

409A Valuation Services

Defensible Valuations. Audit-Ready Reports. IRS Safe Harbor Compliance.

Private companies issuing stock options or equity compensation must establish fair market value (FMV) to comply with IRS Section 409A. Non-compliance can result in significant tax burden and penalties. Our 409A valuations provide independent, defensible assessments needed to grant equity with confidence.

IRS Safe Harbor Protection: A properly conducted independent 409A valuation creates a legal presumption that your strike price is valid, shifting the burden of proof to the IRS rather than your company. Without safe harbor, employees face up to 20% penalty taxes plus interest if the IRS challenges your valuation.

WHAT WE OFFER

A 409A valuation is required every 12 months or when there is material change in company's value. We offer comprehensive 409A valuations for companies at every stage from pre-revenue startups to late-stage enterprises preparing for exit. Our 409A practice delivers:

- **Credentialed Specialists** - Valuations prepared by experienced professionals adhering to AICPA, IRS, and USPAP standards.
- **Tailored Methodologies** - Income, market, and asset approaches applied based on your company's stage and capital structure.
- **Rigorous Documentation** - Reports built to withstand scrutiny from auditors, boards, and regulatory authorities.
- **Hands-On Collaboration** - Direct access to our valuation analyst throughout the process.

Why Sorren for 409A

- Proven history in business valuation across industries
- Independent, objective assessments that protect your interests
- Seamless integration with our broader valuation and transaction advisory services
- Responsive team that explains the "why" behind every number

Ready to discuss your 409A needs? Contact us today.

sorren.com