11-1-1969

Statitrol Corporation Stock Price Computation

Statitrol Corporation

Follow this and additional works at: https://digitalcommons.wpi.edu/ms055-02-0004

Part of the Entrepreneurial and Small Business Operations Commons

Recommended Citation

Statitrol Corporation Stock Price Computation.  
Retrieved from: https://digitalcommons.wpi.edu/ms055-02-0004/1

This Other is brought to you for free and open access by the MS055-02 Statitrol Records at Digital WPI. It has been accepted for inclusion in MS055-02-0004 Capital Stock and Misc Statitrol by an authorized administrator of Digital WPI. For more information, please contact digitalwpi@wpi.edu.
STOCK PRICE COMPUTATION
Statitrol Corporation

The Board of Directors of Statitrol Corporation established a price per share of stock based on the Corporation's current financial condition as of November 1, 1969, at $10.00 per share.

The following method of stock price computation would be used for all future calculations.

Total (taxable) net profits for the past six months, doubled for an annual estimated taxable income, less an estimated tax based on a factor of 55.44 times the taxable income less $7,150.00 (25,000 x 28.6%), times a multiplier of 7.1, divided by the total number of shares issued including the total number of shares committed by warrants, not exercised, equals the price per share.

As an example, the above multiplier factor was determined from the following example:

Total net profits for the six months prior to November 1, 1969, as follows:

<table>
<thead>
<tr>
<th>Period ending</th>
<th>Net Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 31</td>
<td>$23,755.85</td>
</tr>
<tr>
<td>September 30</td>
<td>$18,712.80</td>
</tr>
<tr>
<td>August 31</td>
<td>$23,830.31</td>
</tr>
<tr>
<td>July 31</td>
<td>$25,257.80</td>
</tr>
<tr>
<td>June 30</td>
<td>$7,573.04 (loss)</td>
</tr>
<tr>
<td>May 31</td>
<td>$6,755.47</td>
</tr>
</tbody>
</table>

TOTAL (six months) $99,739.09

Projected for 12 months = $199,478.18

Estimated tax, per recommendation of Arthur Young & Company:

The following figures account for Federal, Colorado Income including 10% surcharge:

Taxable income times 55.44%, less $25,000 times 28.6%
($7,150) equals total tax - $103,440.60

Total projected taxable income - $199,478.
Less tax - $103,440
Net after tax - $96,038
Total Stock Issued - 34,720 shares
Warrants (C.I.C.) - 33,358 shares
TOTAL STOCK - 68,078 shares

Times $10.00 per share (as established by the Board, effective 11/1/69) equals -

Corporate value projected - $680,780.00.

Divided by 96,038 after tax dollars equals a multiplier of 7.1.

Therefore, stock value computation will be based on a multiplier of 7.1 times net after tax dollars, including warrants.