



# CONSULTING SERVICES

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## About Us

**InovativSolutions** was initially formed by James D. Bennett, II under the name of Purple and Gold Industries as a Sole Proprietorship in September 2004. However, in December 2005 after refocusing its business services, the name was changed to **InovativSolutions**.

**InovativSolutions** can best be described as a firm providing engineer consultation on legal and technical matters and tax and patent law for business and commercial development. Throughout our existence, our key strength has been providing the unique skill set of melding and communicating technical, financial and legal fact on behalf of our clientele to protect their Intellectual Property (IP) and devise customized solutions for technical, tax, legal and financial opportunities. Technical issues and tax and patent law is fraught with ambiguous technical language. The technical language is at times overlooked or misinterpreted by legal and financial practitioners and those of ordinary skill in the art who are not cognizant of its financial and legal impact. We provide the experienced professionals that know the law, understand the law, can interpret the law and demonstrate how it applies to technical, tax and financial fact patterns. Our key strength is the effective use of our combined engineering, financial and patent law background to resolve issues – from one source.

Our mission is to provide the client with an expedient process and cost efficient deliverable addressing their specific need(s). Whether the clients are looking to outsource, collaborate, or significantly internalize our comprehensive services for their organization we can help the clients assess their needs and achieve their financial objectives through our synergistic service advantage through:

- IP Management
- Valuation of tangible and intangible assets
- Engineer Consulting on technical issues for R&D Analysis
- Engineer Consulting on technical issues for Oil & Gas Financial Management

**We target the markets of:**

- Government Agencies
- Accounting firms
- Law firms
- The Individual inventor
- Universities
- Small businesses
- Mid-size companies



## Why InovativSolutions

Staying competitive in the 21st Century will require more than just owning a large IP portfolio and mounting successful business and commercial campaigns. It takes a systematic and focused approach to protecting, managing and exploiting all IP assets and business and commercial developments.

**InovativSolutions** uses its combined engineer technical, financial and patent law expertise to help you manage your tax matters and more effectively protect and exploit your IP and business development - **at one stop.**

### **Our synergistic approach adds value by:**

- Providing a technical edge to concept documentation to effectively communicate oil and gas technical or tax matters, R&D analysis and patent protection through our professional insights
- Assuming ownership and timely advancement of your “low priority” and/or overflow work
- Taking a proactive approach to IP portfolio management to implement aggressive campaigns to:
  - Obtain patents
  - Evaluate patents to avoid possible technology infringement
  - Monitor R&D activity and initiate recovery of tax credits and/or immediately start the patent process to protect and preserve technology for innovations of value
- Engineer technical insights and support for valuation of tangible and intangible assets

### **We are:**

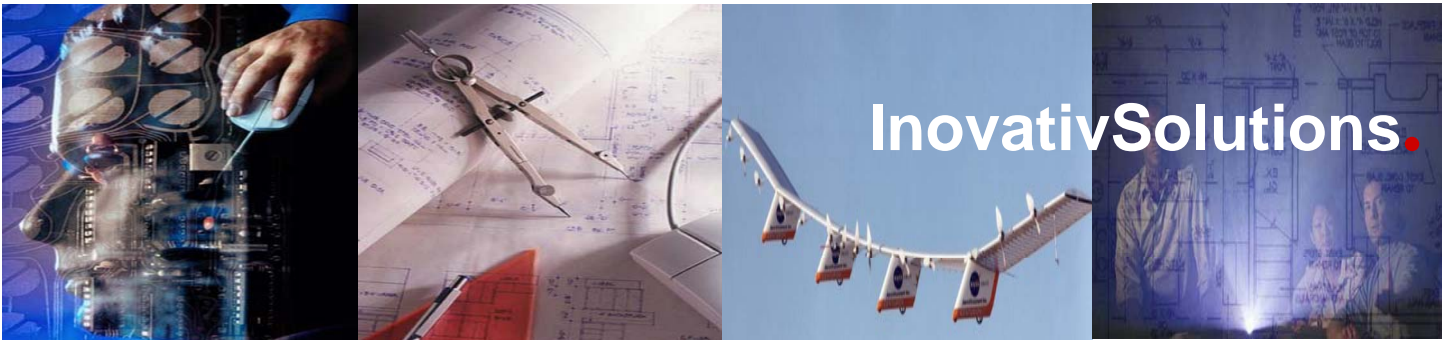
- Registered to Practice before the US Patent and Trademark Office
- Registered Professional Engineer
- Full-time professionals
- Both public and private industry experienced
- Uniquely qualified
- Well positioned
- Efficient

