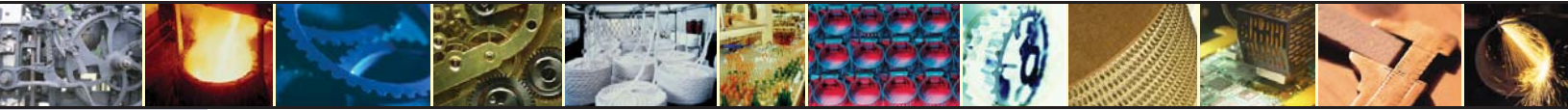


Research & Experimentation Tax Credit Studies

for the manufacturing industry



Process Improvement > Risk > Discovery > Research > Innovation > Invention > Testing >

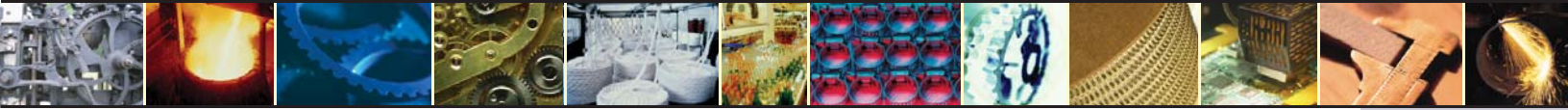


“To keep our nation leading the world in technology and innovation, we’re extending and modernizing the research and development tax credit. By allowing businesses to deduct part of their R&D investments from their taxes, this bill will continue to encourage American companies to pursue innovative products, medicines, and technologies.”

George W. Bush

While signing the Tax Relief and Health Care Act of 2006, extending the R&E Credit

The White House | December 20, 2006

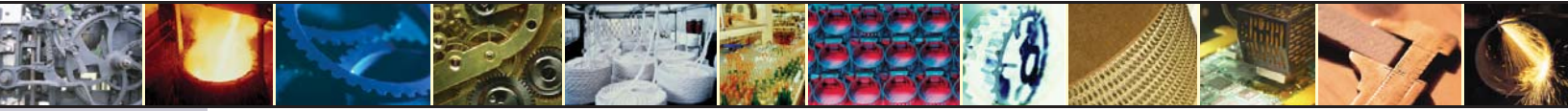


Research & Experimentation Checklist: Do You Qualify?

Do You...

- Manufacture products?
- Develop new, improved, or more reliable products, processes, or formulas?
- Develop prototypes or models (including computer-generated models)?
- Design tools, jigs, molds or dies?
- Develop or apply for patents?
- Perform certification testing?
- Conduct testing of new concepts and technology?
- Develop new technology?
- Attempt to use new materials?
- Add new equipment?
- Perform environmental testing?
- Develop or improve production or manufacturing processes?
- Develop, implement or upgrade systems and/or software?
- Develop production control software?
- Improve or build new manufacturing facilities?
- Automate/streamline internal processes?
- Implement quality standards?
- Adhere to regulatory bodies?
- Expend resources on outside consultants or contractors to conduct any of the above-stated activities?

If you answered "yes" to any of these activities, you may qualify!



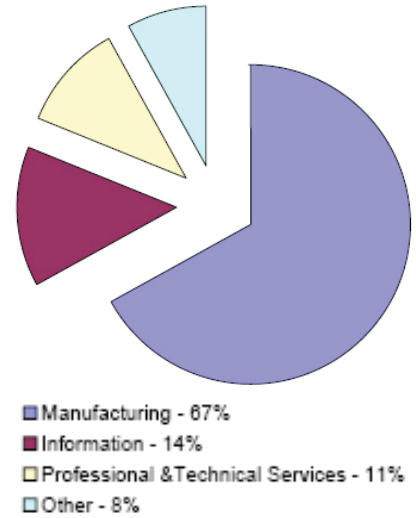
Common Myths About the R&E Tax Credit

“Our business is simple and not ‘high-tech.’ We probably don’t qualify.”

