

## STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement ("Agreement") is entered into as of August 24, 2012 by and between Endai Marketing Growth Inc., a Delaware corporation ("Purchaser" or the "Company") and Burton W. Wiand, in his capacity as Court-appointed Receiver for Valhalla Investment Partners, L.P., a Florida limited partnership ("Seller"). The Company and Seller may collectively be referred to as the "Parties."

**WHEREAS**, the Parties desire to enter into this Agreement pursuant to which Purchaser will purchase from Seller all of Seller's shares of capital stock of the Company.

**NOW, THEREFORE**, in consideration for the promises set forth in this Agreement, the Parties agree as follows:

1. **PURCHASE AND SALE:** Subject to the terms and conditions set forth in this Agreement, Purchaser hereby agrees to purchase from Seller, and Seller, subject to approval of the Court in *SEC v. Arthur Nadel, et al.*, Case No. 8:09-cv-87-T-26TBM (M.D. Fla.) (the "Receivership Court"), hereby agrees to sell, transfer and convey to the Purchaser sixty-seven thousand (67,000) shares, which number of shares represents all of the issued and outstanding shares of stock of the Company owned by Seller as far as Seller is aware (the "Stock").
2. **PURCHASE PRICE:** The purchase price for the Stock shall be Six Thousand Five Hundred Sixty Two Dollars and Sixty Five Cents (\$6,562.65) (the "Stock Purchase Price"), to be paid to the Seller (or its court-appointed designee, as applicable) at the closing. In addition, the Company shall pay to Seller Eight Thousand Four Hundred Thirty Seven Dollars and Thirty Five Cents (\$8,437.35) (the "Reimbursed Expenses" and, together with the Stock Purchase Price, the "Purchase Price") for the reimbursement of Seller's legal fees and other expenses incurred pursuant to this Agreement.
3. **CLOSING:** The closing contemplated by this Agreement for the transfer of the Stock and the payment of the Purchase Price shall take place (the "Closing") within three business days after entry of an order by the Receivership Court approving this Agreement.
4. **REPRESENTATIONS, WARRANTIES AND COVENANTS OF SELLER:** Seller hereby represents, warrants and covenants that:
  - (a) **Restrictions on Stock.** Seller is not aware that it is a party to any agreement that creates any right, interest or other obligation of any kind whatsoever in the Stock other than any that arises by virtue of Valhalla Investment Partners, L.P.'s placement in receivership by the Receivership Court. As far as Seller is aware, the Stock is free and clear of any and all encumbrances, security interests or liens of any kind whatsoever other

than any arising from Valhalla Investment Partners, L.P.'s placement in receivership as mentioned in the immediately preceding sentence. Seller has full power and authority to convey the Stock to Purchaser as contemplated in this Agreement subject to approval by the Receivership Court. As far as Seller is aware, Seller does not own (or have claim to) any interest in the Company other than the Stock.

(b) **Legal Compliance, No Infringement, and No Disputes.** The execution of this Agreement does not and shall not infringe and/or violate the rights of any third party other than any existing by virtue of Valhalla Investment Partners, L.P.'s placement in receivership. Seller is not aware of any material disputes pending or threatened against the Stock, nor does Seller, to his knowledge, have any claims against the Company.

(c) **Cooperation; Further Acts.** The Parties shall use their best efforts to effectuate the transactions contemplated hereby. Seller shall execute and deliver to Purchaser such other documents, and take such other actions, as may be reasonably necessary or desirable in the opinion of both Parties to complete the transactions contemplated hereby, and, if necessary, subject to the approval of the Receivership Court.

5. **REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COMPANY:** The Company hereby represents, warrants and covenants that it has set the value of the Stock Purchase Price at the fair market value established pursuant to a report from an independent third-party expert, Securities Pricing and Research Inc. ("SPARDATA"), a copy of which is attached hereto as Exhibit A (the "Report"). The Company has provided a true and accurate copy of the Report to Seller, and the Parties agree that they have each relied on SPARDATA's opinion of value set forth in the Report in order to enter into this Agreement. Further and at the Company's request, SPARDATA has provided Seller with an affidavit attesting to the accuracy of the Report, a copy of which is attached hereto as Exhibit B.
6. **SEVERABILITY:** If any part or parts of this Agreement shall be held unenforceable for any reason, the remainder of this Agreement shall continue in full force and effect. If any provision of this Agreement is deemed invalid or unenforceable by any court of competent jurisdiction, and if limiting such provision would make the provision valid, then such provision shall be deemed to be construed as so limited.
7. **BINDING EFFECT:** The covenants and conditions contained in this Agreement shall apply to and bind the Parties and the heirs, legal representatives, successors and permitted assigns of the Parties.
8. **BROKER'S FEES:** The Parties represent that there has been no act in connection with the transactions contemplated in this Agreement that would give

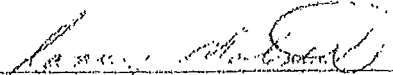
rise to a valid claim against either party for a broker's fee, finder's fee or other similar payment.

