




CORPORATE FINANCE

Deal Announcement

ADVISORY

KPMG Corporate Finance advised AMT II Corporation in connection with its arbitration with Advanced Products Corporation.



AMT II Corporation

KPMG Corporate Finance rendered a valuation opinion for AMT II Corporation in connection with an arbitration to determine the fair market value of its common stock holdings in Advanced Products Corporation

Value not disclosed

March 2006

AUDIT ■ TAX ■ ADVISORY

The Company

AMT II Corporation (AMT) is a holding company with an investment in privately owned Advanced Products Corporation (APC), which has two operating subsidiaries: Vermont Composites, Inc. (VCI) and Advanced Machine Stretchform International, Inc. (AMSI). VCI, based in Bennington, Vermont, is engaged in the manufacture of advanced carbon and fiberglass composite structures sold to the aerospace, medical, and automotive industries. AMSI, based in Gardena, California, designs and manufactures tools and complex structural components for the worldwide space and aerospace markets.

The Situation

AMT had the right to “put” its common shareholdings in Advanced Products Corporation to APC under certain circumstances, and AMT exercised this put in the fall of 2005. APC’s shareholder agreement called for a determination of the fair market value of the put stock by APC’s board of directors, and further called for a dispute resolution mechanism involving “baseball” arbitration if the parties could not agree on the fair market value of the put stock. AMT and the majority shareholder of APC ultimately could not agree on the fair market value of the put stock, and an arbitration ensued.

The Transaction

KPMG Corporate Finance was retained as valuation adviser to AMT. In this role, KPMG Corporate Finance rendered a valuation opinion in connection with the put stock and gave testimony during the arbitration proceedings. AMT prevailed, and the put stock was valued at the level concluded in KPMG Corporate Finance’s valuation opinion, and at a significantly higher level than that which APC’s majority shareholder and its valuation adviser had argued.

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