

# ***Aircraft Intellectual Property to be Sold at Auction***





## **Press Kit**

### **AIRCRAFT INTELLECTUAL PROPERTY AND PRODUCTION ASSETS TO BE SOLD AT AUCTION** *Both Intangible and Tangible Assets to Go on the Block in Traditional American Style*

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***AIRCRAFT INTELLECTUAL PROPERTY AND PRODUCTION ASSETS TO BE SOLD AT AUCTION***  
***Both Intangible and Tangible Assets to Go on the Block in Traditional American Style***

**July 11, 2005, OSHKOSH, WI** — In what may be the first financial offering of its kind, the owners of Lake Amphibian aircraft will auction its intellectual property and associated assets in a traditional American “outcry” auction at AirVenture 2005, the largest annual aviation event in the United States. The auction will take place July 27 on the grounds of the air show as part of the Experimental Aircraft Association (EAA) Convention.

“We’re charting new ground in the sale of intellectual property,” says Mary A. O’Connor, Director of Valuation Services at RGL Forensic Accountants & Consultants. “The Lake Amphibian is the only certified single-engine amphibious aircraft in production in the world — and we’re selling everything you need to manufacture it. Even more interesting is the fact that we’re actually auctioning off proven intellectual property — both know-how and tools. We’re letting the market set the value of the property in an intensely competitive environment.”

Flying for more than 50 years, Lake Aircraft are the only government certified, single-engine, amphibious aircraft available for production in the world. Various civilian models include the Buccaneer, the Renegade and the SeaFury. The SeaWolf, built for the military and law enforcement, is used by government for rescue operations, military insertion/extraction of personnel, drug interdiction, anti-piracy activities and wildlife management. The aircraft is capable of landing on improved or unimproved surfaces with conventional retractable landing gear, or in the water **without** the use of aftermarket floats.

According to Marty Higgenbotham, President of Higgenbotham Autioneers International, who will conduct the auction, the assets of the company will be sold as a whole. The most significant assets included in the auction are the FAA Type Certificate, associated Supplemental Type Certificates for improvements and modifications to the basic design, engineering and marketing data, tooling, fixtures and component inventory. Higgenbotham has likened the FAA Type Certificate to a “perpetual patent,” noting, “The potential dollar value of the rights associated with intellectual property of this nature is immeasurable.”

Atlanta, Boston, Charlotte, Chicago, Cologne, Denver, Dublin, Indianapolis, Las Vegas, London, Los Angeles, New York,  
Orange County, Perth, Philadelphia, Phoenix, Portland, Sacramento, St Louis, Salt Lake City, San Diego, San Francisco, Seattle, Sydney, Tokyo

RGL is a trade name of RGL International, Inc.



RGL Forensic Accountants and Consultants conducted feasibility and other financial analyses related to the auction. O'Connor, who is an ASA certified business appraiser and auctioneer, said RGL's involvement in the auction represents an exciting new venture for the international forensic accounting firm. "Selling intellectual property publicly at auction is new to the financial marketplace. We believe the public auction method has great potential in the future sale of transferable intellectual property because it can be faster than a private sale and brings many more buyers into the process."

Higgenbotham Auctioneers held a "Preview of Goods" for potential bidders on July 6; interested parties may request bid packets and schedule private previews prior to July 21.

With 25 offices worldwide, RGL Forensic Accountants & Consultants is an international investigative accounting and consulting firm serving a wide variety of corporations, investors and attorneys in assignments related to business consulting and litigation. For more information, or to download an electronic press kit about the auction, visit [rgl.com](http://rgl.com).

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### **LAKE AMPHIBIAN AIRCRAFT BACKGROUND**

The Lake Amphibian series of aircraft was the brainchild of Herb Lindblad and Dave Thurston, both flying boat engineers of the great Grumman and Republic Aircraft companies. After designing and building the infamous flying boats of Grumman & Republic, Thurston & Lindblad pooled their talent to develop the Colonial Skimmer Model C-1. Through the early years of production in Sanford, Maine, the Skimmer grew from a 2-place, 125 hp airplane first flown in 1948 (FAA Certified in 1955) to the 200hp Buccaneer. Lake Aircraft Corporation purchased the manufacturing rights to the Skimmer aircraft in the late 1950s. The current owners bought their first Lake Amphibian, an LA-4-200, in 1970, and became involved in the company in 1971. Over the next three decades they became full owners and subsequently introduced and certified the 6-place, 250hp Renegade, the 270hp SeaFury, and the Master of the Fleet, the 290hp special-use SeaWolf.

