. If he has a problem with this, have him call me. My cell phone number is 215-280-6996.

Hopefully this will put an end to this since I have spent about a full day on it already.

Merle

----- Headers -----

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for <kmcfarla@marshall-stevens.com>; Fri, 21 Sep 2001 21:21:53 -0400 (EDT)
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Received: from Antman145@aol.com
by imo-d06.mx.aol.com (mail_out_v31_r1.7.) id u.d8.c4e3370 (8233);
Fri, 21 Sep 2001 21:21:11 -0400 (EDT)
Message-ID: <d8.c4e3370.28dd4186@aol.com>
Date: Fri, 21 Sep 2001 21:21:10 EDT
Subject: Hogan Trucking
To: Stkreker@aol.com
CC: kmcfarla@marshall-stevens.com
MIME-Version: 1.0
Content-Type: multipart/mixed; boundary="part1_d8.c4e3370.28dd4186_boundary"
X-Mailer: AOL 6.0 for Windows US sub 10535



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Subj: Hogan Built-in Gains Memo

Date: Tue, 21 Aug 2001 12:08:09 PM Eastern Daylight Time

From: "Weil, Paul" <ppweil@BryanCave.com>

To: "Steve Krekeler (E-mail)" <SKrekele@Marshall-Stevens.com>

CC: "Schaperkotter, John" <jdschaperkotter@BryanCave.com>

ss_g01!.DOC (19456 bytes)

8/21/01 11:05 AM

Steve,

Here is an electronic copy of the built-in gains memo.. I will bring hard copies of the cited cases for your files, together with the other materials I have assembled, when we meet this afternoon.

I think we will be looking for in your next draft, at a minimum:

(a) a 20% (combined fed/state) discount component for this factor alone, which clearly leaves you a 20%, or more, margin (24% + 2% (tax effected [39%x 6%]), in addition to,

(b) the discounts for lack of merger, sale or liquidation control (66 2/3% required) ("Extraordinary Events");

(c) a discount for the condition of the trucking industry generally (100,000 used trucks in the market place at D/D, or a 3 year supply, as evidenced by the FED Beige Book dated 1/17/01, the Business Journal Article and the other materials I will deliver to you;

(d) an EBITDA multiple of not in excess of 4 (rather than 5) before discounting for the generally declining business climate at D/D, as also evidenced by the Beige Book and the other materials you either have or we will have delivered to you. You will recall from our last meeting that the comparables EBITDA of 5 does not reflect the lower carrying cost of a Penske/GE Capital, Ryder or UHaul who use the market place to raise capital. That factor alone should discount the comparables EBITDA by 20%, or more, since HML's cost of funds is 40% or more of the comparable's cost of funds.

In short, your last draft may have overstated the value of HML by at least 30% or more.

In addition, the lack of control discount must be raised from 5% (which only reflects the expense of disposition) to reflect (b) above to effect the real lack of control for everything except day to day operations, or "management" as distinguished from "ownership" control of Extraordinary Events. As you know, the courts have accorded not less than a 20% discount for that factor alone. I will be delivering as part of your package, an explanation from current legal text of the voting percentages required for extraordinary

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REF: 0001

http://aolmail.aol.com/mail.do?id=160

Sep.App.
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Subj: C&M Services
Date: Wed, 5 Sep 2001 4:16:01 PM Eastern Daylight Time
From: "Weil, Paul" <ppweil@BryanCave.com>
To: "Steve Krekeler (E-mail)" <SKrekele@Marshall-
CC: "Schaperkotter, John" <jdschaperkotter@BryanCave.com>

sm702!.XLS (26624)

9/5/01 3:10 PM

Steve,

To confirm our conversations of today:

- (1) M & S will provide written, notarized certification of destruction of prior appraisal drafts.
- (2) Attached please find my spreadsheet re C & M Services.
- (3) We will meet in our offices tomorrow, 9/6/01 from 2:30 PM to 5:30 to discuss C&M and HML.
- (4) We will meet in in our offices Friday, 9/7/01 from 9:30 PM to 5:30 to discuss Real Est, and remaining issues.

Paul

<<sm702!.XLS>>

-----Headers-----

Return-Path: <ppweil@BryanCave.com>

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Received: from sun00876.dn.net (www01.dynamicnet.net [209.207.141.64]) by rly-yd04.mx.aol.com (v80.17) with ESMTTP id MAILRELAY1NYD42-0905161531; Wed, 05 Sep 2001 16:15:31 -0400

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Forw



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Boo

TO: Weil, Paul
Subject: Revised TTM amounts

Paul,

I asked Geri Zinn, the Director of Accounting for Hogan Motor Leasing, Inc., to review the amounts for the trailing-twelve-month ("TTM") income that was provided to Marshall & Stevens for use in their valuation report. She has done this and has determined that the TTM amount is overstated approximately \$300,000. Geri is going to call Steve at Marshall & Stevens.

Additionally, I have attached a calculation of the estimated adjustment to the deferred tax liability shown on the balance sheet at December 31, 2000, as we discussed.

Lou
Louis W. Fields
Conner Ash P.C.
(314)205-2510
Fax (314)205-2505

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<<deferred tax adjust.xls>> <<Mime.822>>

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Received: from 10.1.1.24 by mail.bryancave.com (InterScan E-Mail VirusWall NT); Thu, 23 Aug 2001 11:29:58 -0500 (Central Daylight Time)
Received: from sl02ims.Bryancavellp.com by [10.2.1.2] via smtpd (for [10.2.3.5]) with SMTP; 23 Aug 2001 16:27:08 UT
Received: by sl02ims.Bryancavellp.com with Internet Mail Service (5.5.2653.19) id <P2KKM4G5>; Thu, 23 Aug 2001 11:32:49 -0500
Message-ID: <A9F1DA7F6A29D511B8F00002A53747B8202503@sl02exch.Bryancavellp.com>
From: "Weil, Paul" <ppweil@BryanCave.com>
To: "Steve Krekeler (E-mail)" <SKrekele@Marshall-Stevens.com>
Cc: "Schaperkotter, John" <jdschaperkotter@BryanCave.com>
Subject: HML Revised TTM amounts and Deferred Tax Liab
Date: Thu, 23 Aug 2001 11:32:45 -0500
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HOGAN MOTOR LEASING, INC.
ESTIMATED ADJUSTMENT TO THE
DEFERRED INCOME TAX LIABILITY
JANUARY 14, 2001

	Per Books	Adjustment	Estimated Revised Amount
Deferred tax assets:			
Net operating loss	\$ 6,442,309	\$ (6,000,000) (1)	\$ 442,309
Other	389,344		389,344
	<u>6,831,653</u>	<u>(6,000,000)</u>	<u>831,653</u>
Deferred tax liability:			
Difference between the net book value of equipment on a federal income tax basis and the appraised value.	17,595,809	1,687,764	19,283,573 (2)
Other	204,094		204,094
	<u>17,799,903</u>	<u>1,687,764</u>	<u>19,487,667</u>
Net deferred tax liability	<u>\$ 10,968,250</u>	<u>\$ 7,687,764</u>	<u>\$ 18,656,014</u>

Notes:

- (1) - Benefit would be reduced because of the change in ownership rules (assuming an unrelated buyer) that would significantly limit the ability to utilize these net operating loss carryover rules (estimate).
- (2) - Estimated built-in-gain amount as per previous calculation

REF: 0004


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Subj: Market Value Approach Spreadsheet and Notes
 Date: Thu, 23 Aug 2001 6:08:17 PM Eastern Daylight Time
 From: "Weil, Paul" <ppweil@BryanCave.com>
 To: "Steve Krekeler (E-mail)" <SKrekele@Marshall-Stevens.com>
 CC: "Schaperkotter, John" <jdschaperkotter@BryanCave.com>

☐ [sfb03!.XLS](#) (27136 bytes)

8/23/01 5:00 PM

Steve,

I have attached an Excel spreadsheet (written in version 95) which displays my calculations of value using your method, but with discounts for size, as well as, limited customer base and lack of merger/sale control.