9. **ENTIRE AGREEMENT:** This Agreement constitutes the entire agreement between the Parties and supersedes any prior understanding or representation of any kind preceding the date of this Agreement. There are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Agreement. This Agreement may be modified in a writing that must be signed by all of the Parties, but any modifications are subject to the Receivership Court's approval.
10. **GOVERNING LAW:** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without regard to conflicts of laws principles.
11. **NOTICE:** Any notice required or otherwise given pursuant to this Agreement shall be in writing and mailed certified return receipt requested, postage prepaid, or delivered by overnight delivery service to the business address of the Parties, with a copy to each party's attorneys.
12. **WAIVER:** The failure of either party to enforce any provisions of this Agreement shall not be deemed a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.
13. **COUNTERPARTS:** This Agreement may be executed by facsimile signatures and in one or more counterparts and an executed copy or counterpart hereof delivered by facsimile or electronically shall be deemed an original instrument

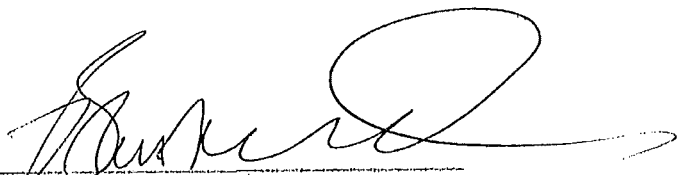
[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of the day and year first above written.

**ENDAI MARKETING GROWTH INC.**

By:   
Name: Nancy Matnick  
Title: CFO / COO

**VALHALLA INVESTMENT PARTNERS, L.P.**

By:   
Name: Burton W. Wiand, as Receiver  
Title: Court-Appointed Receiver for  
Valhalla Investment Partners, L.P.

# **EXHIBIT A**

# SPARDATA

SECURITIES PRICING AND RESEARCH, INC.

February 13, 2012

Ms. Nancy Matnick, CFO  
Endai Corporation  
217 Water Street Suite 300  
New York, NY 10038

Ms. Matnick:

SPARDATA has been engaged to determine the fair market value of a 100% common stock interest in Endai Corporation as of December 31, 2011. It is our understanding that this valuation is to be used for converting from C corporation to S corporation purposes and the resulting estimate of value should not be used for any other purpose or by any other party for any purpose.

Based on our analysis, the estimate of value of the interest in Endai Corporation as of December 31, 2011 was:

**\$979,500**

This report was prepared in accordance with Statement on Standards for Valuation Services of the American Institute of Certified Public Accountants and the National Association of Valuation Analysts Professional Standards. Our estimate of value is expressed as a conclusion of value and our methodology is described in the following summary report.

The opinion of fair market value is valid only for the Valuation Date and is subject to the Assumptions and Limiting Conditions, Valuation Analysts Representations, Scope Limitations and other provisions contained in this report.

We have no obligation to update this report for information that comes to our attention after the date of this report.

Sincerely,

*SPARDATA Value Advisors*

**EXHIBIT A**

## EXECUTIVE SUMMARY

Business Name:	Endai Corporation
Client Name:	Ms. Nancy Matnick, CFO
Type of Entity:	C Corporation
Business Interest Valued:	100% Common Stock Interest
Shares Outstanding:	9,976,300
Entity Description:	Internet marketing and online advertising agency
Method Selected:	Capitalization of Cash Flows
Methods Rejected:	Adjusted Book Value and Private Market Transactions
Valuation Date:	December 31, 2011
Report Date:	February 13, 2012
Purpose:	Converting from C Corporation to S Corporation
Standard of Value:	Fair Market Value
Premise of Value:	Going Concern
Scope Limitations:	No site visit
Level of Control:	Control Level
Degree of Marketability:	Not Liquid

### Summary of Methods Considered

	<u>Capitalization of Cash Flow</u>
Equity Value	1,046,833
Non-Operating Assets	<u>105,524</u>
Marketable Minority Value	1,152,357
Marketability Discount 15%	<u>(172,854)</u>
Estimate of Value - Rounded	<u><u>979,500</u></u>

### Opinion of Fair Market Value

SPARDATA was engaged to estimate the value of a 100% common stock interest in Endai Corporation. Based on our analysis, as described in this report, the estimate of value of the subject interest in Endai Corporation was \$979,500 as of December 31, 2011.