### **In addition we:**

- Have expertise in 11 industries - Aerospace, Automotive, Construction, High Technology/Computer Products, Manufacturing, Petroleum (Exploration & Production), Petrochemical (Refineries), Semiconductor, Shipping, Software, Utilities;
- Can respond quicker to customer needs than the competition;
- Are technical so we don't jump to conclusions;
- Have the capability to devote time in the technical, legal and financial realm with minimal strain on your resources and;
- Know that you are in the business to make money so we'll keep our eye on improving your bottom line

### **We believe our first responsibility is to our clientele who use our services. In carrying out our day-to- day business we strive to:**

- Follow the philosophy that our customers are our focal point.
- Be noticed as an ethical firm with integrity in our community.



## OUR SERVICES

### Intellectual Property Management Services

#### Patent Practice

##### Full Patenting Services

- Evaluation of Technical Feasibility
- Prior Art Searches/Patentability Opinions
- Patent Application(s) Preparation
- Patent Prosecution
- Interference Proceedings
- Patent Maintenance Fee Reports
- Identification of Inventions
- Invention Record Keeping Requirements
- Custom Seminars
- Research and Development Analysis

#### Technology Licensing

##### Phase I

##### Establish and maximize intellectual property value

##### Initial client consultation (Discussions)

- Strategic Alignment (Inventors' Goals and Vision)
- Business Drivers
- Concept/Invention Review

##### Inventory the Intellectual Property (IP) and technology

- Identify what aspects of the Concept/Invention warrants Patent, Trademark, Copyright protection

##### Access the approximate commercial viability and likely licensing interest

- Prior Art/State-Of-The-Art Search
  - Identify markets & segments
    - Target industry retailers/manufacturers by Standard Industrial Classification (SIC) Code
    - Identify similar technologies' capabilities and limitations
    - Identify Potential Competition and Competitive Product



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**Intellectual Property Management Services (continued)**

- Sales and Marketability Assessment (Opportunity Assessment (size)
  - Identify Consumer Demands /Market Trends
  - Identify Potential Licensee(s)

**Maximize the IP value (legal reviews, advising, recommend changes) to improve the patent filing if handled by a local attorney. (Includes working with the local attorney as needed by phone, email, etc.)**

- Patent Assistance
  - Prior Art Search
  - Consultative Claim Drafting
  - Consultation on Patent Office Action Strategy(s) (if necessary)
  - Consultation on “Design Around” Patent Strategy(s) (if necessary)

**Provide a report on the assessment conducted in phase one**

**Phase II**

**Deal Preparation and Strategy**

**Develop a licensing strategy & deal structure**

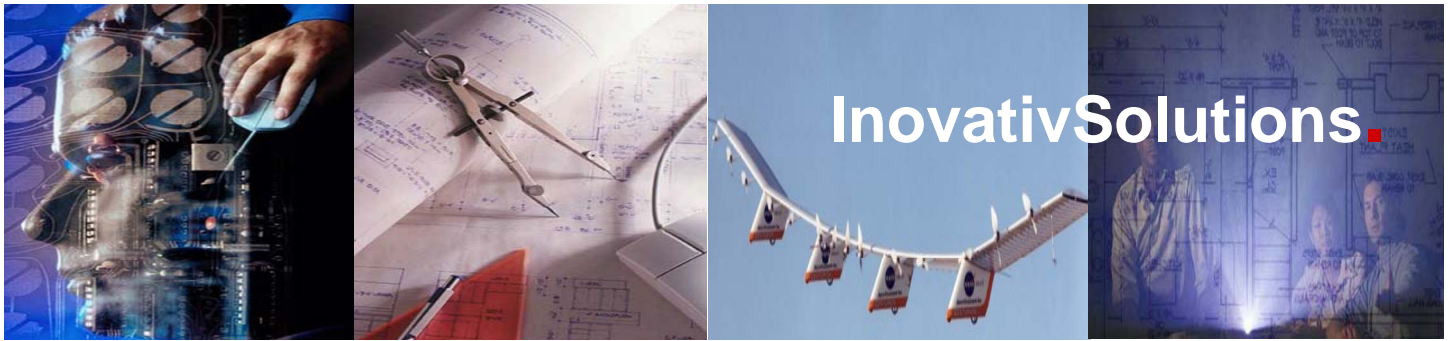
- Prototype Development
- Production and Manufacturability Assessment
- Estimation of Technology Value (Valuation of Invention/Concept )
- Deal Strategy formulation according to circumstances
- Identify the licensing prospects