Please note the following:

(1) Unless you can point out errors of omission in the construction of the spreadsheet, the subject company has a substantial negative, rather than positive value. Should you be unable to point out those errors/omissions, the issuance of another draft appraisal report which reaches a different conclusion could have substantial consequences. We, of course, look forward to your perusal of the attached and your instruction of our use of your method in a manner different than the spreadsheet displays.

(2) Please read the notes at the bottom of the spreadsheet first in order to understand both the points noted for the record and previously mentioned in meetings among you, the client, and their professional advisors and the method of spreadsheet construction and purpose.

(3) Columns D and E indicate a substantial negative, rather than positive, company value because they reflect, as we have previously discussed, several "off balance sheet" items. Your analysis method and any buyer/investor should and would make similar observations.

(4) Columns G and H reflect those reductions to the discounts to the EBITDA multiple necessary to produce any value.

(5) You have received by email other spreadsheets from Lou Fields of Conner Ash and from me which:

(a) compute built in gain and a legal memo from us which supports its deduction from value. Our spreadsheet reflects the deduction of its entire value, but note that if the that value were converted for presentation purposes into an EBITDA discount that discount would fall squarely in the middle of the range outlined in our memo, after added state taxes, namely 20-22% out of a range of 9-27%;

(b) compute the downward adjustments necessary to the

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REF: 0005

deferred tax assets displayed on the balance sheet for deferred tax liability arising out of the loss of net operating loss carrybacks which are currently booked (\$6,000,000);

(c) display the upward adjustments necessary to deferred tax liabilities (\$1.7 million) for built in gain. Your balance sheet computation and your income computations appear not to have been in sync.

(c) trailing 12 month income overstatement of \$300,000.

(6) Positive working capital (\$4,980,000 in your 7/23/01 draft) should be the subject of further discussion, since we believe its use cannot be substantiated at any level in this instance.

I will be out of town tomorrow and back in the office on Monday AM. I will plan to call you then to discuss this email and the attached.

Paul

<<sfbd03!.XLS>>

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 From: "Weil, Paul" <ppweil@BryanCave.com>
 To: "Steve Krekeler (E-mail)" <SKrekele@Marshall-Stevens.com>
 Cc: "Schaperkotter, John" <jdschaperkotter@BryanCave.com>
 Subject: Market Value Approach Spreadsheet and Notes
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Hogan.MLValue1	Last Arch: 23 Aug 01 4:03 PM			23-Aug-01	11:52 PM	1326217 v3	
See SHEET 2 for Trend Line Analysis							
SHEET 1: Hogan Motor Leasing Revised Appraisal Values							
	23-Jul-01						
	Draft						
	C	D	E	F	G	H	/2
		Cum Method	Agg Method		Cum Method	Agg Method	
Market Multiple	5.0	5.0			5.0		
Less discounts for							
Size	20%	10.00%	4.50		8.70%	4.57	
Built in Gain	0%	0.00%	4.50 /3		0.00%	4.57	
Limited Customer base	0%	10.00%	4.05		8.00%	4.20	
Lack of merger/sale control	0%	10.00%	3.65		8.00%	3.86	
Expense of Asset Disposition	0%	1.00%	3.61		1.00%	3.83	
Total Discounts	20%	21.00%			25.70%		
Net EBITDA Multiple	4.00	3.45	3.61		3.72	3.83	
Adjusted pre-tax cash flow (EBITDA)	26,126,000	26,126,000	26,126,000		26,126,000	26,126,000	
	104,504,000	90,134,700	94,276,977		97,068,090	99,936,596	
Less adjustment for Market Approach	6,504,000						
	98,000,000						
Gross Value Non Operating Assets	14,956,000	14,956,000	14,956,000 /4		14,956,000	14,956,000	
Death Benefit Receivable		0	0		0	0	
Investment Securities		0	0		0	0	
Hogan Racing Note Receivable		-2,990,000	-2,990,000 /5		-2,990,000	-2,990,000	
Other Related Party Notes receivable		-1,735,000	-1,735,000 /6		-1,735,000	-1,735,000	
Investments in untraded securities							
Fleet Wash Inc		-90,000	-90,000 /7		-90,000	-90,000	
LLC		-26,000	-26,000 /8		-26,000	-26,000	
Ameriquest		-10,000	-10,000 /9		-10,000	-10,000	
Excess working capital		-4,980,000	-4,980,000 /10		-4,980,000	-4,980,000	
Plus Net Value Non Operating Assets		5,125,000	5,125,000		5,125,000	5,125,000	
Total Operating Capital	112,956,000	95,259,700	99,401,977		102,183,090	105,061,596	
Less:							
Fed/ State Tax on Built-in Gain		-19,283,573	-19,283,573 /11		-19,283,573	-19,283,573	
Long Term Debt	-85,756,000	-85,756,000	-85,756,000		-85,756,000	-85,756,000	
Net EBITDA Multiple Market Value	27,200,000	-8,779,873	-5,637,595		-2,856,483	22,023	
Notes:							
/1 Columns G and H replicate Columns D and E, except they reflect the discounts to the EBITDA multiple necessary to produce any taxable value.							
/2 Columns E and H display the difference between use of the successive vs the cumulative method of discount application. Both are court approved.							
/3 Built in gain discount is 20+% of product of any EBITDA multiple and adjusted pre-tax cash flow, but is stated here as a whole # vs a discount.							
/4 7/23/01 Appraisal Draft failed to recognize facts noted in Items 5-10 which reduce value of "non operating assets."							
/5 Hogan Racing note under any scenario has a value of zero in the hands of HML, as has already been evidenced to you.							
/6 The interest rate on these notes is 6.5% or at best 50% of a market rate. According, the notes have been discounted by 50%.							
/7 There is no ready market for or method of liquidating the Fleet Wash investment. Its value is therefore zero for practical purposes.							
/8 There is no ready market for or method of liquidating this LLC investment and therefore its value is zero for practical purposes.							
/9 The Ameriquest investment has been discounted by 10% or \$10,000.							
/10 We directly challenge the existence of any excess working capital. This business has none! We would caution against continued use of this item.							
/11 See note #3 above. This amount has been calculated by Conner Ash and you have been supplied with the calculation and a legal memo.							

HoganMLValue1

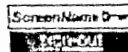
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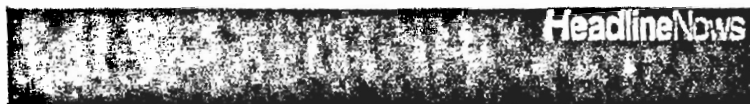
23-Aug-01 11:52 PM 1326217 v 1

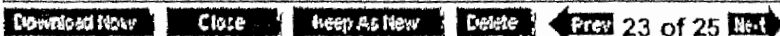
Trend Line Analysis

FYE	Total Assets	Standard Deviation	Growth		Equity	projected equity as % of total asset: Growth	
7/31/05	174,392,657	20,235,348	4.83%		17,254,622	9.89%	2.22%
7/31/04	166,354,939	17,518,274	5.96%		16,879,929	10.15%	2.38%
7/31/03	156,992,870	15,767,696	10.10%		16,486,942	10.50%	2.56%
7/31/02	142,588,190	24,004,706	10.06%		16,075,475	11.27%	2.75%
7/31/01	129,553,306	22,051,966	11.48%		15,645,452	12.08%	2.85%
12/31/00	116,207,794	21,883,881	-0.36%	-0.15%	15,196,920	13.08%	3.17%
7/31/00	116,631,038	16,742,364	15.85%	95.13%	14,730,072	12.63%	5.59%
7/31/99	100,670,134	7,926,058	27.51%	18.34%	13,949,893		16.78% 0.068749
7/31/98	78,949,135		16.55%	16.55%	11,945,020		15.47%
7/31/97	67,739,996				10,344,501		


REF: 0008





Subj: HML Revised TTM amounts and Deferred Tax Liab
 Date: Thu, 23 Aug 2001 12:31:52 PM Eastern Daylight Time
 From: "Weil, Paul" <ppweil@BryanCave.com>
 To: "Steve Krekeler (E-mail)" <SKrekele@Marshall-Stevens.com>
 CC: "Schaperkotter, John" <jdschaperkotter@BryanCave.com>

 deferredtaxadjust.zip (9085 bytes)

8/23/01 11:30 AM

Steve,

Here are Lou's note to me re: (1) Revised TTM amounts and (2) revised Fed Tax Liability comp which assumes, as you must, the loss of substantially all the NOL currently carried on the books as a deferred asset, for insert into your computations.