### Capitalization of Cash Flow

All income methods estimate a "future benefit stream" and a rate of return based on risk. Each method uses these factors to create a present value of the Company's future cash flows, often based upon the Company's historical financial performance.

The capitalization of earnings method is used when the future benefit stream is expected to have reached its terminal growth rate, or the rate at which it will grow in perpetuity. This method is appropriate when no significant changes in the scope of operations or management are expected in the future.

The discounted cash flow method is used when this is not the case, and future benefits are expected to grow at something other than their terminal growth rate for some period of



time (frequently estimated as three to five years) before reaching their terminal growth rate.

Both methods use the normalized historical amount as their starting point. The critical component to the value of a business using this method is its historical earnings stream.

The ongoing benefit stream used in this analysis is debt free cash flow. This is the most often used measure of economic benefit because it generally represents the cash that can be distributed to equity owners without threatening or interfering with future operations.

The capitalization rate is determined by calculating a discount rate (or rate of return) based upon various factors then subtracting the long term sustainable growth rate. This is the rate of return that investors require to attract them to a particular investment. This rate of return incorporates three investor expectations relating to the future economic benefit stream such as:

- The Real Rate of Return – this is the amount an investor would expect to obtain in exchange for letting someone else use their money on a risk free basis.
- Expected Inflation – this is related to the time value of money and the decreased purchasing power associated with having to wait to have access to the money.
- Level of Risk – this is related to the uncertainty as to the timing and quantity of benefit received, so “when” the cash will be received and “how much” cash will be received in the future.

### **Estimate of Ongoing Benefit Stream**

The historical cash flows were used to estimate the future ongoing benefit stream. Over the review period revenue has decreased but cash flow has increased. We have given more weight to the most recent year (annualized for fiscal year end June 30, 2012) in determining the estimated ongoing cash flow.

The estimated ongoing benefit stream (cash flow) is shown on the following page.

Endai Corporation  
Capitalization of Earnings Method

	Fiscal Year End June 30				
	Annualized				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Operating Income - EBIT	420,884	143,952	203,110	(464,137)	(71,785)
Depreciation	<u>29,400</u>	<u>87,880</u>	<u>92,577</u>	<u>7,974</u>	<u>133,967</u>
EBITDA	450,284	231,832	295,687	(456,163)	62,182
Weighting	50%	25%	25%		
Weighted EBITDA	357,022				
Depreciation	<u>(60,000)</u>				
Normalized EBIT	297,022				
Taxes 39%	<u>(115,839)</u>				
After-Tax Operating Profit	<u>181,183</u>				
Cash Flow Adjustments:					
Depreciation/Amort.	60,000				
Change in Working Capital	-				
Capital Expenditures	<u>(60,000)</u>				
Total Cash Flow Adjustments	<u>-</u>				
Estimated Cash Flow	<u><u>181,183</u></u>				

### Taxes

We have adjusted the income stream for income taxes at an effective tax rate of 39% to include both federal and State of New York income taxes.

## **Incremental Working Capital Requirements**

Working capital appears to be adequate to support operations, and Management believes that the current level of working capital is sufficient to support operations, so no adjustment has been made for incremental working capital.

## **Capital Expenditure Requirements**

The capital expenditures for each year of the Review Period were taken from the Company's cash flow statements. Capital expenditures averaged \$60,677 during the Review Period. This amount (rounded to \$60,000) has been deducted from the ongoing cash flow. We have used \$60,000 as the ongoing depreciation expense as well.

## **Expected Sustainable Long Term Growth Rate**

This is the continued level of growth that the company can reasonably expect to sustain over the long term. IBISWorld forecasts 3.9% growth rate for the industry over the next five years. The IBISWorld forecast appears reasonable, was rounded to 4% and used for the growth rate.

## **Capitalization Rate**

The discount rate or the cost of capital is the total expected rate of return for an investment. The sustainable growth rate is deducted from the discount rate to calculate the capitalization rate. The economic benefit stream is divided by the capitalization rate to determine the value of the company.