“If you are developing new processes or products, or improving existing processes or products, you qualify. If you have devoted resources to evaluating a new technology, investigating new materials, improving machinery or tools, developing and implementing lean manufacturing techniques or improving the environmental impact of your processes, you may be eligible.

Industries Claiming Credits

(Source: Joint Committee on Taxation Calculations from the Internal Revenue Service, 2002)

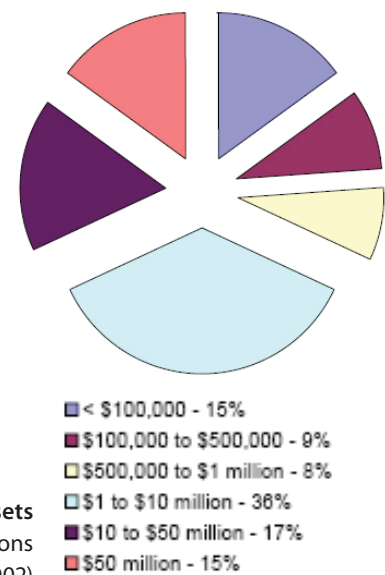


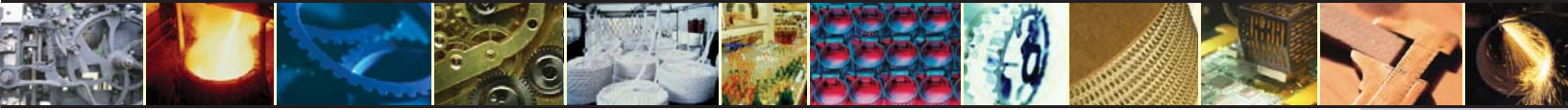
“We are a small company. This credit is just for big business.”

There is no size requirement for the R&E credit. Both large and small companies are potential candidates for the credit. If you have new or improved processes or products, you may be eligible for the credit.

Size of Companies Claiming Credits by Total Assets

(Source: Joint Committee on Taxation Calculations from the Internal Revenue Service, 2002)





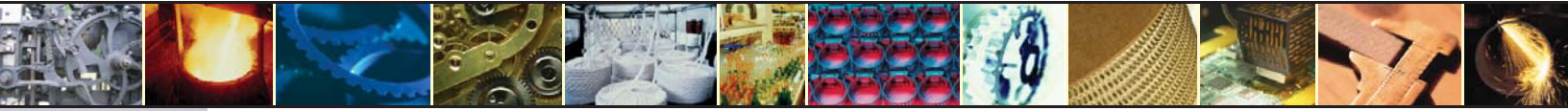
“We’ll just tell our CPA to file the right form at the end of the year to receive the credit.”

Successfully claiming the R&E tax credits to which you are entitled is more complicated than just filing the appropriate form. Highly specialized knowledge of current and historical requirements, along with proven technical report writing, is necessary to substantiate and defend your claim. America’s Edge has studied the intricacies of IRC Section 41 and has the technical knowledge necessary to identify the items that qualify for the credit.