Also, and in addition, this will serve as a "heads up" that my first cut at the discounts to EBITDA multiple, which would include the following

Size	
10%	Built in Gain 18%
	Limited Customer base 10%
	Lack of merger/sale control 10%
	Expense of Asset Disposition 1%

at very conservative percentages as a group produce a net EBITDA multiple of 2.55. Even if any one of the discounts is off by a point or two, the built in gain discount is way too conservative and would take up any slack, and then some. I have not yet made the successive (vs aggregate) discount computation, but will do so today. (I think the courts would approve any discount in this range, plus 5%).

Now that I have had more time to think about and study your computation, I am convinced that any EBITDA multiple above 3 is grossly in error. No buyer would pay that amount, essentially because there are, as you have now recognized, a significant number of off balance sheet "liabilities." In fact, were I counseling a buyer, I'm not sure I would pay very much for this company (since some of my computations show a negative value).

I will be out of town tomorrow, but will call you on Monday to see what progress has been made.

Paul

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-----Original Message-----

From: "Louis Fields" <lfields@connerash.com> REF: 0015
 Sent: Wednesday, August 22, 2001 5:29 PM

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 Page 34

veil, Paul
Subject: Revised TTM amounts

ed Geri Zinn, the Director of Accounting for Hogan Motor Leasing, Inc.,
view the amounts for the trailing-twelve-month ("TTM") income that was
ded to Marshall & Stevens for use in their valuation report. She has
this and has determined that the TTM amount is overstated approximately
.000. Geri is going to call Steve at Marshall & Stevens.

tionally, I have attached a calculation of the estimated adjustment to
ferred tax liability shown on the balance sheet at December 31, 2000,
e discussed.

s W. Fields
er Ash P.C.
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(314)205-2505

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Deferred tax adjust.xls>> <<Mime.822>>

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[172.31.33.2]) by air-zc05.mail.aol.com (v80.17) with ESMTTP id
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(EDT)
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VirusWall NT); Thu, 23 Aug 2001 11:29:58 -0500 (Central Daylight Time)
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[10.2.3.5]) with SMTP; 23 Aug 2001 16:27:08 UT
eived: by sl02ims.Bryancavellp.com with Internet Mail Service
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essage-ID:
<A9F1DA7F6A29D511B8F00002A53747B8202503@sl02exch.BryanCavellp.com>
om: "Weil, Paul" <ppweil@BryanCave.com>
o: "Steve Krekeler (E-mail)" <SKrekele@Marshall-Stevens.com>
c: "Schaperkotter, John" <jdschaperkotter@BryanCave.com>
ubject: HML Revised TTM amounts and Deferred Tax Liab
ate: Thu, 23 Aug 2001 11:32:45 -0500
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-Mailer: Internet Mail Service (5.5.2653.19)
Content-Type: multipart/mixed;
boundary="-----_NextPart_000_01C12BF1.3D533320"

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OGAN MOTOR LEASING, INC.
 ESTIMATED ADJUSTMENT TO THE
 DEFERRED INCOME TAX LIABILITY
 JANUARY 14, 2001

	Per Books	Adjustment	Estimated Revised Amount
Deferred tax assets:			
Net operating loss	\$ 6,442,309	\$ (6,000,000) (1)	\$ 442,309
Other	389,344		389,344
	<u>6,831,653</u>	<u>(6,000,000)</u>	<u>831,653</u>
Deferred tax liability:			
Difference between the net book value of equipment on a federal income tax basis and the appraised value.	17,595,809	1,687,764	19,283,573 (2)
Other	204,094		204,094
	<u>17,799,903</u>	<u>1,687,764</u>	<u>19,487,667</u>
Net deferred tax liability	<u>\$ 10,968,250</u>	<u>\$ 7,687,764</u>	<u>\$ 18,656,014</u>

- Notes:
- (1) - Benefit would be reduced because of the change in ownership rules (assuming an unrelated buyer) that would significantly limit the ability to utilize these net operating loss carryover rules (estimate).
 - (2) - Estimated built-in-gain amount as per previous calculation



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24 of 25

Subj: Market Value Approach Spreadsheet and Notes
Date: Thu, 23 Aug 2001 6:08:17 PM Eastern Daylight Time
From: "Weil, Paul" <ppweil@BryanCave.com>
To: "Steve Krekeler (E-mail)" <SKrekele@Marshall-Stevens.com>
CC: "Schaperkotter, John" <jdschaperkotter@BryanCave.com>

B sfb03!.XLS (27136 bytes)

8/23/01 5:00 PM

Steve,

I have attached an Excel spreadsheet (written in version 95) which displays my calculations of value using your method, but with discounts for size, as well as, limited customer base and lack of merger/sale control.

Please note the following:

(1) Unless you can point out errors of omission in the construction of the spreadsheet, the subject company has a substantial negative, rather than positive value. Should you be unable to point out those errors/omissions, the issuance of another draft appraisal report which reaches a different conclusion could have substantial consequences. We, of course, look forward to your perusal of the attached and your instruction of our use of your method in a manner different than the spreadsheet displays.

(2) Please read the notes at the bottom of the spreadsheet first in order to understand both the points noted for the record and previously mentioned in meetings among you, the client, and their professional advisors and the method of spreadsheet construction and purpose.

(3) Columns D and E indicate a substantial negative, rather than positive, company value because they reflect, as we have previously discussed, several "off balance sheet" items. Your analysis method and any buyer/investor should and would make similar observations.

(4) Columns G and H reflect those reductions to the discounts to the EBITDA multiple necessary to produce any value.

(5) You have received by email other spreadsheets from Lou Fields of Conner Ash and from me which:

(a) compute built in gain and a legal memo from us which supports its deduction from value. Our spreadsheet reflects the deduction of its entire value, but note that if the that value were converted for presentation purposes into an EBITDA discount that discount would fall squarely in the middle of the range outlined in our memo, after added state taxes, namely 20-22% out of a range of 9-27%;