The discount rate is calculated using a buildup method which layers different components. Those components are tracked and measured by the annual Ibbotson's SBBI Valuation Yearbook (Ibbotson) published by Morningstar. Ibbotson has tracked these components from 1926 to the current year. The components and definitions are as follows:

- **Risk Free Rate** - The risk free rate is the starting point for the buildup method. This is the rate of return an investor can earn without taking any additional risk.

Ibbotson uses the twenty year US Treasury Bond yield to calculate the risk free rate component.

- **Equity Risk Premium** - The equity risk premium is a forward looking concept that represents the extra return that investors demand to compensate them for investing in a diversified portfolio of common stocks rather than investing in risk free assets. Ibbotson calculates this premium in two ways. The first is the historical equity risk premium which uses large company stock total returns minus long term government bonds. The second is the supply side equity risk premium that uses the historical premium and adjusts for price-to-earnings ratio using three-year average earnings. The supply side premium reflects the fact that earnings are not only affected by the long term productivity but also by "one-time" items that do not have the same consistent impact year after year. The supply side premium more closely reflects current economic conditions.
- **Size Risk Premium** --Stocks that are more liquid have higher valuations for the same cash flows because they have a lower cost of capital and generally have lower returns while Stocks which are less liquid have a higher cost of capital and higher returns on average. Ibbotson dimensions this relationship between size and return in their size premium component. The size premium that Ibbotson measures are from publicly traded companies and therefore do not represent the full cost of capital for non-publicly traded companies. Therefore, an incremental illiquidity factor must be added over and above the size premium which we have accounted for in the specific company premium.
- **Specific Company Premium** – This is a measure of the additional risk factors associated with a non-public company such as key executive dependency, concentration of suppliers/customers, diversification of product line, financial performance, etc. We have added a 7% specific company premium to account for the Company's strong dependence on its President & CEO Michael Ferranti as well as its lack of customer diversification. Four customers account for approximately 70% of annual revenues. The two biggest accounts do not have contracts in place and have strong personal relationships with Mr. Ferranti.

The preceding factors quantify the cost of equity as shown below:

Discount Rate:	
Risk-Free Rate of Return	4.10%
Equity Risk Premium	6.00%
Small Stock Risk Premium	6.36%
Company Specific Premium	<u>7.00%</u>
Net Cash Flow Discount Rate	<u>23.46%</u>

### **Weighted Average Cost of Capital**

Because the ongoing cash flow is calculated on a debt free basis (all of the interest expense has been removed), the discount rate must be converted to a weighted average cost of capital (WACC) rate. This WACC rate is based upon the relative percentage of market value of the debt and equity. The market value of debt is 0% and equity is 100.00% as of the valuation date. This method assumes no debt so the value of the debt must be deducted from the total value to arrive at the market value of equity.

### **Midyear Convention**

The buildup method calculates a capitalization rate assuming that the benefit stream is available to the buyer at the end of the period. Since sales and expenses generally occur over the course of a period, the benefit stream is also available during the period. The midyear convention adjusts the capitalization rate as if the periodic cash flows will be received in the middle of the year in an attempt to emulate cash flow received throughout the year.

Taking all of these factors into consideration, the capitalization rate is 18.00% as calculated on the next page.

Endai Corporation

**BUILDUP CAPITALIZATION RATE**

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<b>Weighted Cost of Debt</b>	<b>0.00%</b>
Weight of equity	100.00%
Discount Rate:	
Risk-Free Rate of Return	4.10%
Equity Risk Premium	6.00%
Small Stock Risk Premium	6.36%
Company Specific Premium	<u>7.00%</u>
Net Cash Flow Discount Rate	<u>23.46%</u>
<b>Weighted Cost of Equity</b>	<b>23.46%</b>
<b>Weighted Average Cost of Capital (WACC)</b>	<u>23.46%</u>
Sustainable Growth	<u>4.00%</u>
Capitalization Rate To Apply To Next Year Cash Flow	<u>19.46%</u>
Apply Mid Year Convention	<u>17.51%</u>
<b>Capitalization Rate To Apply To Next Year Cash Flow</b>	<b><u>18.00%</u></b>

## Next Year Benefit Stream

Since the capitalization is assumed to be the future rate, you must determine the cash flow for next year in order to properly match the benefit stream to the capitalization rate. This is accomplished by multiplying the current estimated benefit stream by one plus the long term growth rate. This cash flow is divided by the capitalization rate to calculate the value of the Company.

