



2 September 2010

International Valuation Standards Board
41 Moorgate
London EC2R 6PP
United Kingdom

Re: Comments on Proposed New International Valuation Standards

I respectfully submit this letter as observation and commentary on the Proposed New International Valuation Standards, published in June 2010.

CoreBrand has been measuring on a quantitative basis for over 20 years the reputations of over 800 corporations across 49 industries. This is a US-based survey of business decision makers. This consistent research is the foundation of our models that define how the corporate brand represents on average 5-7% of market capitalization across these 800 companies.

We believe that the corporate brand represents a major portion of identifiable goodwill and should be added to the balance sheet, or at least considered for the footnote and comment section of annual reports. We know from empirical research that the corporate brand is a consistent number that grows when management is building a company and declines when the company's brand is mismanaged.

I believe the corporate brand meets the definition of an intangible asset as a non-monetary asset without physical substance and has three key attributes:

1. **Identifiable**: it is separable -- capable of being separated and sold, licensed, rented, or it must arise from contractual or legal rights.
2. **Economic benefits**: there is an expectation that the asset will yield future economic benefits.
3. **Controlled**: it is controlled by the organization by purchase or self-creation. The organization will obtain benefits from the asset if it is properly managed.

Based on these beliefs I submit the following recommended changes to the Proposed New International Valuation Standards:

Page 80 – paragraph 8 – Marketing related intangible assets...

Please add two bullet points:

- Product brands
- Corporate brands

Page 81 – paragraph 9 – Customer or supplier related intangible assets...

Please add two bullet points:

- Product brands
- Corporate brands

Page 81 – paragraph 12 – Specific intangible assets are defined...

Please add a bullet point:

- Where such brands can be quantitatively measured and the value identified -- this information should be considered included in reports to shareholders.

Page 82 – paragraph 14 – Goodwill is any future economic benefit arising from a business or a group of assets which is not separable from the business or group of assets in its entirety.

Please add a bullet point:

- Corporate reputation is a portion of goodwill that can be measured and valued consistently

Page 82 – paragraph 15 – Examples of benefits that are reflected in goodwill include:

Please add a bullet point:

- Corporate reputation can be measured over time with key constituencies including; employees, customers, vendors, media, shareholders, etc.

Page 82 – paragraph 17 sub-paragraph (d) – Identification of the asset to be valued

Please add a bullet point:

- Both corporate and product brands can be readily measured and valued by independent third party providers.

Page 83 – paragraph 19 – Because of the heterogeneous nature...

Please add a bullet point:

- Multiple global vendors exist to provide a fair and independent valuation of corporate and product brands

Page 83 – paragraph 20 – All methods of valuing intangible assets require an estimate of the remaining useful life.

Please add a bullet point:

- In some cases, such as brand valuation the estimated life of the intangible life can be infinite. This point supports the need for ongoing brand valuation to evaluate the way brands are actually created rather than to set a time limit on their viability.

Page 83 – paragraphs 21 & 22 – Direct Market Comparison Approach – COMMENT:

This is exactly why quantitative research allows a corporation to overcome this obstacle. In our work we track 49 different industries. We are able to identify the relative strengths and weakness of different corporate brands within those industries. Consistent research provides the foundation for comparison.

Page 84 – paragraph 23 – The required inputs for the direct market comparison...

Please add bullet point:

- quantitative research

Page 84 – paragraph 24 – Even were transactions... -- COMMENT:

I disagree with the premise of this paragraph. I think qualitative and quantitative adjustments should be considered in determining relative position in the marketplace. Without quantitative proof the qualitative aspects can become subjective.

GENERAL OBSERVATION: I believe quantitative research combined with a regression model approach should be included along with the income approach, relief-from-royalty method, premium profits method, excess earnings methods. I recommend the following:

Corporate branding can be valued if it includes:

- Consistent quantitative research over time
- It is modeled against industry peers and stock market
- Evaluated based on relative position and market capitalization
- Managed based on improving brand equity and value over time

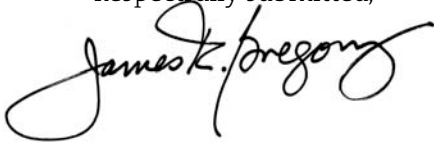
Finally, I recommend that the International Valuation Standards Council reach out to the Marketing Accountability Standards Board (MASB), which is the independent, private sector, self-governing body authorized by its membership constituency to establish marketing measurement and accountability standards across industry and domain, for continuous improvement in financial performance and for the guidance and education of business decision makers and users of performance and financial information. MASB is made up of academics and

practitioners from business evaluating brands every day. This organization can be hugely helpful to creating valuation standards that will stand the test of time. I will be happy to provide that connection if someone from IVSC is interested in learning more.

It should be noted that MASB has not reviewed nor endorsed my response to the Proposed New International Valuation Standards.

I would welcome any questions.

Respectfully submitted,

A handwritten signature in black ink, reading "James R. Gregory". The signature is written in a cursive style with a large, looping initial "J".

James R. Gregory
Chief Executive Officer