(b) compute the downward adjustments necessary to the

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in Repl



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Hogan H/L Value1	Last Arch: 23 Aug 01 4:03 PM	23-Aug-01	11:52 PM	1325217 v 3
See SHEET 2 for Trend Line Analysis				
SHEET 1: Hogan Motor Leasing Revised Appraisal Values				
	23-Jul-01			
	Draft			
	C	D	E	F
		Cum Method	Agg Method	
				G
				/1
				H
				/2
Market Multiple	5.0	5.0		5.0
Less discounts for				
Size	20%	10.00%	4.50	8.70%
Built in Gain	0%	0.00%	4.50 /3	0.00%
Limited Customer base	0%	10.00%	4.05	8.00%
Lack of merger/sale control	0%	10.00%	3.65	8.00%
Expense of Asset Disposition	0%	1.00%	3.61	1.00%
Total Discounts	20%	31.00%		25.70%
Net EBITDA Multiple	4.00	3.45	3.81	3.72
Adjusted pre-tax cash flow (EBITDA)	26,126,000	26,126,000	26,126,000	26,126,000
	104,504,000	90,134,700	94,276,977	97,058,090
Less adjustment for Market Approach	6,504,000			
	98,000,000			
Gross Value Non Operating Assets	14,956,000	14,956,000	14,956,000 /4	14,956,000
Death Benefit Receivable		0	0	0
Investment Securities		0	0	0
Hogan Racing Note Receivable		-2,990,000	-2,990,000 /5	-2,990,000
Other Related Party Notes receivable GET NOTE.DOC.		-1,735,000	-1,735,000 /6	-1,735,000
Investments in untraded securities				
Fleet Wash Inc		-90,000	-90,000 /7	-90,000
LLC		-26,000	-26,000 /8	-26,000
Amquest		-10,000	-10,000 /9	-10,000
Excess working capital		-4,980,000	-4,980,000 /10	-4,980,000
Plus Net Value Non Operating Assets		5,125,000	5,125,000	5,125,000
Total Operating Capital	112,956,000	95,259,700	99,401,977	102,183,090
Less:				
Fed/ State Tax on Built-in Gain		-19,283,573	-19,283,573 /11	-19,283,573
Long Term Debt	-85,756,000	-85,756,000	-85,756,000	-85,756,000
Net EBITDA Multiple Market Value	27,200,000	-9,779,873	-5,637,596	-2,856,483
				22,023
Notes:				
/1 Columns G and H replicate Columns D and E, except they reflect the discounts to the EBITDA multiple necessary to produce any taxable value.				
/2 Columns E and H display the difference between use of the successive vs the cumulative method of discount application. Both are court approved.				
/3 Built in gain discount is 20+% of product of any EBITDA multiple and adjusted pre-tax cash flow, but is stated here as a whole # vs a discount.				
/4 7/23/01 Appraisal Draft failed to recognize facts noted in items 5-10 which reduce value of "non operating assets."				
/5 Hogan Racing note under any scenario has a value of zero in the hands of HML, as has already been evidenced to you.				
/6 The interest rate on these notes is 6.5% or at best 50% of a market rate. Accordingly, the notes have been discounted by 50%.				
/7 There is no ready market for or method of liquidating the Fleet Wash investment. Its value is therefore zero for practical purposes.				
/8 There is no ready market for or method of liquidating this LLC investment and therefore its value is zero for practical purposes.				
/9 The Amquest investment has been discounted by 10% or \$10,000.				
/10 We directly challenge the existence of any excess working capital. This business has none! We would caution against continued use of this item.				
/11 See note #3 above. This amount has been calculated by Conner Ash and you have been supplied with the calculation and a legal memo.				

HoganMLValue1

Last Arch: 7 Aug 01 4:50 PM

23-Aug-01 11:52 PM 1326217 v 1

Trend Line Analysis

FYE	Total Assets	Standard Deviation	Growth		Equity	projected equity as % of total asset: Growth	
7/31/05	174,392,657	20,235,348	4.83%		17,264,622	9.89%	2.22%
7/31/04	166,354,939	17,518,274	5.96%		16,879,929	10.15%	2.38%
7/31/03	156,992,870	15,767,696	10.10%		16,486,942	10.50%	2.56%
7/31/02	142,588,190	24,004,706	10.06%		16,075,475	11.27%	2.75%
7/31/01	129,553,306	22,051,966	11.48%		15,645,452	12.08%	2.95%
12/31/00	116,207,794	21,883,881	-0.36%	-0.15%	15,196,920	13.08%	3.17%
7/31/00	116,631,038	16,742,364	15.85%	95.13%	14,730,072	12.63%	5.59%
7/31/99	100,670,134	7,926,058	27.51%	18.34%	13,949,893		16.78% 0.068749
7/31/98	78,949,135		16.55%	16.55%	11,945,020		15.47%
7/31/97	67,739,996				10,344,501		

STOP PAYING AN ALLOWANCE!

314-242-2284

 **AOL Mail**SM

Keith Henebeka

1 of 5

Subj: Mississippi Bridge Impact on Real Property
Date: Wed, 12 Sep 2001 2:31:16 PM Eastern Daylight Time
From: "Weil, Paul" <ppweil@BryanCave.com>
To: "Steve Krekeler (E-mail)" <SKrekele@Marshall-
CC: "Schaperkotter, John" <jdschaperkotter@BryanCave.com>

☐ Inc
original
in Re



Repl



Reply



Forw



Addre
Boo

9/12/01 1:30 PM

Steve,

To confirm our telephone conversation of this date, I am sending to you by Access Courier this afternoon a package of information for M & S's file relating to the proposed new Mississippi river bridge. I will require, in view of the prior conduct of McFarland, that he state in his appraisal that he has reviewed the material assembled by Hogan and transmitted to you by me on this date.

I specifically call to his attention the following from the information packet forwarded to you today:

(1) Impact on subject property was a matter of public record as early as the Illinois DOT survey in September 1997.

(2) Property owner advised as early as February 7, 2000 that City of St. Louis had assigned one Michael Konroy of St. Louis Development Corporation (the "SLDC") the responsibility of working with the impacted businesses.

(3) Property owner advised by SLDC as early as June 28, 2000 that the property had been assigned "Estimated Partial Business Property Acquisition in Missouri" # M37.

(4) Property owner advised as early as June 28, 2000 in a communication from SLDC that:

"Vacating Thirteenth between Biddle and Carr could yield additional right-of-way for the partial taking at the Hogan Trucking facility; its truck access might be moved to Thirteenth and Biddle or to Cole."

(5) On December 8, 2000 HML communicated to SLDC that:

(A) Truck fuel island oriented for entrance from

west to east from 14th St and that it was not practical to enter from either Carr or Biddle;

(B) Corporate office configuration assumes customer entrance from 14th St.;

(C) 24 hour guard house and its communications would have to be relocated;

(D) Neither Biddle nor Carr are wide enough to support safe operations of large tractor/trailers moving concurrently in both directions;

(E) Northwest corner of H complex now houses two vital functions (which would be the subject of the taking), maintenance management and a training room and would have to be relocated to currently unavailable space.

(6) November 30, 2000 memo from P. Bowen to B. Hogan that timeline forecast on construction commencement in 2004 with property impact in 2005-7 period.

(7) Sketch illustrating property exchange proposed by SLDC and inadequacy of Carr and Biddle as entrances or exits.

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From: "Weil, Paul" <ppweil@BryanCave.com>
To: "Steve Krekeler (E-mail)" <SKrekele@Marshall-Stevens.com>
Cc: "Schaperkotter, John" <jdschaperkotter@BryanCave.com>
Subject: Mississippi Bridge Impact on Real Property
Date: Wed, 12 Sep 2001 13:28:31 -0500
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Subj: New Mississippi River Bridge

Date: Fri, 7 Sep 2001 4:51:40 PM Eastern Daylight Time

From: "Weil, Paul" <ppweil@BryanCave.com>

To: "Steve Krekeler (E-mail)" <SKrekele@Marshall-

CC: "Schaperkotter, John" <jdschaperkotter@BryanCave.com>

9/7/01 3:42 PM

Steve,

Here is the URL for the new bridge. Perhaps you explain what an "URL" is to and could show K. M. McFarland how to use one:

http://www.newriverbridge.org/la6_interchange.htm

That the URL exists is a fact. That there is information at that location on the WEB is a fact. That McFarland had not accessed it before he wrote his appraisal draft is a fact. That he questioned the the existence of whole subject is a fact. All of these facts have by this email be noted in our records.

I would hope that his next draft takes due note of the facts displayed in the material being faxed to you, the material located at the above site, and the material which our library staff is further collecting and which will be delivered to you for your files either today or Monday.