Estimated Cash Flow	181,183
Growth Rate	<u>4%</u>
Next Year Benefit Stream	188,430
Capitalization Rate	<u>18%</u>
Business Enterprise Value	<u><u>1,046,833</u></u>

## Application of Marketability Discount

Marketability is defined in the International Glossary of Business Valuation Terms (recognized in its entirety in SSVS#1) as "the ability to quickly convert property to cash at minimal cost." A controlling owner of a closely held business faces many obstacles to a quick conversion. These may include:

- Uncertainty of time to complete the sale
- Risk as to the final sale price
- Cost to prepare for and complete the sale
- Noncash and deferred transaction proceeds
- Lack of ability to hypothecate (inability to borrow against the value of the stock)

When considering the above, the sale of a controlling interest can be difficult, costly and risky. These factors can be considered in a discount for lack of marketability, sometimes referred to as DLOM.

*Uncertainty of Time:* In his book *Financial Valuation: Applications and Models Second Edition*, James R. Hitchner cites a 2003 survey found in *The 2005 Business Reference Guide: The Essential Guide to Pricing a Business* by Tom West which

indicated that “only 6 percent of businesses sold in less than three months, while 34 percent took from three to six months to sell, and 37 percent took from seven to nine months, with 7 percent requiring over a year to sell.” The length of time to sell a particular business is influenced by the industry in which it operates, past and future operating results, location of the business and the overall economy at the time of sale.

***Risk as to Final Sale Price:*** As with the length of time to sell a business, the risk of achieving a set final sale price is also influenced by several factors. A company in a growing industry will likely sell for a higher price than one operating in a declining industry. The length of time itself may influence the final sale price as an owner may be willing to accept a lower sale price if the business has been on the market for an extended period of time.

***Cost to Prepare for and Complete the Sale:*** Most closely held companies will need to prepare in order to sell the business. Preparation can include:

- Preparing accounting records which will satisfy a buyers due diligence needs, this may include having a third party independent accountant review or audit the financial statements of the company
- Having legal counsel document company attributes, representations and warranties as well as prepare or review sale documents
- Utilization of management time to assist in the facilitation of the above and addressing any negative factors a buyer may consider
- Finding a buyer – either through use of existing personnel or an outside consultant

Internet research conducted at SPARDA has found broker’s fees to typically be around 10% of the sales price. Brokers will often reduce their percentage as sales prices increase.

Shannon P. Pratt in *Business Valuation: Discounts and Premiums* states that a company has rarely “completed any of the above items as of the valuation date. The costs of accomplishing these tasks form part of the DLOM when comparing value at a given date to expected proceeds...”

***Noncash and Deferred Transactions Proceeds:*** It is possible that a sale will not transact for cash but will instead include some aspect of owner financing. This will extend the time in which the company is completely converted to cash.

***Lack of Ability to Hypothecate:*** Control interest stock of a closely held company does not necessarily mean acceptable collateral for a loan from a third party bank. The



new owner may need to personally guarantee any loan associated with the purchase of the stock as well as possibly putting up additional assets as collateral.

According to James Hitcher in *Financial Valuation: Applications and Models Third Edition*, many analysts believe that a discount for lack of marketability or liquidity for controlling interests "generally range from 0 to 20 percent, depending on the specific facts and circumstances."

In his book *Business Valuation: Discounts and Premiums*, Shannon P. Pratt has noted that the U.S. Tax Court has allowed controlling interest discounts for lack of marketability ranging from "3 to 33%."

SPARDATA has weighed each of the above factors in determining a lack of marketability discount related to Endai Corporation and has determined that given the specific facts and circumstances of the Company and the industry in which it operates, a discount for lack of marketability of 15% is appropriate.

**Capitalization of Earnings – Estimate of Value**

Enterprise Value		1,046,833
Non-Operating Assets/Liabilities		<u>105,524</u>
Equity Value		1,152,357
Marketability Discount	15%	<u>(172,854)</u>
Estimate of Value		<u><u>979,503</u></u>

## Application of Excess or Non-Operating Assets

Excess or Non-operating assets represent the value of resources the company has control of but are not required to operate the business. Examples are excess cash on hand, real estate or other securities. In our judgment, excess and non-operating assets that need to be added back and are part of the entity's value total \$105,524. This consists of excess working capital and a non-operating debt due to a former shareholder.

