

Fraud Reporting

When and how fraud can be properly reported at the conclusion of a fraud examination.

By Michael G. Ueltzen, CPA/CFF, CFE, and
Ronald L. Durkin, CPA/CFF, CFE, CIRA



MICHAEL G.
UELTZEN



RONALD L.
DURKIN

At a time when fraud seems to be receiving greater press coverage, the question of how CPAs report the results of their investigations is more critical. Some CPAs believe that their expertise in conducting examinations when allegations of fraud and misconduct have been raised enables them to conclude whether fraud

occurred. That is not the role of the CPA who performs the investigation. CPAs who conduct a fraud examination should not determine the ultimate legal conclusion. That is reserved to the trier of fact—frequently the court.

Applicable AICPA Professional Standards

CPAs are required to follow the AICPA Code of Professional Conduct in the performance of all professional services. Fraud examination is generally well-recognized as a consulting service when provided by a CPA. Accordingly, paragraph .06 of Statement of Standards for Consulting Services (SSCS) No. 1, *Consulting Services: Definitions and Standards* (AICPA,

continued on page 2



WHAT'S INSIDE

- 1 **Fraud Reporting, Proper fraud reporting at the end of a fraud examination**
- 4 **Applying the Market Approach to Valuation for Patent Damages**
- 7 **Developing a Business Valuation Practice**
- 12 **FVS EC Committee Comments on DOL'd Proposed Changes to the Term Fiduciary**
- 13 **Even Ibbotson Multiples Time Lost Profits Expert**
- 17 **Technical Advisory Board**
- 18 **FVS Calendar of Events**



THOMAS F.
BURRAGE

Chairman's Corner

I'm very excited to tell you about what's in store for you in our second issue of *FVS Consulting Digest*, one that I'm sure you'll find informative and useful. The issue covers a broad spectrum of topics of importance to our members. Tackling the sometimes thorny issue of fraud reporting, Michael Ueltzen and Ronald Durkin explain the proper parameters for a CPA's communications. Elsewhere in this issue, Stephen Heath describes what recent case law tells us about the market approach in valuation for patent damages. In addition, Joseph Leauanae and Marie Ebersbacher provide a very useful introduction of the many considerations involved in starting a business

valuation practice. For an update on our latest advocacy efforts, don't miss the article explaining the AICPA Forensic and Valuation Services Executive Committee's comments to the Department of Labor on changes it has proposed to the use of the term *fiduciary*.

I hope you'll also note the information in this issue on how to get in touch with us to share your ideas and questions about hot topics affecting your practice. We're dedicated to making this newsletter a valuable resource for all our members, so we want to hear from you!



Thomas F. Burrage, CPA/ABV/CFF, CVA ■

Contact us

We welcome your comments, questions or article ideas. Please send them to fvsconsultingdigest@aicpa.org.

Join our new FVS LinkedIn subgroup!

FVS 

Fraud Reporting, continued from page 1

Professional Standards, vol. 2), provides the primary guidance to the CPA who conducts a fraud examination. The standards require that the CPA:

- Complete the engagement with professional competence.
- Exercise due professional care.
- Adequately plan and supervise the engagement.
- Obtain sufficient relevant data.
- Serve the client interest.
- Develop an understanding with the client.
- Communicate with the client.

Communication with the client requires the CPA to inform the client of (a) conflicts of interest, (b) significant reservations concerning the scope or benefits of the engagement, and (c) significant engagement findings or events.¹ The nonauthoritative AICPA Consulting Services Special Report 03-1, *Litigation Services and Applicable Professional Standards*, provides the practitioner with additional guidance in applying SSCS No. 1 to a litigation service or fraud examination.

The CPA's duty to communicate significant engagement findings or events to the client includes a requirement to communicate the results of a fraud examination; however, the method of reporting is subject to an agreement between the client and CPA.² At the outset of the engagement, the CPA should establish an understanding as to the form of the report and insure that the client understands that the CPA cannot provide the ultimate conclusion as to fraud.

Conduct of the Examination

Consistent with professional standards, the CPA should establish an understanding, either oral or written, about the nature, scope and limitations of the services to be performed. The understanding may be modified if a change occurs during the engagement.

The CPA should consider which of the following arrangements is most appropriate:

- (a) To be retained by counsel for the client in order to protect the attorney-client privilege or the attorney work product doctrine, or
- (b) To be retained by another third party, such as a company requesting the investigation.

Generally, the CPA should be retained by, and work through, counsel during the conduct of a fraud examination unless conditions or circumstances warrant an alternative approach.

During the initial phase of the fraud examination, the CPA should discuss what form the report will take (oral or written) and how it will be distributed. In some instances, the client may wish to limit distribution of the report.

