

# Alternative Asset Valuations

## Supported Documentation

To properly report the Fair Market Value (FMV) of an asset, a qualified, independent third party should perform the valuation and provide supporting documentation. You should not use a disqualified person, such as a close relative to do the valuation. A qualified, independent third-party valuator may be a:

- Managing Partner in the case of an LLC, LP, or Entity
- Licensed Real Estate Professional (such as a broker/real estate agent)
- Certified Appraiser
- Knowledgeable Party (such as a CPA, attorney)
- Independent Valuation Company

ASSET TYPE	SUPPORTED DOCUMENTATION
<b>Real Estate</b>	<ul style="list-style-type: none"> <li>• The purchase price if the real estate was purchased within the past 12 months</li> <li>• A Comparative Market Analysis (CMA) prepared by a real estate broker</li> <li>• The value determined by a real estate appraisal</li> </ul>
<b>Private Stock</b>	<ul style="list-style-type: none"> <li>• Contact the company to obtain a current value</li> <li>• Hire a business appraiser to determine the value of the stock</li> <li>• Refer to recent purchase offers that put a value on the stock</li> </ul>
<b>Ownership Interests in a Closely Held LLC or Partnership</b>	<ul style="list-style-type: none"> <li>• Contact the manager of the LLC or Partnership to obtain a value</li> <li>• Cite recent purchase offers from third parties</li> </ul> <p><i>Note: A K1 is not acceptable as a representation of current value</i></p>
<b>Private Placement</b>	<ul style="list-style-type: none"> <li>• Contact the manager of the private placement and ask how you can obtain a value for your investment</li> <li>• A periodic statement or letter from the manager on company letterhead (as long as that manager is not yourself or a disqualified person to your IRA)</li> </ul>
<b>Long or Short-term Debt Obligations</b> (not traded on an established securities market)	<ul style="list-style-type: none"> <li>• Use the debt's principal balance plus accrued interest</li> <li>• Use the value determined by an appraiser that takes into account the value of the security, its default status and the credit-worthiness of the debtor</li> </ul>
<b>Worthless Assets</b>	<ul style="list-style-type: none"> <li>• A Trustee's Deed (for a Deed of Trust asset)</li> <li>• Bankruptcy/Receivership paperwork</li> <li>• A "cease and desist order" from an entity such as the SEC or a similar state agency</li> </ul>

If the valuation service you obtain requires payment, the payment must come from the IRA that made the investment. If your account does not have sufficient uninvested cash to cover the cost, you may have to sell a liquid asset, make a contribution, or transfer or rollover funds from another custodian to pay for the valuation services.

For more information, visit us at [mtrustcompany.com](http://mtrustcompany.com) or call a client service specialist at 800.258.7878.

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11/18