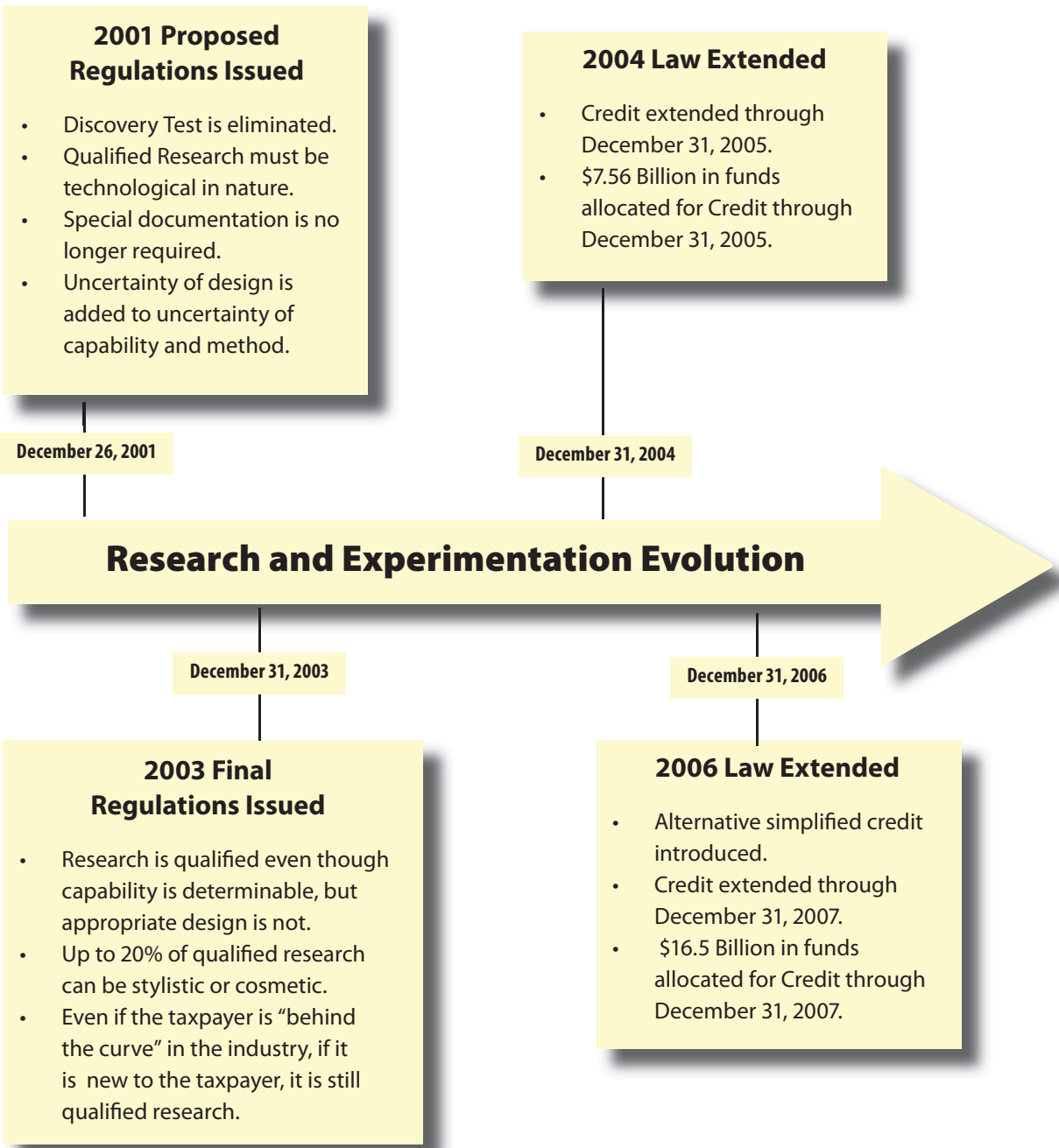
Our process includes a plant tour and interviews with your key management. These are both necessary to substantiate your credit. However, because of our experience, we have streamlined our process to minimize disruption of your operations. Our interviews are designed to capture all eligible costs and appropriate documentation in the most efficient and direct way possible.

“Our CPA looked into this a few years ago. We didn’t qualify.”

Recent legislation has expanded and simplified the credit eligibility so many additional taxpayers can receive these credits. In fact, unclaimed credits from prior years also can be recovered under the current legislation.



The R&E Tax Credit Evolution





Our Five-Phase Engagement Process

PHASE 1: INITIAL MEETING – NO CHARGE

Our process begins with a meeting between the professionals of America's Edge and the management team of the Company. At this time, an overview of the Credit and its parameters are presented. After this meeting, America's Edge tours the Company's facilities to gain an understanding of the Company's overall business process. This enables America's Edge to identify important areas of opportunity as they relate to the Research and Experimentation Credit. Also at this time, we determine if it makes sense to proceed with the calculation.