June 30, 2011 Revenues	1,837,948
RMA Working Capital	202,174
12/31/11 Working Capital	<u>421,948</u>
Excess Working Capital	219,774
Non-Operating Debt	<u>(114,250)</u>
Non-Operating Assets/Liabilities	<u><u>105,524</u></u>

## ASSUMPTIONS AND LIMITING CONDITIONS

1. Our work product is valid only for the stated purpose as of the date indicated. We take no responsibility for changes in market conditions and assume no obligation to revise our work product to reflect events or conditions which occur subsequent to the valuation date.
2. Financial statements and other related information provided by our client or their representatives, in the course of this engagement, have been accepted without any verification as fully and correctly reflecting the enterprise's business conditions and operating results for the respective periods, except as specifically noted herein. SPARDATA has not audited, reviewed, or compiled the financial information provided to us and, accordingly we express no audit opinion or any other form of assurance on this information.
3. Public, industry, statistical and other information furnished, upon which all or portions of this analysis is based have been obtained from sources we believe to be reliable. However, we make no representation as to the accuracy or completeness of such information and have performed no procedures to corroborate the information.
4. SPARDATA does not provide assurance on the achievability of the results forecasted because events and circumstances frequently do not occur as expected; differences between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans, and assumptions of management.
5. The estimate of value assumes that this entity through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed. It also assumes that the current level of management expertise and effectiveness would continue to be maintained.
6. This report and the estimate of value arrived at herein are for the exclusive use of our client for the sole and specific purpose as noted herein. This report shall not be used to obtain credit or for any other purpose or by any other party for any purpose. Neither our work product nor any portions thereof (including any conclusions or the identity of our firm, any individuals signing or associated with this report, or the professional associations or organizations with which they are affiliated) shall be disseminated to third parties other than our client, their financial accounting firm and attorneys, and governmental agencies, by any means without our prior written consent and approval.
7. Neither all nor any part of the contents of this report (especially the estimate of value, the identity of any valuation specialist(s), or the firm with which such valuation specialists are connected or any reference to any of their professional designations) should be disseminated to the public through advertising media,

public relations, news media, sales media, mail, direct transmittal, or any other means of communication without the prior written consent and approval of SPARDATA.

8. SPARDATA or any individual associated with this assignment are not required to provide future services regarding the subject matter of this report, including, but not limited to further consultation, testimony or appearance in court or any other legal proceedings unless specific arrangements have been made in writing.
9. SPARDATA is not an environmental consultant or auditor, and it takes no responsibility for any actual or potential environmental liabilities. Any person entitled to rely on this report, wishing to know whether such liabilities exist, or the scope and their effect on the value of the property, is encouraged to obtain a professional environmental assessment. SPARDATA does not conduct or provide environmental assessments and has not performed one for the subject property.
10. SPARDATA has not determined independently whether this entity is subject to any present or future liability relating to environmental matters including, but not limited to CERCLA/Superfund liability or the scope of any such liabilities. SPARDATA's valuation takes no such liabilities into account, except as they have been reported to us by our client or by an environmental consultant working for our client and then only to the extent that the liability was reported to us in an actual or estimated dollar amount. Such matters, if any, are noted in the report. To the extent such information has been reported to SPARDATA we have relied on it without verification and offer no warranty or representation as to its accuracy or completeness.
11. SPARDATA has not made a specific compliance survey or analysis of the subject property to determine whether it is subject to, or in compliance with, the American Disabilities Act of 1990, and this valuation does not consider the effect, if any, of noncompliance.
12. No change of any item in this report shall be made by anyone other than SPARDATA and we shall have no responsibility for any such unauthorized change.
13. Full compliance by this entity with all applicable federal, state and local zoning and use, occupancy, environmental, and similar laws and regulations is assumed unless otherwise stated. Furthermore, no effort has been made to determine the possible effect, if any, on the subject business due to future Federal, state, or local legislation, including any environmental or ecological matters or interpretations thereof, unless otherwise stated.
14. If prospective financial information approved by management has been used in our work we have not examined or compiled the prospective financial information and therefore, do not express an audit opinion or any other form of assurance on

the prospective financial information or the related assumptions. Events and circumstances frequently do not occur as expected and there will usually be differences between prospective financial information and actual results, and those differences may be material.