**Phase III**

**Deal Implementation**

**Execute a strategy (make contacts, presentation and negotiate the deal)**

- Preparation and Dissemination of New Product Submission(s) to Potential Licensee(s)
- Invention Presentation
- Licensing Agreement Preparation and Negotiation



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## Intellectual Property Management Services (continued)

### Intellectual Property Portfolio Management

- **Proactive approach to IP portfolio management to implement aggressive campaigns to**
  - Obtain defensive patents
  - Patent evaluation to avoid possible technology infringement
  - Monitor R&D and immediately start the patent process to protect and preserve technology for developments of value
  - Organize and sort your portfolio into technology classes
  - Screen the patents within each technology class, identifying technologies with high potential value for immediate attention, low potential value for possible abandonment and unknown value for future evaluation
  - Perform technical and market assessments on high value technologies
  - Develop portfolio licensing or other commercialization strategies



# InovativSolutions

## Valuation Services

### Intangible Assets

InovativSolutions can help you determine the value of your intellectual assets so you can manage them accordingly. Our services include:

- Valuation of propriety technology
- Technical know-how
- Product designs
- In-process technology/R&D
- Patents
- Trademarks
- Trade secrets and
- Copyrights
- Goodwill/Going Concern

### Tangible Assets

Ascribe FMV (Cost, Market, Income) for:

- Individual and collective oil field property value assessments
- Other personal property/Industrial Equipment

### Project Economic Evaluation

Perform fair market value property appraisals and economic feasibility of oil and gas mineral acquisitions, divestitures, estates, gifts, donations, etc.

- Discounted Cash Flow analysis, Comparable Sales (Market), Income
- Net present value (NPV)
- Sensitivity Analyses
- Rate of Return
- Risk Analysis





## Our Research and Development Analysis Services

The Research & Development (R&D) Tax credit is one of the few corporate tax benefits remaining under current tax law. It has existed in one form or another since 1981 and allows taxpayers an annual credit of up to 20% of their current qualified research expenditures in excess of a base amount. The R&D credit is a permanent benefit both for cash flow purposes through reduced tax payments and for financial reporting purposes through increased earnings per share. In an environment of increasing tax rates, acceleration of taxable income and emphasis on maximizing shareholder value, an R&D credit study can effectively increase your company's cash and earning position.

**InovativSolutions** is dedicated to providing Engineer consultation for R&D analysis for tax credit purposes. For our clients, we identify qualified R&D activities and expenses, develop documentation, structure prospective methodologies and defend the claim. We suggest processes to not only address the technical issues, but methodologies for fact gathering and document and cost collection to make the R&D claim process less onerous.

**InovativSolutions'** experts have extensive experience including but not limited to the aerospace, automotive, chemical, construction, food processing, high technology/computer products, manufacturing, petroleum (E&P), petrochemical (refineries), semiconductor, shipping, software and utilities industries. In addition to in-depth experience, we bring a high level of creative expertise. Many of these creative strategies and techniques require combining technical engineering and tax knowledge with practical skills in order to implement such strategies in a real world environment.

## Our Team

Our full time specialist(s)' backgrounds include mechanical and petroleum engineer expertise and previous private industry and IRS experience as an Engineer Specialist(s). We are responsible for research credit analyses and advisory services. We are well versed in IRS practices and procedures relating to the examination of the research tax credit. We can provide the necessary technology expertise to maximize and sustain your research credit and other related benefits.

Unlike many professional services firms, the **InovativSolutions** Research & Development Analysis Services personnel are exclusively dedicated to research and development tax issues; we have an unusual depth of experience dealing with issues in the field, minimizing the time requirements of your personnel. By working only on research credit engagements, we can provide unparalleled levels of expertise.



## **Our Methodology – Four-Stage Approach**

The research credit analysis is a facts-and-circumstances test and can vary from year to year accordingly. Thus this process cannot be automated. It requires the specialist to apply their experience and insight to decipher from technical and financial fact patterns which are pertinent to your case. The specialists use this expertise to conduct the R&D analysis process as characterized by the following 4-stage service matrix.

