

# Fair Market Value Form (FMV)

AS REQUIRED BY THE IRS, THE VALUATION OF YOUR SELF-DIRECTED ACCOUNT MUST BE PROVIDED TO MIDATLANTIC IRA, LLC ANNUALLY AND/OR AT THE TIME OF A DISTRIBUTION OF AN ASSET IN-KIND.

PLEASE COMPLETE THIS FORM TO ACCURATELY PROVIDE THESE REPORTS

**ANNUAL VALUATIONS DUE NO LATER THAN FEBRUARY 28, 2023**

**Account Holder Name:** \_\_\_\_\_

**401(k) or IND(k)** (if applicable): \_\_\_\_\_

**Account Number:** \_\_\_\_\_

**Cusip** (if known): \_\_\_\_\_

**Asset Description:** \_\_\_\_\_

Fair Market Values of all assets held by your IRA, are required annually by the IRS.

A qualified, independent third party must complete the valuations/appraisals.

**FMV Valuator/Appraiser:**

Name \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone \_\_\_\_\_

**Fair Market Value as of** 12 / 31 / 22

**Fair Market Value \$** \_\_\_\_\_

*I certify that I am qualified to give an independent valuation/appraisal for this particular asset. I understand that this appraisal will be used for reporting purposes to the Internal Revenue Service. I understand that any false or misleading valuation/appraisal of any assets may result in penalties and fines for both the valuator/appraiser and the account owner.*

**Appraiser Signature** \_\_\_\_\_ **Date** \_\_\_ / \_\_\_ / \_\_\_

**Supporting Documentation included (REQUIRED)**

*I certify that all above information is true and correct to the best of my knowledge.*

**Client Signature** \_\_\_\_\_ **Date** \_\_\_ / \_\_\_ / \_\_\_

**NOTE:** MidAtlantic IRA, LLC reserves the right to assign, determine, calculate and assess your account a fee for determining a reasonable fair market value to your self-directed account. If a valuation is two or more years old, MidAtlantic IRA, LLC reserves the right to resign as the record keeper of the account.

**Please FAX or MAIL to:**

MidAtlantic IRA, LLC  
118 West Church Street  
Frederick, Maryland 21701  
240/575.3880 office  
301/695.6244 fax

## ANNUAL VALUATIONS DUE NO LATER THAN FEBRUARY 28, 2023

MidAtlantic IRA, LLC and/or the client may use the following procedures for satisfying the Fair Market Value requirements. Because these valuations are used to determine the fair market value of a particular asset, a qualified, independent third party should complete the valuations/appraisals. To determine the valuation of your self-directed investment, you may use:

### A qualified, independent third party, such as:

- *Managing Partners*
- *Certified Appraisers*
- *Certified Commercial Realtors*
- *Independent Valuation Company*
- *Qualified Knowledgeable Party*

Attached below are various Internal Revenue Service guides to calculating fair market values. There may be other methods for determining fair market value.

## General Guide to Valuation of:

### Commonly traded/valued/marketable investments:

(Bank accounts, brokerage accounts, U.S. Treasury and Agency obligations, stock, bonds, commodities, etc.) Assets for which a market exists will be valued based on information provided by the issuer/broker or from a recognized source such as the Wall Street Journal.

### Private Stock, closely held corporations, stock of corporations where market quotations are not available:

When a stock is closely held, is traded infrequently, or is traded in an erratic market, some other measure of value must be used. In many instances, the next best measure may be found in the prices at which the stocks of companies engaged in the same or a similar line of business are selling in a free and open market.

For additional guidance to determine Fair Market Value, see IRS Revenue Ruling 59-60 IRC Sec. 2031 (also Section 2512). For valuation of interest in businesses, see §25.2512-3. See §25.2512-2 and §§25.2512-4 through 25.2512-6 for further information concerning the valuation of other particular kinds of property. See § 25-2702-6 for an adjustment to valuation.

**Real Estate:** The value of the property is the price at which such property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell, and both having reasonable knowledge of relevant facts. The value of a particular item of property is not the price that a forced sale of the property would produce, nor is the fair

market value of an item of property the sale price in a market other than that in which such item is most commonly sold to the public, taking into account the location of the item wherever appropriate.

For providing an annual estimate of value for real estate, the assessor's "market value" may be used, but only if adjusted. To do this, the assessor's value must then add or subtract the locally assessed value's percentage. Adjust the "add-on" to the assessed value based on the documented local custom, as this can vary from jurisdiction to jurisdiction. The estimated market value should be adjusted.

For additional guidance to determine Fair Market Value see Internal Revenue Code 2512, Department of Treasury Regulations 25.2512-1, See Department of Treasury Regulation 25.2512-6 for further information concerning the valuation of other particular kinds of property. See §25.2702-6 for adjustments to valuations.

### Limited Liability Companies, Partnerships and joint ventures

The fair market value of any one interest in a business is determined by determining the fair market value of the entire LLC, partnership or joint venture and then multiplying that value by your percentage of ownership. The fair market value is the net amount a willing purchaser, whether an individual or a corporation, would pay to a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of the relevant facts. The net value is determined on the basis of all relevant factors including: (1) A fair appraisal as of the date of the valuation of all the assets of the business, tangible and intangible, including good will; (2) The demonstrated earning capacity of the business; Complete financial and other data upon which the valuation is based should be submitted with the return, including copies of reports of examinations of the business made by accountants, engineers, or any technical experts as of or near the date of the valuation.

For additional guidance to determine Fair Market Value, see Department of Treasury Regulations §25.2512-3, §25.2512-2, and §§25.2512-4 through 25.2512-6. See §25.2702-3 for adjustments to valuation.

### Secured and unsecured notes, Deeds of trust, and mortgages:

The fair market value of notes, secured or unsecured, is presumed to be the amount of unpaid principal, plus accrued interest to the date of the valuation, unless the account holder establishes a lower value. Unless returned at face value, plus accrued interest, it must be shown by satisfactory evidence that the note is worth less than the unpaid amount (because of the interest rate, date of maturity, or other cause) or that the note is uncollected in part (by reason of the insolvency of the party or parties liable, or for other cause) and that the property, if any, pledged or mortgaged as security is insufficient to satisfy it.

For additional guidance to determine Fair Market Value, see Internal Revenue Code 2512 and/or Department of Treasury Regulations 25.2512-4.