I am faxing harding copy of this and other sites for your files.

Paul

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Return-Path: <ppweil@BryanCave.com>

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Received: from 10.1.1.24 by mail.bryancave.com (InterScan E-Mail
VirusWall NT); Fri, 07 Sep 2001 15:50:25 -0500 (Central Daylight Time)

Received: from sl02ims.Bryancavellp.com by [10.2.1.2] via smtpd (for
[10.2.3.5]) with SMTP; 7 Sep 2001 20:47:38 UT

Received: by sl02ims.bryancavellp.com with Internet Mail Service
(5.5.2653.19) id <SLBBNLFS>; Fri, 7 Sep 2001 15:54:27 -0500

Message-ID:

<A9F1DA7F6A29D511B8F00002A53747B8F34804@s102exch.BryanCavellp.com>

From: "Weil, Paul" <ppweil@BryanCave.com>

To: "Steve Krekeler (E-mail)" <SKrekele@Marshall-Stevens.com>

Cc: "Schaperkotter, John" <jdschaperkotter@BryanCave.com>

Subject: New Mississippi River Bridge

Date: Fri, 7 Sep 2001 15:54:27 -0500

MIME-Version: 1.0

X-Mailer: Internet Mail Service (5.5.2653.19)

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Project Overview - Maps

[Project Maps](#)

[Project Time Line](#)

[Project Team](#)

The new bridge is one part of a major transportation improvement program to provide additional capacity and keep traffic moving.

Click on tabs to see project segment details.

Relocation of
Illinois 3

Relocation of I-70
(three projects)

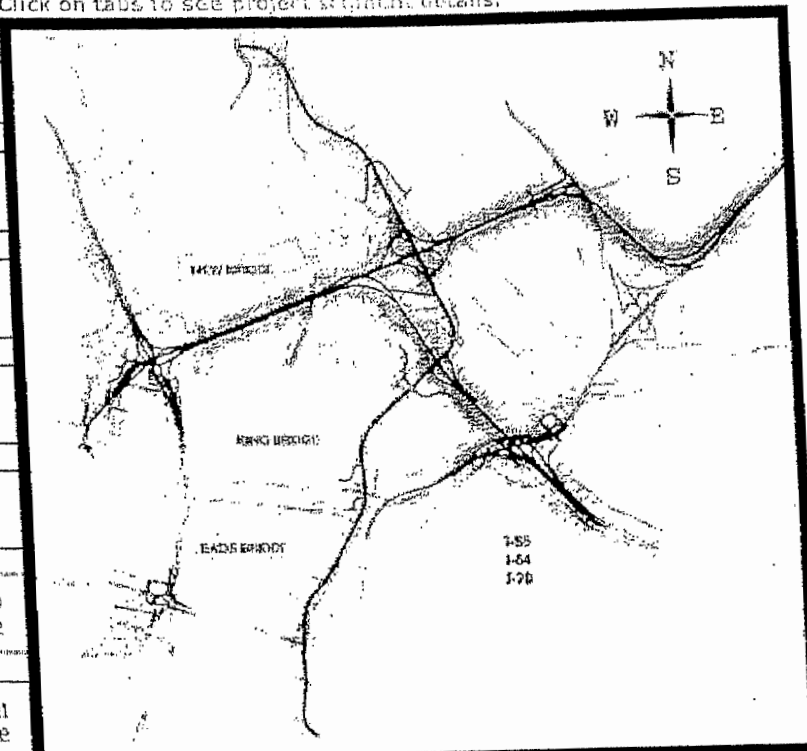
I-64 Connector
to I-70


Reconstruction of
Interchange

New Mississippi
River Bridge

New I-70 MO
Interchange

Reconstruction at
Poplar St. Bridge



 Illinois Department of Transportation



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When printing pages from this web site, set your printer to horizontal or "landscape" printing.

9/7/01 2:15 PM

Re: Hogan Appraisal
Environmental Cost Estimates

Steve,

Pursuant to our conference of this morning among me, you, Essman and Sutherland wherein you requested that we furnish the current market range of costs for environmental investigation and remediation were any environmental hazards to exist on an approximate one acre site located in the City of St. Louis and utilized for the purposes of the subject property, we advise that the current St. Louis range of market prices are as follows:

PHASE	NON LEGAL COST RANGE	LEGAL COST RANGE	SERVICE DESCRIPTION
I	\$3,000-\$5,000	\$1,000	Investigatory: Property utilization history; EPA, DNR public records
II	\$10,000-\$25,000	\$2,000-\$3,000	Core Drilling
III	\$50,000-\$100,000	\$10,000-\$15,000	Source (e.g. LUST) removal; contaminated soil removal; soil replacement; surface replacement

I have been further advised by my partners engaged in the environmental and real estate practices, that there are no circumstances in their practice experience where Phase III costs within the range noted above are not part of negotiations between a willing buyer and a willing seller of similarly used real estate.

Bryan Cave LLP

Paul P. Weil

1011 E. Touhy Avenue, Suite 400
Des Plaines, IL 60018
(847) 827-9650
FAX: (847) 827-1796

701 Market Street
St. Louis, MO 63101
Suite 370
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Page 46

REF: 0485

HOGAN MOTOR LEASING
11- REPORT CHANGES AT 8/23/01

HOGAN MOTOR LEASING - #1

Business Review Section

Description of Company

- Include discussion of specific aspects of the firm

Competition

- Competitors can drive Hogan out of any market whenever they choose to enter a lower tier (eg. Mom and Pop) of customer base. Similarly, if a competitor wanted Sav-A-Lot, Hogan could ultimately not price-compete

Economic Outlook Section

Regional Outlook

- Include Excerpts from the Federal Reserve – Eight District – St. Louis
- What are the district's geographic boundaries and how do they compare to Hogan's areas of operations?

National Outlook

- May want to scale back
- Stay with what we have

Summary

- Review

Industry Outlook

Central Message

- Tie the industry outlook back into the market and income analysis
- Document the current negative situation in the trucking industry; trucking firms have been going out of business; HML's largest customer is in a shaky business
- Document the collapse of the used truck market
- Central message of post-dated articles – the outlook actually got worse, subsequent to date of death

Macro-Trends

- 1 Transportation industry is in a decline due to slowing economy, rising fuel prices and glut of truck inventory
- 2 Fuel prices have hit carriers
- 3 Glut of inventory of trucks on the market; used truck market is soft

Federal Reserve District – Second District – NY

- Include paragraph – 1/17/01 Beige book

Federal Reserve District – Fourth District – Cleveland

- Include paragraph – 1/17/01 Beige book

Industry Articles

- Automotive Digest – 10/10/00
- The Business Journal – 6/11/01
- Stark's Research Outlook Reports

- USA Today – 6/20/01
- CNET.com – 7/31/01 – Navistar
- St. Louis Business Journal – 8/17/01

Financial Analysis

Central Message

- Tie the financial status of Hogan Motors back to the market and income analysis

Adjustments to Financial Statements

- Discuss any adjustments to the historical financials

Financial Position

- Discuss extent of fixed assets and leverage³
- Solvency discussion; Z Factor

Trend in Working Capital

-

Trend in Assets and Equity

- There was no growth in assets in the latest fiscal year

Review of Operating Results

- Trend in margins

Historical Revenue and Margin Performance

- Revenue increased at a decreasing rate in the latest fiscal year

Overall Summary of Financial Condition

- Trend in sales
- Profitability
- Efficiency
- Liquidity
- Solvency

Appraisal Procedures

Discuss of Nonoperating Assets

- 1 Death benefit receivable
- 2 MO State Bank Stock
- 3 Note Receivable – due from Hogan Racing
- 4 Note Receivable – related party
- 5 Investment in untraded securities
- 6 Excess working capital
- 7 Built in gain – revenue equipment