### **Stage 1 - Preliminary Assessment (Preliminary Need Assessment)**

The purpose of this stage is to provide an overview presentation of Internal Revenue Code (IRC) Section 41. Our specialists perform due diligence with the client to ascertain the scope of the R&D analysis activity and address potential issues such as AMT prior credit claims and NOL are investigated. Ultimately, we perform a high level need assessment. Provided a full scale study is warranted the sequence progresses to Stage 2 involvement.

### **Stage 2- Overview of Company's Activities (Assessment of R&D Potential)**

This stage entails a proposal meeting which focuses on a credit criteria presentation, any prior credit issues, an estimate of potential credit and other discretionary specifics. The investigation pursues data extraction, a base period calculations and a federal and state (if applicable) credit estimates

### **Stage 3 - Full Scale Study (Stage 2 assessment refinement and fieldwork)**

This stage coordinates the logistics of the engagement including site visits, meeting scheduling, procurement of resources and the development of a cost identification and documentation concept. The fieldwork consists of a refinement of the cost identification and documentation methodology, interviews, documentation to corroborate the interviews, calculation of the credit and a final product deliverable. Post fieldwork activity meetings are conducted with the client to discuss the credit analysis findings and deliverables.

### **Stage 4 - Post Credit Claim Representation (IRS Audit Defense Support as requested by the client)**

Stage 4 is an ongoing process designed to help the client to address any audit issues including Information Document Requests (IDR) responses, IRS policy and procedure, revenue ruling, case and tax law research and other items.

Throughout the project we will be sensitive to the time commitments of client personnel. In addition, we will adjust our level of documentation so that it is appropriate to the magnitude of the specific research projects.



## **Engineer Technical Services for Petroleum Industry Financial/Tax Matters**

The mission of our services is to provide melded engineer technical and business and commercial development experience to produce ideas and strategies related to petroleum industry financial and tax matters. **Our services include but are not limited to the following:**

### **Overview of Petroleum Industry and Financial Matters Seminars**

- Highlight the beginning of petroleum formation, upstream operations, map reading, downstream operations, taxation and financial terminology -what they mean and how they tie to and are applied in the industry.

### **Depletion**

Technical/Litigation support for the Evaluation, Analysis, Determination or Confirmation of

- Property Definition for Depletion Purposes
- Depletable Basis
- Reserve Estimates
  - Proved
  - Unproved
- Proven Property Transfers for Percentage Depletion Purposes
- Cost and Percentage Depletion Calculations

### **Intangible Drilling Costs (IDC)**

Technical/Litigation support for the Evaluation, Analysis, Determination or Confirmation of

- Capital vs. Expense
- Timing of Deduction
- Partnerships
- Carried Interest Arrangements
- Bottom-Hole and Dry-Hole Contributions

### **Lease and Leasehold Costs**

Technical/Litigation support for the Evaluation, Analysis, Determination or Confirmation of

- Geological and Geophysical (G&G) Expenditures Allocations
- Delay Rentals
- Top Leasing
- Acquisitions



**Engineer Technical Services for Petroleum Industry Financial/Tax Matters (continued)**

**Lease and Leasehold Costs**

Technical/Litigation support for the Evaluation, Analysis, Determination or Confirmation of Sales, Exchanges and Other Dispositions e.g.

- Sale of Lease Equipment
- Production Payments
- Worthless Minerals
- Lease Abandonment
- Sublease

**Technical/Litigation support for Enhanced Oil Recovery (EOR) Method Evaluations**

Technical/Litigation support for the Evaluation of "Unapproved" EOR Methods for financial purposes

- Technical Support in Identification and evaluation of unrecognized EOR methods to reflect advancement in technology
- Qualified Expenditures and Credit Estimation
- Private Letter Ruling Request

**Technical/Litigation support for Reservoir Surveillance Evaluations and Interpretations e.g.**

- Severance Tax Exemptions and Reductions
- Reservoir Determination/Delineation
- Fluid Movement
- Pressure monitoring
- Injection Performance (Voidage Replacement Ratio)
- Technical/Litigation support to construct technical and financial fact patterns from Well/Field History
- Oil and Gas Well Diagnostics Evaluations and Interpretations include but not limited to:
  - Production Logs
  - Injection Profiles
  - Spinner/Temperature/Pressure Logs
  - Pulse Neutron Log (PNL)
  - Compensated Neutron Log (CNL)
  - Cement Bond Log (CBL)
  - Leak Detection
- On-Site Well Work Supervision include but not limited to:
  - Acidizing
  - Perforation
  - Fill Cleanout
  - Water Shut Off (WSO)/Gas Shut Off (GSO) Squeezes
  - Production Logs
  - Injection Profiles
  - Spinner/Temperature/Pressure (STP) Logs
  - Pulse Neutron Log (PNL)
  - Compensated Neutron Log (CNL)
  - Cement Bond Log (CBL)
  - Leak Detection