15. Except as noted, we have relied on the representations of the owners, management, and other third parties concerning the value and useful condition of all equipment, real estate, investments used in the business, and any other assets or liabilities, except as specifically stated to the contrary in this report. We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances or that the entity has good title to all assets.
16. A site visit was not performed during the preparation of this estimate of value.
17. This report and estimate of value arrived herein are not intended by the author and should not be construed by the reader to be investment advice in any manner whatsoever. The conclusion of value represents the considered opinion of SPARDATA, based on the information furnished to us by our client and other sources.
18. We have conducted interviews with the current management of this entity concerning the past, present, and prospective operating results of the company.

## SOURCES OF INFORMATION

- Interviews with Management
- Entity's Financial Statements
- RMA Annual Statement Studies 2010 Edition
- Key Value Data's National Economic Review
- Ibbotson Associates' Stock, Bonds and Inflation 2011 Yearbook
- IBISWorld's Industry Report
- Private Transaction Databases – Bizcomps

## VALUATION ANALYSTS REPRESENTATIONS

We represent that, to the best of our knowledge and belief:

The statements of fact in this report are true and correct.

The analyses, opinions, and estimate of value included in this report are subject to the specified assumptions and limiting conditions, and they are our personal analyses, opinions, and conclusions.

The economic and industry data included in this report have been obtained from various printed or electronic reference sources that we believe to be reliable. We have not performed any corroborating procedures to substantiate that data.

This engagement was performed in accordance with the American Institute of Certified Public Accountants Statement on Standards for Valuation Services and the National Association of Valuation Analysts Professional Standards.

This report is solely for the information and use of Endai Corporation owners and other professionals to assist in the purpose of converting from C corporation to S corporation and should not be used by anyone other than such parties.

Our engagement in this assignment and the compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the Endai Corporation owners, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this valuation.

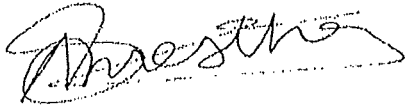
We did not use the work of outside specialists to assist during this engagement.

Neither the analyst nor any of the officers, agents or employees of SPARDATA has any bias, present or prospective interest with respect to the property that is the subject of this report, or any bias or personal interest with respect to the parties involved in this assignment.

We have no obligation to update this report or the estimate of value for information that comes to our attention after the date of the report.

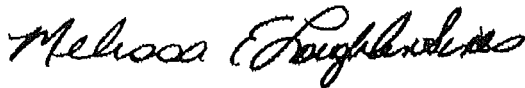
## VALUATION ANALYST REPRESENTATIONS SIGNATURE PAGE

Signatures of valuation analysts who worked on this report:



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Aadit Shrestha, MBA



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Melissa Loughlin-Sines, CPA, CVA, CFE



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Angela Jackiewicz, CPA/CFF, CVA

**Signature of person assuming responsibility for valuation for SPARDATA Business  
Valuation Experts:**



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Brad Davidson, President



# **EXHIBIT B**

June 11, 2012

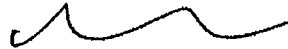
Mr. Jordan D. Maglich  
Wiand Guerra King  
3000 Bayport Drive, Suite 600  
Tampa, FL 33607

Re: Affidavit in support of the valuation of Endai Corporation

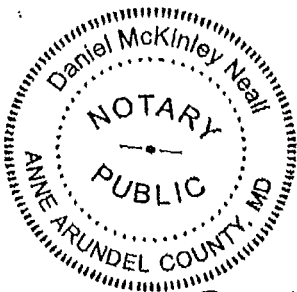
Dear Jordan:


Speaking as the president and owner of Securities Pricing and Research, Inc. (SPARDATA), we performed a valuation of Endai Corporation following the guidelines set forth by the American Institute of Certified Public Accountants' Statement on Standards for Valuation Services (SSVS) and the Internal Revenue Service Revenue Ruling 59-60. Therefore, the report we issued was to the best of our knowledge a fair and accurate opinion of the fair market value of Endai Corporation as of December 31, 2011.

Sincerely,



Brad Davidson  
President  
Securities Pricing and Research, Inc.  
6785 Business Parkway, Suite 104  
Elkridge, MD 21075



 6/11/12  
**Daniel McKinley Neall**  
NOTARY PUBLIC  
ANNE ARUNDEL COUNTY  
MARYLAND  
MY COMMISSION EXPIRES DECEMBER 23, 2015

**EXHIBIT B**