Cost Approach

Revised Narrative and Footnotes to Exhibits

- 1 Discuss Hogan racing note
 - Review market value of the fleet – glut of inventory at date of death. Needs to be reflected in fleet valuation; the market can only absorb about 50,000 new trucks – there were 100,000 trucks in the market at date of death. Used truck inventory was too high

Market Approach

EBITDA Buildup

- Discuss cash value of life insurance adjustment

Guideline Companies

- See separate document

Time Periods of Market Multiples Applied to Subject Company

- See revised TTM Computation

Control Premium

- Discuss any revisions

Market Multiples to Apply to Subject

-

Size discount

- See separate document

Correlation and weighting of indications

- Discuss the reduced weighting on TTM EBITDA indication

Income Approach

Update narrative as needed

Description of DCF Assumptions

- Other income – change report language

Correlation of Results

Valuation Discounts

- Lack of extraordinary event control
 - See estate of Dunn write-up
- Lack of marketability (includes transaction costs)
 - See Lantern report (maybe)
- Built-in gain discount
 - Valuation Strategies article – favors using discount only in NAV approach, not earnings approach

Discount for Lack of Control

- The subject block held management control but not extraordinary event control
- Under MO corporate law – 66% voting control required

HOGAN SERVICES - #2 (Mgmt and Admin. Services)

Market Approach

- Exhibit A – restate the balance sheet; adjusted book value is about \$695,000
- EBITDA Buildup – exclude Hogan Racing from Exhibit D– (\$75k)?
- Guideline Companies – drop Volt; expand discussion
- Time periods of market multiples applied to subject company
- Control Premium
- Market Multiples to Apply to Subject EBITDA
- Size Discount - increase
- Correlation and weightings of indications - \$300k of EBITDA at a 3 multiple - \$900,000 – MV Invested Operating Capital

Income approach

- Need to exclude Hogan Racing revenues and profits from projections

Nonoperating Assets

- 50% ownership interest in real estate partnership – add \$344,000
- Death benefit receivable – add \$177,000
- Note Receivable – Due from Hogan Racing – reduce to zero
- Working Capital Deficit – reduce by \$906,000
- MV Invested Capital - \$515
- Control Value of Equity - ditto

C&M SERVICES - #3 (Repairing and Maintaining Trucking Equipment)

Market Approach

- EBITDA Buildup
- Guideline Companies – drop Volt; expand discussion
- Time periods of market multiples applied to subject company
- Control Premium
- Market Multiples to Apply to Subject EBITDA
- Size Discount - increase
- Correlation and weightings of indications - \$100k of EBITDA at a 3 multiple - \$300,000 – MV Invested Operating Capital

Income approach

- Review

Nonoperating Assets

- None

HOGAN RACING - #4

CART Stock

- Paul will advise on availability of built in gain discount on CART stock held in LLC – none available

Debt Obligations

- Leave up

HOGAN REAL ESTATE DEVELOPMENT PARTNERSHIP - #5

Market Value of Real Estate

- Current valuation is \$1mm
- Target valuation is \$800k

HOGAN MOTOR LEASING
15 - MODEL CHANGES AT 8/23/01

HOGAN MOTOR LEASING - #1

Market Approach

EBITDA Buildup

- TTM EBITDA – client has provided new financial statements for the computation (lowering TTM EBITDA)
- Cash value of life insurance – CPA is suggesting that \$40,000 of income be excluded from EBITDA

Selection of Guideline Companies

- Selected multiples were RLC, R, and XTR
- Excluded UHAL multiple from selected multiple

Time Periods of Market Multiples Applied to Subject Company

- Law firm is suggesting that weighting on TTM EBITDA indication be reduced to reflect aberration

Control Premium

- Law firm and CPA firm suggesting that 30% control premium be reduced

Size discount

- Increased to 30% from 20%

Cost Approach

Hogan Racing Note

- Law firm has advised that note has no economic value; related party debtor is insolvent.

Fleet Valuation

- 5% downward adjustment to M&E value
- Law firm is suggesting that the fleet valuation be reduced in light of glut of truck inventory on the market at the valuation date

Income Approach

Correlation

Weightings

- Law firm is suggesting that cost approach be weighted

Non-operating Assets

Built in Gain – Fleet assets

- Law firm suggesting that enterprise value be reduced for built in gain on fleet assets. Built in gain is \$50mm at 20% tax rate = \$10mm enterprise value reduction

MO State Bank Stock – 75,000 Shares

- Reduced value by built-in gain.
- Law firm suggesting that market value of stock be reduced for built in capital gain

Note Receivable – Due From Hogan Racing

- M&S needs to compute value. For now, the model reflects number provided by the law firm.

- Obtain Note Agreements from client.
- Law firm has advised that note has no economic value; related party debtor is insolvent.

Notes Receivable – Related Party

- Law firm suggesting that related party note be repriced using market rate of interest

Excess Working Capital

- Increased WC% to 19% to zero out excess working capital.
- Law firm suggesting that excess working capital be adjusted to zero

Investment in Untraded Securities

- 1 Ameriquest investment discounted at 10% to carrying value of \$90,000.
- 2 Other untraded investments are valued at \$0 due to lack of marketability.

No Changes

- Death benefit receivable

Other Levels of Value

- Control Value of Total Invested Capital
- Less: Outstanding Debt
- Control Value of Equity, prior to lack of marketability discount

Discount for lack of total control

- Used 15% lack of total control discount.
- Law firm is suggesting that lack of control discount be increased from 5% to 20% to reflect that the 53% voting block held only management control and not extraordinary event control.

HOGAN SERVICES - #2 (Mgmt and Admin. Services)

Market Approach

- Exhibit A – restate the balance sheet; adjusted book value is about \$695,000
- EBITDA Buildup – exclude Hogan Racing from Exhibit D– (\$75k)?
- Guideline Companies – drop Volt
- Time periods of market multiples applied to subject company
- Control Premium
- Market Multiples to Apply to Subject EBITDA
- Size Discount - increase
- Correlation and weightings of indications - \$300k of EBITDA at a 3 multiple - \$900,000 – MV Invested Operating Capital

Income approach

- Need to exclude Hogan Racing revenues and profits from projections

Nonoperating Assets

- 50% ownership interest in real estate partnership – add \$344,000
- Death benefit receivable – add \$177,000
- Note Receivable – Due from Hogan Racing – reduce to zero
- Working Capital Deficit – reduce by \$906,000
- MV Invested Capital - \$515
- Control Value of Equity - ditto

C&M SERVICES - #3 (Repairing and Maintaining Trucking Equipment)

Market Approach

- EBITDA Buildup
- Guideline Companies – drop Volt
- Time periods of market multiples applied to subject company
- Control Premium
- Market Multiples to Apply to Subject EBITDA
- Size Discount - increase
- Correlation and weightings of indications - \$100k of EBITDA at a 3 multiple - \$300,000 – MV Invested Operating Capital

Income approach

- Review

Nonoperating Assets

- None

HOGAN RACING - #4

Debt Obligations

- Law firm has advised to continue to reflect debt obligations. No economic value was assigned to note receivables in Hogan Motor Leasing or Hogan Services

HOGAN REAL ESTATE DEVELOPMENT PARTNERSHIP - #5

Market Value of Real Estate

- Current valuation is \$1mm
- Law firm is suggesting a real estate valuation of \$800,000, based on the impact of future bridge construction and potential environmental issues from pumping fuel at the property