## **BIOGRAPHY - James D. Bennett, II, P.E. - Sole Proprietor**



James D. Bennett, II is a registered professional engineer and registered patent agent with a Bachelor of Science degree in Mechanical Engineering from Prairie View A&M University and a Master of Science Degree in Petroleum Engineering from Tulane University.

James' background consists of over 30 years of engineering, tax and patent law and business development experience. James committed 12 of those years with Amoco Production Company and BP Exploration (Alaska), Inc. in the operations facet as a Petroleum Engineer addressing technical issues concerning oil and gas well, top-side facilities and petroleum reservoir performance. In addition to those years of engineering experience, James served as a business development analyst with BP Exploration (Alaska), Inc. managing federal and state property tax initiatives and activities for well over \$7 billion of taxable property and tax incentives. Over 7 years were spent in the Tax Audit/Field Examination Branch as an Engineer Revenue Agent with the Internal Revenue Service (IRS). At the IRS, James performed

valuations of intellectual property assets, examination of petroleum industry tax matters, valuation of oil and gas minerals and various tangible and intangible assets, was an in-house technical consultant for revenue agents and was also trained as an expert witness for the IRS. He acquired a thorough understanding of IRS audit technique and policy and procedure relating to petroleum and other industry tax matters as they apply to individuals and large and complex corporations. He also managed and coordinated "special emphasis" programs and served as acting manager of a 10 member, multi-disciplined engineer group.

For 5 years James worked for Deloitte & Touche, LLP, a Big Four accounting firm. During his tenure he served as Project Manager, organized and served as the National Chair of the Engineer Technical Liaisons Committee and Technical Expert for the Quality Assurance and Advisory Services group for the firm's National R&D practice. He also provided audit defense services and developed the firm's National R&D practice's best practices for interview techniques and technical memorandum content deciphered from engineers, scientists, patents, patent applications, invention disclosure evaluations and other intellectual property to establish the validity of novel concepts.

Currently, he provides Oil and Gas Taxation and Technical Services, R&D Analysis, Expert Witness Testimony services, Patent Prosecution, Technology Licensing and IP Portfolio Management for Government Agencies, Accounting firms, Law firms, the Individual Inventor, Universities and Small to Mid-Size businesses.



## **QUALIFICATIONS**

**James D. Bennett II, P.E.**  
**Registered Patent Agent**  
**Email: [jdbennett@inovativsolutions.org](mailto:jdbennett@inovativsolutions.org)**

**Practice Areas:** Patent Prosecution; Intellectual Property Management; Technology Licensing; Tangible and Intangible Property Valuation, Engineer Consulting, R&D Tax Credit Analysis, Oil and Gas Taxation and Technical Services, Expert Witness Testimony

**Industries of Expertise:** Aerospace, Automotive, Construction, High Technology/Computer Products, Manufacturing, Petroleum (Exploration & Production), Petrochemical (Chemical Plants & Refineries), Semiconductor, Shipping, Software, Utilities

**Education:** Prairie View A&M University B.Sc. Mechanical Engineering, 1979; Tulane University M.Sc. Petroleum Engineering, 1987

**Professional Affiliations:** Licensing Executives Society (LES), Houston Intellectual Property Law Association (HIPLA), American Intellectual Property Law Association (AIPLA), National Association of Patent Practitioners (NAPP), American Society of Mechanical Engineers (ASME), Society of Petroleum Engineers (SPE), Tau Beta Pi

**Designations:** Minority Business Enterprise (MBE) with Houston Minority Business Council (HMBC), Historically Underutilized Business (HUB) by the State of Texas, Small Disadvantaged Business and 8(a) certified by the Small Business Administration

**Certifications:** Registered Professional Engineer (Texas – Reg. No. 92255), Registered to practice before U.S. Patent and Trademark Office (Patent Agent – Reg. No. 57285)

**Languages:** English.

**Born:** Crockett, Texas; June 3, 1957