The actual conduct of the examination requires that the CPA evaluate the scope of the engagement and determine to what extent the following actions are necessary:

- Examine internal and external documents
- Conduct outside research
- Conduct interviews
- Perform analytical procedures
- Use software tools to analyze the following:
 - Accounting books and records
 - E-mail
 - Hard drives
 - Other source documents

Not all examinations will require using all of the preceding forensic tools.

Each of the above procedures will form the basis of the fraud report. The CPA should consider the ultimate users of the report as there may be a need to establish a documented chain of custody for the examination of internal or external documents or interview summaries that may be used to support the findings of the examination.

A Wealth of Information Available in the FVS Web Seminar Archives

FVS Section members enjoy exclusive access to the FVS Web Seminar Archives. The recently recorded events are downloadable at any time, offering more flexibility in getting the latest news on timely issues. Some of the most frequently downloaded seminars include:

- [From Legal Structures to Strategic Plans: Develop Your Forensic Practice](#)
- [The Financial Expert's Role in the Litigation Process](#)
- [Get Results: Better Marketing, More Effective Networking](#)
- [Developing Discount and Capitalization Rates in Today's Economic Environment](#)
- [Valuing Distressed Businesses](#)

Find all the archived web seminars by clicking [here](#). (Please note that CPE is not available for archived Web seminars.)

1 Paragraph .06 of CS section 100, Consulting Services: Definitions and Standards (AICPA, *Professional Standards*, vol. 2).

2 Other organizations, such as the Association of Certified Fraud Examiners, the Institute of Internal Auditors, and the Association of Insolvency and Restructuring Advisors, also have reporting guidelines.

continued on page 3

Findings

The CPA should not conclude whether a fraud has occurred but, rather, should report the results of the examination. The CPA can frequently report that the examination revealed transactions that are indicators of fraud because they are:

- Unauthorized
- Undocumented
- Unknown
- Unusual
- Undisclosed
- Unapproved
- Unsigned
- Unexplained

Report Elements

Whether the report is oral or written, the CPA should address several key elements, including the following:

- A summary of findings
- The reason or predication for the fraud examination
- The basis for the findings, such as:
 - Materials used and relied upon, such as:
 - Hard drives
 - Documents
 - Books and records
 - E-mails
 - Interviews conducted
 - Research, including the use of background materials and investigations
- The scope of the examination, such as:
 - What was examined
 - Limitations or restrictions on the work that was performed
 - Completeness of data
- Identification of who retained the CPA and the reason for the examination
- Whether the report is an interim or final report
- Restrictions on the use and distribution of the report³

The preceding list is not all inclusive, but the CPA should ensure that the key elements of the findings are communicated to the client.

The CPA should consider including each of the elements of a fraud examination report in whatever form the communication may take.

Reporting Options

To comply with professional standards, the CPA is required to communicate with the client; however, no format is prescribed. The client and CPA should consider the following options:

- An oral report
- A written report, which may be any of the following:
 - A PowerPoint presentation
 - An outline form of a report
 - A written report with exhibits, memos, and supporting documentation

Each one is acceptable and may be appropriate based upon an understanding between the counsel or client and the CPA conducting the fraud examination. With each option, the CPA should consider whether the report is final or whether the CPA may reserve the right to amend or supplement their report should additional information or documentation be provided after the report has been communicated to the client.

Necessary Skills

The CPA who conducts a fraud examination exercises special characteristics that form the basis of the CPA license: integrity, objectivity and independence. These characteristic “skills” enable CPAs to convincingly convey to others the results of their findings. The report of those findings should reflect the integrity, objectivity, and independence that are the basis of the CPA profession. ■

Michael G. Ueltzen, CPA/CFF, CFE, is the founder of, and a partner in, Ueltzen & Company, LLP, located in Sacramento, CA. Ronald L. Durkin, CPA/CFF, CFE, CIRA is the national partner in charge of fraud and misconduct investigations for Clifton Gunderson in Los Angeles, CA.

ADDITIONAL RESOURCES AVAILABLE

In addition to the SSCS No. 1 and Special Report 03-1, the CPA performing a fraud examination may find the following practice aids and publications to be of assistance in the conduct of the actual examination:

- [Forensic and Valuation Services \(FVS\) Section Practice Aid 04-1, Engagement Letters for Litigation Services](#)
- [FVS Section Practice Aid 07-1, Forensic Accounting: Fraud Investigations](#)
- [FVS Section Special Report 08-1, Independence and Integrity and Objectivity in Performing Forensic and Valuation Services](#)
- [FVS Section Special Report, Forensic Procedures and Specialists: Useful Tools and Techniques](#)
- [Managing the Business Risk of Fraud: A Practical Guide](#)
- [The Guide to Investigating Business Frauds*](#)

* With the exception of The Guide to Investigating Business Fraud, each of the special reports is available on the AICPA's Forensic and Valuation Services (FVS) Section website at no charge to FVS Section members.