1011 E. Touhy Avenue, Suite 400
Des Plaines, IL 60018
(847) 827-9650
FAX: (847) 827-1796

701 Market Street
St. Louis, MO 63101
Suite 370
(314) 621-7025
FAX: (314) 436-2710

1110 NASA Road One, Suite 620
Houston, TX 77058-3310
(281) 333-3755
FAX: (281) 333-3326

101 East Kennedy Boulevard, Suite
Tampa, FL 33602-5133
(813) 962-7888
FAX: (813) 963-2251

1700 Market Street, Suite 1510
Philadelphia, PA 19103-3915
(215) 561-5600
FAX: (215) 557-7280

333 Bush Street, 16th Floor
San Francisco, CA 94104-2806
(415) 788-4970
FAX: (415) 788-3014

707 Wilshire Blvd., Suite 5200
Los Angeles, CA 90017-3614
(213) 612-8000
FAX: (213) 612-8010

1050 Crown Pointe Parkway, Suite 2
Atlanta, GA 30338-7702
(678) 441-9393
FAX: (678) 441-9425

60 Broad Street, Suite 3502
New York, NY 10004-2306
(212) 425-4300
FAX: (212) 344-9731

FACSIMILE TRANSMITTAL MS-102-P

DATE SENT	TIME SENT	NO. OF SHEETS INCLUDING TRANSMITTAL SHEET	Urgent	Route
09/15/01	AM PM			
Paul Weil		Steve Krekel		
<input type="checkbox"/> CHARGEABLE JOB NO.	<input type="checkbox"/> FAX NO. 259-2	20 SE NT BY	<input type="checkbox"/> FAX X NO.	

☐

P

Paul, ☐ Re: Hogan Real Estate Valu

a

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ion ☐ Here are updated worksheets for Hogan Real Estate Development Partnership and Ho
ces. Both reflect the revised real estate value of \$880,000 for the Hogan Truck Service com

p

lex. ☐ I will deliver a draft report of the real estate valuation, for your review, when we meet We
nesday morning. I learned today that the real estate group is continuing to finalize the report lar
and a draft will be available Wedne

s

day. ☐ S

t

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REF: 0497

The State of New Hampshire

COPY

NEW HAMPSHIRE COUNTY

PROBATE COURT

THE ESTATE OF CARL G. HOGAN

DOCKET NUMBER 2001-0087

DATE OF FIDUCIARY APPOINTMENT March 13, 2001

INVENTORY OF FIDUCIARY

☒ Original ☐ Amended (Attach written explanation.)

Fiduciary Name Carl G. Hogan, Jr. Fiduciary Name David A. Hogan
Capacity Capacity

Fiduciary Name Brian J. Hogan Capacity Co-Executors

Attorney name David M. Tower

Court-appointed appraiser name John D. Schaperkötter

BOND AMOUNT ORDERED BY COURT \$1,000,000.00 1,520,000.00

ESTATE SUMMARY

TOTAL VALUE OF REAL ESTATE Attachment 1 \$ None

Attach a listing (Attachment 1) which includes street address, city/town where real estate is located, county where deed is recorded, book and page of deed, and the value of each piece of real estate.)

TOTAL VALUE OF PERSONAL ESTATE (from total on second page) \$ 1,520,152.98

TOTAL VALUE OF ENTIRE ESTATE (Add A and B above) \$ 1,520,152.98

Reviewed and accepted by court,

by: Sept. 18, 2001
Cont to October 30, 2001

Albert H. Weeks

Judge ALBERT H. WEEKS, JUDGE

PERSONAL ESTATE DETAIL

Enter the total value of the personal property for each category below, and list the specific items and their value for each category on the appropriate attachment. For decedent estates, values should be as of the date of death.

CASH ON HAND \$ None

HOUSEHOLD FURNISHINGS AND EFFECTS Attachment 2 \$ 26,485.00

Items are listed in a separate appraisal, enter total value and attach a copy of the appraisal to Attachment 2. Do not list wearing apparel, Bibles, family pictures, photographs, or other personal trinkets of sentimental rather than intrinsic value.)

OTHER TANGIBLE PERSONAL PROPERTY Attachment 3 \$ None

Attachment 3, list all other tangible personal property including motor vehicles, personal utensils, mechanics tools and livestock. For each motor vehicle, list the year, make, model and vehicle identification number (VIN). If items are listed in a separate appraisal, enter the total value and attach a copy of the appraisal to Attachment 3.)

STOCKS AND BONDS Attachment 4 \$ 1,452,854.79

Attachment 4, list stock or bond name, number of shares and value per share.)

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Attachment 5, list the name and address of the bank or financial institution, the account certificate number, the date of the last interest/dividend and the account balance.)

BUSINESS ASSETS Attachment 6 \$ None

NOTES RECEIVABLE AND OTHER WRITTEN EVIDENCE OF DEBT OWED TO THE DECEASED OR WARD Attachment 7 \$ None
(Attachment 7, list debtor and/or payor, date of note and terms of payment.)

OTHER MISCELLANEOUS PERSONAL PROPERTY Attachment 8 \$ None
(Attachment 8, list any personal property not listed above and the individual values.)

TOTAL VALUE OF PERSONAL ESTATE \$ 1,520,152.98
(Add Cash on Hand plus Attachments 2 through 8. Copy total to line B of Estate Summary on first page.)

STATE OF Missouri
St. Louis City COUNTY DATE 8-30-01
John D. Schaperkotter, the appraiser of the estate of Carl G. Hogan, swear
that I have acted faithfully, impartially and according to my best judgment.

Subscribed and sworn to before me,
My Commission Expires 8-14-2004
Affix Seal

BONNIE M. RENNER
Notary Public - Notary Seal
STATE OF MISSOURI
St. Louis City
My Commission Expires: Aug. 14, 2004

Appraiser
Bonnie M. Renner
Notary Public/Justice of the Peace

STATE OF Missouri
St. Louis City COUNTY DATE 8-30-01
Carl G. Hogan, Jr., David A. Hogan,
Brian J. Hogan, the fiduciary of the estate of Carl G. Hogan, swear
that I have shown the appraiser the total estate of the ward/deceased of which I have knowledge or
possession. I further swear that if I have knowledge or possession of any further estate of the
ward/deceased, I will immediately amend my inventory.

Fiduciary Carl G. Hogan, Jr., David A. Hogan, Brian J. Hogan

Fiduciary

Subscribed and sworn to before me,
My Commission Expires _____
Affix Seal

JAMES M. PIASECKI
Notary Public - State of Missouri
County of St. Louis City
My Commission Expires 05/30/2002

Notary Public/Justice of the Peace

**A CERTIFICATION PURSUANT TO PROBATE COURT RULE 3 MUST BE FILED
WITH THIS INVENTORY.**

ATTENTION BENEFICIALLY INTERESTED PARTIES

This Inventory may be approved by the probate court unless a written objection, containing the specific factual or legal basis for the objection, is filed within 10 days after the date the Inventory is filed in the probate court. Failure to file an objection may forfeit your right to a hearing concerning the Inventory or your objection, and the probate court may then act without a hearing or any further notice to you.