PHASE 2: ESTIMATE OF CREDIT – NO CHARGE

After discussing the guidelines of the Credit with the management of the Company, America's Edge estimates the potential qualifying research and experimental expenses for each period for which credits are available. Using this information, an estimate of the potential tax savings and future benefits of conducting the Research and Experimentation Study is determined.

PHASE 3: EMPLOYEE INTERVIEW PROCESS

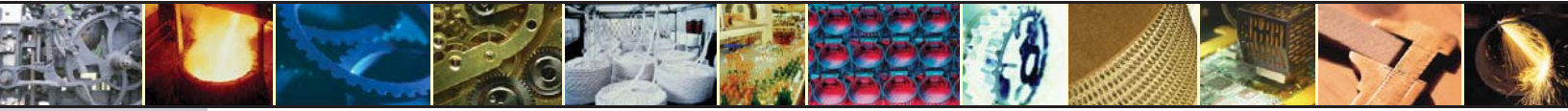
After identifying the general areas of activities eligible for the credit, interviews are conducted with those employees that play a role in the research and experimentation activities. These individuals are excellent sources of detail regarding the research activities of the Company. These interviews focus on the uncertainties, challenges, improvements and developments of the eligible products and processes. The levels of involvement of key employees in research and experimentation are also determined during the course of these interviews.

PHASE 4: DELIVERY OF THE STUDY

Based on the results of the interviews and various meetings with management, America's Edge documents the findings in a detailed report. This report contains descriptions of the new or improved products and processes of the Company, as well as a detailed calculation of the Credit for the entire amended tax return period covered by the Study. This study serves as a basis for your tax credit.

PHASE 5: PLANNING FOR THE FUTURE

After delivery of the Study and filing the appropriate tax forms, America's Edge Group's goal is to assist you in claiming future research credits. This step in the process often includes discussing the required documentation, capturing the time applicable to research and experimentation, and recording information with respect to testing and functionality.



America's Edge Group

America's Edge Group specializes in assisting manufacturers and their advisors in maximizing the R&E tax credit (IRC § 41).

More clients choose America's Edge Group over other firms for several reasons:

- Our group specializes in IRC § 41 exclusively and relies on these regulations as the basis for your tax credit results.
- Our team members' professional backgrounds consist of tax, financial, engineering, operational and technical sales; we know how to ask the right questions, and understand your business.
- We have streamlined our own processes to provide the highest quality service, with the least interruption to your operation.
- We make it our priority to research your industry, company and operation prior to beginning our fieldwork.
- We are backed by our solid reputation as a CPA and business advisory firm that has been in operation since 1983.

Case Studies

<i>\$8 million Custom plastic injection molder</i>	<i>\$ 145,000 in savings</i>
<i>\$20 million Custom plastic injection molder</i>	<i>\$ 350,000 in savings</i>
<i>\$5 million Tool & die shop</i>	<i>\$ 275,000 in savings</i>
<i>\$18 million Dental laboratory</i>	<i>\$ 420,000 in savings</i>
<i>\$6 million Dental laboratory</i>	<i>\$ 185,000 in savings</i>
<i>\$10 million Dental laboratory</i>	<i>\$ 345,000 in savings</i>
<i>\$40 million Durable goods manufacturer</i>	<i>\$ 315,000 in savings</i>
<i>\$150 million Consumer goods manufacturer</i>	<i>\$1,000,000 in savings</i>
<i>\$5 million Glass products manufacturer</i>	<i>\$ 145,000 in savings</i>
<i>\$11 million Software developer</i>	<i>\$1,085,000 in savings</i>
<i>\$47 million Durable goods manufacturer</i>	<i>\$ 710,000 in savings</i>
<i>\$40 million Meat processor</i>	<i>\$ 335,000 in savings</i>
<i>\$75 million Wood cabinet manufacturer</i>	<i>\$ 685,000 in savings</i>
<i>\$30 million Machined parts manufacturer</i>	<i>\$ 255,000 in savings</i>
<i>\$2 million Medical device manufacturer</i>	<i>\$ 130,000 in savings</i>



What Our Clients Are Saying...