³ The CPA should appreciate that although the intent may be to restrict the use of the report and findings, the report may ultimately be used by, and distributed to, others that may be beyond the control of the CPA.

Applying the Market Approach to Valuation for Patent Damages in Light of Recent Case Law

By Stephen P. Heath, CPA/ABV



STEPHEN P. HEATH

Three United States Court of Appeals for the Federal Circuit (“CAFC”) decisions, *Lucent Technologies, Inc. v. Gateway, Inc.* (“Lucent”) in 2009, *ResQNet.com, Inc. v. Lansa, Inc.* (“ResQNet”) in 2003, and *Wordtech Systems, Inc. v. Integrated Networks Solutions, Inc.* (“Wordtech”) in 2010 all directly address the use of license agreements in the determination of a reasonable royalty. Each one has a common conclusion with respect to the use of comparable licenses in the context of estimating a reasonable royalty. That conclusion: The relationship between the benchmark licenses used to estimate a reasonable royalty and the hypothetical license was not established. As a result, the CAFC found that the benchmark licenses used in the estimation of a reasonable royalty did not support the lower courts’ decisions on damages and, therefore, in addition to other factors, overturned the decisions on damages. A 2011 CAFC decision, *Uniloc USA, Inc. v. Microsoft Corporation* (“Uniloc”), while not directly related to the use of licenses, reiterates the message of the three prior cases. “The meaning of these cases is clear: there must be a basis in fact to associate the royalty rates used in prior licenses to the particular hypothetical negotiation at issue in this case.”

In *Lucent*, the CAFC said it was simply unable to ascertain from the evidence presented the subject matter of the licenses, and therefore could not understand how the jury could have adequately evaluated the probative value of the benchmark licenses.¹ In *ResQNet*, the CAFC criticized the expert for offering little to

no evidence demonstrating a link between the benchmark licenses and the claimed invention.² Lastly, in *Wordtech*, the CAFC said the verdict was “clearly not supported by the evidence” and “based only on speculation or guesswork.”³

Therefore, when relying on a comparable license agreement in the determination of a reasonable royalty, evidence should be presented that demonstrates the comparability of the benchmark license to the license assumed in the hypothetical negotiation. A review of the three recent CAFC decisions suggests the following factors should be considered when assessing the probative value of a potential benchmark license:

- When assessing a lump-sum license, one should consider the extent of use contemplated in the license and how that use compares to the use contemplated in the hypothetical negotiation. (*Lucent*)
- When assessing a lump-sum license, in the determination of a running royalty, one should consider demonstrating how a license structured as a lump sum is probative of a running royalty or vice versa. (*Lucent*)
- When assessing a lump-sum license, one should look at what the parties to the license considered in the determination of the lump-sum amount and how those considerations compare to the hypothetical license. (*Wordtech*)
- When assessing a lump-sum license, one should consider the licensees’ intended products or how many products each licensee expected to produce. (*Wordtech*)
- When assessing a license covering similar or comparable technology, one should consider how the technology in the benchmark license relates to the licensed

Take Advantage of the Benefits of FVS Section Membership

To make the most of your FVS membership, and gain access to exclusive member-only locked content, don’t forget to [register](#) online with your member number. Unlocking your member access to the AICPA.org website gives you access to benefits such as: [marketing resources](#) to help grow your practice (including the new [Why Hire an ABV](#) and [Why Hire a CFF](#) brochures); [CPE and conference savings](#); [access to the latest news, information and publications](#); [access to FVS-related practice aids and other non-authoritative guidance](#); and [significant savings on third party products \(ex: Daubert Tracker\)](#). You’ll find these and many more resources all in one convenient place.

1 *Lucent Technologies, Inc. v. Gateway, Inc.*, 580 F.3d 1301, 2009 U.S. App., p. 17.

2 *ResQNet.com, Inc. v. Lansa, Inc.*, 594 F.3d 860, 2010 U.S. App., p. 7.