The Cobbs

Antiques and Auctioneers

Bought - Sold

Appraised - Auctioned

August 10, 2001

David M. Tower
Tower, Crocker & Mullins Attorneys at Law
47 Main Street, PO Box 510
Jaffrey, NH 03452-0510

Reference: Estate of Carl G. Hogan located at 46 Woodbound Rd., Rindge, NH

Dear Mr. Tower,

After careful visual inspection, I do find the market value of the items listed below to be as indicated to the right of each description:

Porch

1	Wicker furniture: settee, 2 armchairs and table	\$375
2	W I table w/ 4 chairs and 2 side tables	\$120
3	Pickled pine serpentine front chest	\$175
4	2 paintings by Sybil Goldsmith	\$150
5	Miscellaneous small items - TV, etc.	\$100

Living room

6	Hunt screen, 4 panel, new	\$300
7	New cupboard with painted scenes	\$175
8	Camel back sofa with carving	\$450
9	English club sofa with matching upholstery	\$400
10	Upholstered foot stool coach table	\$175
11	Upholstered swing chair with molded legs	\$250
12	10 drawer tall chest	\$100
13	Pair of upholstered club chairs	\$350
14	Oval top glass bear table	\$125
15	Mahogany Empire style center table	\$250
16	leaded glass and other lamps	\$500
17	Prints, modern paintings, etc.	\$375
18	Tasha Tudor print - garden, people, dogs	\$70
19	Miscellaneous smalls etc.	\$500
20	Round floral rug	\$200

Dining room

21	Set of 8 mahogany Queen Ann style dining chairs	\$700
22	Queen Ann style mahogany hunt board	\$350
23	Modern items on the hunt board	\$150

Charles Cobb, Dudley Cobb, Bruce Cobb, Lara Lowenberg
50 Jaffrey Road, Peterborough, NH 03458

603/994-6961

Aug 10, 2001

6,340.00
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The Cobbs

Antiques and Auctioneers

Bought - Sold

Appraised - Auctioned

24	Standing modern leaded glass lamp	\$300
25	Pair of upholstered armchairs	\$225
26	Oval hooked rug with game birds and wild flowers	\$500
27	Staffordshire lamp	\$250
28	2 new small cupboards, tray table, and side table	\$325
29	Miscellaneous small animals, mirrors, lamps, etc.	\$325

TV room & ½ bath

30	Swede upholstered Queen Ann sofa	\$800
31	Pair of Chippendale style upholstered wing chairs	\$750
32	JVC large screen TV and VCR and cabinet	\$300
33	Collection of 19 modern bronzes, most are copies of important artists	\$2,100
34	19 th century kero angle lamp	\$125
35	Group of modern prints, mirrors, etc.	\$600
36	Stereo system	\$300
37	Knee hole desk and chair	\$150
38	Large needlepoint style rug plus 3 scatter rugs	\$200
39	Miscellaneous small pieces of furniture, lamps	\$160
40	Miscellaneous small items, books, photos, etc.	\$200
41	Baccarat and other glass	\$150

Front hall

42	Antique paint decorated Hitchcock child's chair	\$175
43	Paintings, canes, small wine table, etc.	\$100
44	Large harbor print	\$100
45	Beveled glass mirror with hunt scene	\$200

Master bedroom

46	Cherry wardrobe and wide dresser	\$350
47	Mahogany knee hole desk	\$120
48	Pickled pine armchair and a pair of side tables	\$300
49	2 modern mirrors	\$200
50	Modern paintings	\$225
51	Bose radio and Phillips TV	\$200
52	Miscellaneous small items, hooked rugs, etc.	\$225
53	Brass style bed	\$100

Office

54	Compaq computer, printer, fax	\$300
55	Ash desk and chair	\$200
56	Oak credenza	\$200
57	Prints, photos, watercolors, etc.	\$125

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The Cobbs

Antiques and Auctioneers

Bought - Sold

Appraised - Auctioned

58	Upholstered armchair and ottoman	\$100
59	Oak file cabinet and TV	\$150
60	Miscellaneous lamps, doorstops, etc.	\$50

2nd Master bedroom

61	Cherry chest with cupboard and mirror	\$250
62	Pair of lamp cabinets	\$175
63	Upholstered king-size bed	\$200
64	Upholstered chair with ottoman	\$150
65	Cherry tall chest	\$125
66	JVC TV and VCR	\$250
67	Brass tray table, blue lamp, other lamps	\$120
68	Miscellaneous hooked rugs, pottery figures, etc.	\$100

Kitchen

69	Royal Dalton collection (12 figures)	\$2,000
70	Large collection of new china and quality glass	\$500
71	Modern appliances, cookware, etc. (not a part of the house)	\$300
72	Modern roll-top desk and chair	\$250
73	Kitchen table, 4 chairs and pine cabinet	\$180
74	Wicker and metal bakers type shelves	\$100
75	Miscellaneous small items: cookbooks, photos, etc.	\$100
76	W I table, chairs, lounge chairs, etc.	\$400

Back ell

77	Refrigerator, 2 freezers	\$100
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Apartment

78	Misc. furniture, pictures, lamps, etc.	\$720
----	--	-------

Guest house

79	Dining table and 4 chairs	\$125
80	Painted new hutch	\$150
81	Prints and wall hangings	\$125
82	Living room sofa and chair	\$250
83	Coffee table made from a sign	\$200
84	TV and VCR etc.	\$75
85	2 braided rugs	\$100
86	Small tables, lamps, etc.	\$200
87	Misc. small decorative items	\$100
88	Prints, photos, all framed	\$120
89	Modern bedroom furniture (4 rooms)	\$1,000

• The Cobbs •

Antiques and Auctioneers

Bought - Sold

Appraised - Auctioned

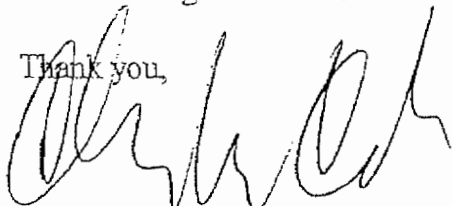
- 90 Modern accessories, rugs, etc.
91 Refrigerator and other kitchen items

\$250

\$250

\$ 500.00

Thank you,



Charles M. Cobb

TOTAL: \$ 26,485.50

THE ESTATE OF CARL G. HOGAN
DOCKET NUMBER: 2001-0087

STOCKS AND BONDS
ATTACHMENT 4:

ALLMERICA FINANCIAL CORPORATION	1,159 Shares	59.500000	\$	68,960.50
AT&T CORPORATION WIRELESS GROUP	400 Shares	24.390625	\$	9,758.25
UNION PLANTERS CORPORATION	19,937 Shares	36.812500	\$	733,930.81
The following assets are held in a Merrill Lynch Account which are pledged as collateral for an underlying debt at Lloyds of London and not available to the Decedent's Estate:				
AT&T CORPORATION WIRELESS GROUP	300 Shares	24.390625	\$	7,317.19
AVAYA, INC.	129 Shares	15.531250	\$	2,003.53
CHAMPIONSHIP AUTO RACING TEAM	2,000 Shares	20.312500	\$	40,625.00
GOODYEAR TIRE & RUBBER COMPANY	4,000 Shares	23.430000	\$	93,720.00
INTERNATIONAL BUSINESS MACHINES	465 Shares	93.656250	\$	43,550.16
LUCENT TECHNOLOGIES INC.	1,550 Shares	18.390625	\$	28,505.47
PFIZER, INC.	2,600 Shares	41.421875	\$	107,696.88
UNION PLANTERS CORPORATION	4,591 Shares	36.812500	\$	169,006.19
VERIZON COMMUNICATIONS	2,700 Shares	54.734375	\$	147,787.81

THE ESTATE OF CARL G. HOGAN
DOCKET NUMBER: 2001-0087

DEPOSITED IN BANKS / FINANCIAL INSTITUTIONS
ATTACHMENT 5:

MISSOURI STATE BANK
100 South 4th Street
St. Louis, Missouri 63102

Personal Checking
Account Number: 5125786
Non-Interest Bearing
Account Balance: \$ 28,743.10

MERRILL LYNCH
P.O. Box 2169
Morristown, New Jersey 07962-9925

Cash/Money Account
Account Number: 825-34T82
Last Interest Paid 1/10/01
Account Balance: \$ 4,584.59

MERRILL LYNCH
3rd Floor Chester Street
London SW1X 7XD United Kingdom

CMA Money Fund
Account Number: 16M-10179
Last Dividend Paid 12/31/00
Account Balance: \$ 2,352.63

A.G. EDWARDS & SONS, INC.
One North Jefferson
St. Louis, Missouri 63103

Centennial Government Trust
Account Number: 260-287230-016
Last Dividend Paid 12/31/00
Account Balance: \$ 5,132.87

TOTAL DEPOSITED IN BANKS /FINANCIAL INSTITUTIONS \$ 40,813.19