“A large regional CPA firm reviewed our operations and estimated a potential R&E tax credit benefit of \$60,000 for a four year period. After talking with America’s Edge and utilizing their specialized knowledge of our industry, operations and the tax credit, our savings were \$382,000 over that same period.”

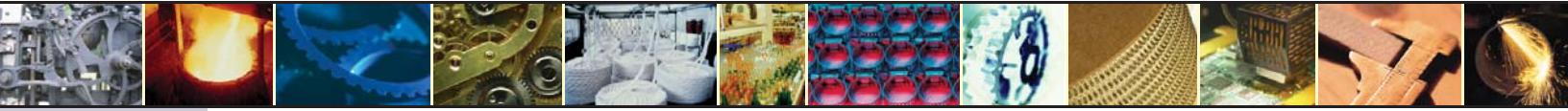
- A \$50 million metal enclosure manufacturer

“We had three of the Big 4 CPA firms look at our tax returns for the past three years. These firms’ local once representatives told us we had taken all eligible R&E Credits. We then had America’s Edge review our returns and our complex business operations. They helped us identify previously overlooked qualifying expenditures and previously unclaimed credits. These credits were subsequently audited by the IRS without change. We are deeply indebted to America’s Edge Group’s R&E expertise and understanding. They are truly experts in this area.”

- An \$800 million durable goods manufacturer

“Our local CPA firm and several large national and regional CPA firms advised us that we were entitled to \$25,000 of annual R&E credits. America’s Edge reviewed our prior returns and helped us identify significantly more qualifying R&E expenditures. These additional R&E credits resulted in more than \$750,000 in refunds from prior years, previously overlooked and unclaimed. They also identified another \$600,000 in tax savings overlooked by the other firms. This was a very beneficial study.”

- A \$150 million consumer products manufacturer



Selected Members of Our Team



Douglas M. Mueller, CPA
Chief R&E Tax Credit Specialist

Doug Mueller has been nationally recognized by the *Wall Street Journal* and *Money Magazine*, where he frequently contributes tips on wealth management, protection, and high-level tax strategies. For more than 25 years, Doug has focused his practice on working with high net worth clients and structuring assets to minimize tax liabilities. Doug is currently known internationally for his expertise on the Research and Experimentation Tax Credit, and is a highly preferred speaker on this subject for professional organizations nationally. He is a member of the American Institute of Certified Public Accountants and the Missouri Society of CPAs. He also serves the St. Louis Community as a member of various charitable and business-related boards.



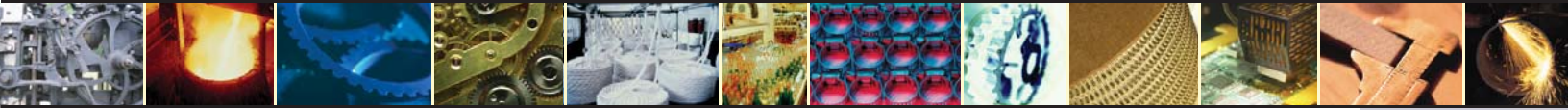
Adam J. Herman, CPA/ABV, CVA, ASA
Managing Director

Adam Herman has focused his more than 14 years of experience on serving the special needs of businesses and their owners. He provides consulting and support services in the areas of business valuation, litigation services, merger and acquisition services, research and experimentation (R&E) tax credit services and business operational analysis. As director of the fast-growing R&E Tax Credit Group at America's Edge, Adam has led nationwide engagements resulting in substantial tax savings for manufacturing companies as well as a variety of other companies in several industries. As a highly sought-after speaker on a national and regional basis for professional organizations, he is also the Chairman of the Legal Services and Business Valuation Committee for the PKF North American network of over 96 mid-sized U.S. accounting firms, and a member of many renowned regional and national organizations. These activities contributed to Adam being named to the 40 Under 40 Class of 2007 by the *St. Louis Business Journal*.