#### ***Fast Facts***

- The Lake Amphibian series of aircraft is the only FAA certified single-engine amphibious aircraft in production in the world.
- There are approximately 800 to 1000 Lake Aircraft currently in use throughout the world.
- The aircraft is capable of land and water operations without the addition of aftermarket floats.
- The aircraft have been in production and flying for more than 50 years.
- The Lake Amphibian line is part of the general aviation industry classification.
- Civilian models include the **Buccaneer**, the **Renegade**, and the **SeaFury**.
- The approximate cost of a civilian aircraft model is \$650,000.
- The **SeaWolf** model, designed specifically for military and law enforcement use, is used by government for rescue operation, military insertion/extraction of personnel, drug interdiction, anti-piracy activities and wildlife management.
- The approximate cost of the **SeaWolf** model is \$1,500,000.

For more information about the aircraft, please contact Scott Oglesby of Higgenbotham Auctioneers International.





*At work*



*At play*



### **LAKE AMPHIBIAN AIRCRAFT AUCTION OVERVIEW: FEASIBILITY AND FINANCIAL ANALYSES**

To support the proper evaluation of assets at auction, RGL — Forensic Accountants & Consultants conducted feasibility and other financial analyses related to certain tangible and intangible assets used in the production of Lake Amphibian aircraft. The results of RGL's analyses are significant to aiding the bidder in understanding the nature and extent of the assets being auctioned as well as their financial potential as the foundation of a future business enterprise.

The scope of the analyses included:

- Extensive interviews with Armand Rivard, the current owner of the assets.
- A thorough investigation into the history of Lake aircraft, its competitive environment and industry prospects.
- A projected financial analysis of the potential operation, based on the investigation of domestic and international economic factors as well as growth trends within the general aviation industry. RGL developed Pro-Forma Income Statements, detailing estimated Revenue, Cost of Goods, Gross Profit, Operating Expenses and EBITDA (earnings before interest, taxes, and depreciation/amortization) for the first two years of operation.
- A projected employment and manpower analysis, including estimated salaries and wages, direct assembly labor per aircraft/per month; direct assembly labor in regard to parts production; and calculation of gross payroll, benefits and payroll taxes for the first two years of production.

For more information about the nature of the assets being auctioned and the financial analysis conducted, please contact Mary O'Connor.





## **RGL — FORENSIC ACCOUNTANTS & CONSULTANTS**

RGL, Inc. is an international investigative accounting and consulting firm with 25 offices located across the United States and throughout the world. Since its founding more than 35 years ago, RGL has devoted its practice exclusively to forensic accounting. The firm serves a wide variety of corporations, investors and attorneys in assignments related to business consulting and litigation.

RGL focuses in four main practice areas: insurance support, litigation support, business valuation, and fraud and fidelity services. In addition to accounting certifications, the majority of the firm's partners are also accredited in fraud examination, business appraisal and business valuation. As such, the firm is unique in its ability to combine three core skills, unmatched by similar firms in the industry:

- Forensic and Investigative Accounting – uncovering the facts
- Economic Loss Calculation – establishing the correct numbers
- Financial Valuation – determining business value

RGL's U.S. headquarters is located in Denver, Colorado. European and other international offices are managed from the firm's London headquarters.

**rgl.com**



**MARY A. O'CONNOR, ASA**  
**RGL — FORENSIC ACCOUNTANTS & CONSULTANTS**

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Mary O'Connor, ASA, is Director of Valuation Services in the Litigation Support Practice of RGL — Forensic Accountants & Consultants. Based in the firm's Chicago office, Ms. O'Connor provides a full range of valuation and forensic accounting services including business and equity valuation, intellectual property valuation, real estate and machinery appraisal, fraud analysis, economic damage calculation and investigative accounting for any business or litigation purpose.

She has established fair market value and fair value opinions for a wide range of business assets including business enterprise, real estate interests, stock and partnership interests, and intellectual property such as patents, franchise agreements, personal and enterprise goodwill, customer lists, and technology. She also appraises computer and high-tech medical equipment and has managed several large valuations of commercial real estate for securitization.

Ms. O'Connor received a B.A. degree from the University of Illinois, Urbana and an M.B.A. with concentration in finance from Georgia State University, Atlanta. She also holds Certificates in International Business and E-Commerce from the University of Illinois, Chicago.

