

4X FMV Distribution Example

- ❖ In this example, the asset purchased has an initial Fair Market Value of \$4 per unit.
- ❖ Customer purchases 100,000 units at \$1 per unit based on a \$4 per unit 1st year appraisal.
- ❖ The following year a qualified appraisal is completed identifying per unit value of \$3.85 instead of \$4
- ❖ 103,896 units instead of 100,000 units are delivered to the customer or the charitable organization on behalf of the customer to match product value terms.