Michael J. Devereux II
Director | R&E Tax Credit Specialist

Mike Devereux has more than seven years of experience as a tax consultant and business advisor. As an energetic and ambitious accountant with a passion for tax law, Mike has demonstrated leadership and exceptional judgment in the tax structuring of various acquisitions and has led more than 150 research and experimentation tax credit study engagements, and is lead coordinator for America's Edge Group's special tax incentives program. He is frequently asked to speak to various professional and industry trade organizations and associations about the R&E tax credit. He is a member of the American Institute of Certified Public Accountants, the Missouri Society of CPAs, and Associated Industries of Missouri. He also serves on the board of Good Shepherd Children and Family Services. These activities contributed to Mike being named to the 30 Under 30 Class of 2007 by the *St. Louis Business Journal*.



Greg Pfeuffer, CPA

Director

When business owners are serious about growing their business, they call on Greg Pfeuffer to help them develop a strategy. Greg has provided business plans, operational reviews, cash flow projections, financial strength analyses and forecasted financial statements to a wide variety of companies in various industries. His organizational skills and attention to detail makes him the ideal production manager for our clients' R&E tax credit experience. He has performed customized consulting assignments in multiple industries, including automotive, construction, electrical contracting, real estate, hardware, pharmacy, computer software, as well as other retail, manufacturing, service and professional business establishments. Greg is also an active member of the Missouri Society of Certified Public Accountants and other community organizations.



Richard K. Pickett

Director | R&E Tax Credit Specialist

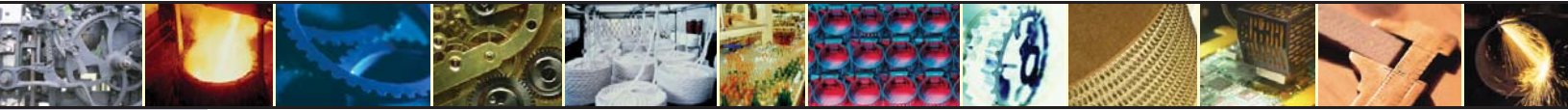
With more than 10 years of experience as a tax and business advisor, Rich Pickett serves as lead coordinator for America's Edge Group's State research and experimentation (R&E) tax credit services. He has supervised R&E Studies around the country, and is a highly qualified and experienced professional who helps clients use R&E credits to reduce current and future tax burdens at both the Federal and State levels. Because of his specialized knowledge, he lectures on a variety of tax and accounting issues to many industry groups and universities. Rich is a member of the Missouri Society of CPAs and other community, civic and charitable organizations.



Stephen M. George, PE

Senior Engineer

As a licensed Professional Engineer, Stephen George brings 25 years of chemical process industry leadership to help manufacturing companies of all types take advantage of their well-earned research and experimentation tax credits. Having lived the fact that American innovation occurs in every facet of an operation -- from the shop floor to the Board Room -- he is uniquely positioned to help clients identify qualified research activities. His company was a pioneer in the ISO 9000 certification of process industries. The documentation process required for ISO is directly related to R&E documentation. His first hand experience with \$100 million plus mergers and acquisitions from both sides of the table is an invaluable asset in effectively describing manufacturing processes. Steve is a graduate of Georgia Tech with a B.S. in Chemical Engineering.



About America's Edge

The research and experimentation tax credit rewards businesses for innovation and improvement to their products and processes.

America's Edge Group excels at providing research and experimentation tax credit studies to manufacturers, helping them identify activities which qualify for the credit.

For more information, visit americasedgegroup.com.



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