She is a General Accredited Appraiser of the American Society of Appraisers accredited in business/intangible asset valuation. She is President of the Business Valuation Association of Chicago and Vice President of the Chicago Chapter of the American Society of Appraisers.

Ms. O'Connor has served as an expert witness in numerous Federal, State and local jurisdictions (including US Tax Court).

During her twenty-five-year career, Ms. O'Connor was employed by Deloitte Touche as Director of Valuation Operations, Marshall & Stevens as Vice President and Valtec Associates as Financial Analyst.



### **HIGGENBOTHAM AUCTIONEERS INTERNATIONAL**

Higgenbotham Auctioneers International was founded in 1959 by Marty Higgenbotham. Specializing in the sale of real estate and intellectual property at auction, we are a full service organization dedicated to successfully marketing, selling, and closing all types of properties in a timely and efficient manner for our clients.

Our corporate offices house a diligent team of licensed real estate agents, auctioneers, and support staff working daily to insure that each auction is well organized, energetic, and therefore successful. In-house counsel is provided by Joseph J. Nolan, PA, and has been since 1987. Brenmar Advertising, also owned by the Higgenbotham family, is an award winning ad agency providing services for all auction advertising and marketing campaigns.

The Higgenbotham organization and the resulting teamwork is responsible for our having been chosen to provide continuing services for many *Fortune* 100 clients such as Albertson's, Alcoa, International Paper, Wal-Mart, and others.



**MARTIN E. (MARTY) HIGGENBOTHAM, CAI**  
**FOUNDER OF HIGGENBOTHAM AUCTIONEERS INTERNATIONAL**

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**PROFESSIONAL ACCOMPLISHMENTS:**

- Served as Congressional Legislative Representative for National Federation of Independent Businessmen
- Girls and Boys Club of America established Martin E. Higgenbotham Scholarship
- Rotary Hall of Fame Award
- George Jenkins Award
- P. Scott Linder Business of the Year Award
- Award Winner in International Auctioneer Contest..
- Youngest member ever to be inducted into the National Auctioneer's Association Hall of Fame.
- Recipient of the Lewis C. Dell award from the Florida Auctioneer's Association.
- Served as Chairman of Relocation Committee moving National Auctioneer's Association headquarters from Lincoln, Nebraska to Kansas City, Missouri (Raised \$700,000 in cash and/or pledges to pay for new office).
- Served as President of the National Auctioneer's Association.
- Vice-President of National Auctioneer's Association.
- Second Vice-President of National Auctioneer's Association.
- Chaired Legislative Committee
- Chairman of the National Auctioneer's Association convention
- President of the Florida Auctioneer's Association.
- One of the Founding Governors of the Certified Auctioneer's Institute at the University of Indiana and is a Charter Member (equivalent to Master's Degree in auctioneering).
- Serves as keynote speaker at numerous functions and seminars throughout the U.S.
- Recipient of commendations and awards from over 100 organizations for his charitable benevolences, raising over two million dollars annually in the name of charity.
- Serves as Real Estate Auction Instructor. (Has taught the sale of Real Estate at Auction in 44 states)
- Community Service Award from Egypt Shrine Temple



### **EDUCATION**

- Reisch Auction College, Mason City, Iowa
- Graduate of the Marketing Institute, University of Missouri.
- Graduate of the Marketing Institute, Purdue University.
- Graduate Certified Auctioneer's Institute, Indiana University, Bloomington, Indiana.
- Graduate of Certified Auctioneer's Institute Speaker Forum, Nashville, Tennessee.
- Wellsville High School, Wellsville, Missouri

### **BUSINESS EXPERIENCE**

- Personally licensed as an Auctioneer or affiliated with offices in 49 states.
- Established real estate syndications and remains a major owner in apartments, commercial real estate and office building ventures.
- Developer of theme office park and residential subdivisions.
- Director of Platinum Bank, Lakeland, Florida
- Builder of single family and multi-family properties.
- Director of Executive National Companies (ENCO) — Development; \$50 million dollars of historical building renovations.

### **MEMBERSHIPS**

- National Auctioneer's Association — Life Member
- National Auctioneer's Foundation — Life Member
- Florida Auctioneer's Association — Life Member
- Certified Auctioneer's Institute — Charter Member
- National Speaker's Association
- American Society of Appraisers — Associate Member
- Polk County Builder's Association
- Florida Conservation Association
- The Salvation Army — Director
- Lakeland South Rotary Club - Past President /Paul Harris Fellow
- Ducks Unlimited
- National Wild Turkey Federation





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