3 *Wordtech Systems, Inc. v. Integrated Networks Solutions, Inc.*, 2010 U.S. App., p. 10.

continued on page 5

Apply the Market Approach, continued from page 4

- products and how that relationship compares to the technology at issue. The analysis should attempt to explain whether the benchmark technology is essential to the products being sold or whether the patented invention is only a small component or feature of the licensed product. (Lucent)
- When assessing a license that presumably includes the patent(s)-in-suit, one should consider linking the use of the technology in the license to the claimed invention. (ResQNet)
 - When assessing a license with per unit royalty rates, one should consider presenting the per unit rates as a percentage of revenue so that the magnitude of the rate can be assessed. (Lucent) However, the appropriate revenue base and its relationship to the Entire Market Value Rule should be considered when converting per unit rates based on a percentage of revenue. (Uniloc)
 - When assessing a license covering multiple products with differing rates per each product, one should consider how the different products within the benchmark license compare to the products accused of infringing the patent(s)-in-suit. (Lucent)
 - When considering a license with multiple patents, one should consider reconciling the difference in the number of patents in the benchmark license to the number of patents at issue. (Lucent)

A further review of these decisions beyond the use of comparable licenses indicates that a conclusion that is not supported by evidence and analyses will not survive a CAFC review. On that note, the factors to consider when assessing the probative value of a comparable license taken from these decisions should not be viewed as an exhaustive list of factors to consider. Beyond the factors discussed in recent CAFC decisions, other elements of a license may warrant discussion or reconciliation to the factors assumed within the hypothetical negotiation. They could include:

- The geographic coverage of the license
- The exclusivity or non-exclusivity of the license
- The term of the license
- Whether the license covers past and/or future sales
- Whether the license is a settlement of litigation
- Whether it is a cross license
- Whether the license contains other types of IP
- The relationship of the parties (Uniloc)
- The date of the license in relation to the hypothetical negotiation date
- The royalty base to which the rate is applied
- Whether the license addresses the issue of validity or infringement
- Whether there are any other similar licenses covering the same technology or patents and the differences among those licenses.

Particularly as it relates to assessing the technology rights of a potentially comparable license, it may be necessary to solicit the input of a technical expert involved in the case. He or she may be able to provide input that demonstrates the relative importance of a particular technology to the products at issue with a comparable license and how that technology relates to the patent(s)-in-suit. A technical expert may also be able to provide input on the relative importance of particular patents within a comparable portfolio license. Such an analysis could help demonstrate the value of multiple patents in one license is equivalent to the value of a single patent in another license. It could also help apportion the value of a portfolio license amongst the patents within that license.

As any valuation text book would suggest, the more comparable an observable transaction is to the subject matter being valued, the more probative the observable transaction is to the determination of the subject matter's value. Needless to say, in the context of patent damages, licenses involving the patented technology at issue can sometimes be the most

continued on page 6

AICPA Accepting Applications for 2011 Leadership Academy

The [2011 AICPA Leadership Academy](#) offers young CPA members a unique opportunity to develop the critical communication and leadership skills they need to build consensus, mobilize consent and inspire others to action. A select group of 30 applicants will be exposed to cutting-edge training in an intimate workshop setting and will work alongside the profession's top leaders and similarly driven young CPAs. See for yourself from this [video](#) of last year's academy participants and alumni. Apply [online](#) or [nominate](#) a promising colleague before June 1, and help shape the future of the CPA profession.

Apply the Market Approach, continued from page 5

probative in determining a reasonable royalty rate. Often, however, transactions involving the patent(s)-in-suit are either the product of litigation or, and in many situations, are also a one-time lump-sum payment.

In *ResQNet*, the CAFC seemingly altered the landscape with respect to the admissibility of settlement agreements for many federal districts that had previously not allowed them in as evidence. The CAFC found that the most reliable licenses in the *ResQNet* record arose out of litigation. In the decision, the CAFC even acknowledged that in the past it found that “litigation itself can skew the results of the hypothetical negotiation.”⁴

In at least two subsequent cases in the Eastern District of Texas, Tyler Division, parties to the litigation cited *ResQNet* in arguing for the admissibility of settlement agreements in their cases. In both instances, the district court rejected the use of settlements. In *Fenner Investments, Ltd. v. Hewlett-Packard Co., et al.* (“*Fenner*”), the decision stated:

It is a century-old rule that royalties paid to avoid litigation are not a reliable indicator of the value of a patent, and should therefore be disregarded when determining reasonable royalties.⁵

Similarly, in *Software Tree, LLC v. Red Hat, Inc., et al.* (“*Software Tree*”), the district court rejected the use of settlement agreements. In its reconciliation to the *ResQNet* decision, the Court stated:

Consistent with the holding in *Fenner*, the Court finds *ResQNet* has not upset the district’s case law regarding discoverability of settlement negotiations. “In *ResQnet*, the litigation-

related licenses were part of the record and their admissibility was not before the court.” Likewise, the discoverability of negotiations underlying those licenses was not before the court.⁶

In *Fenner*, the district court also stated that *ResQNet* is distinguishable as it was a bench trial and the use of settlement agreements did not raise the concern of jury confusion.⁶

However, in an order dated August 2, 2010, the same district court found that the admissibility of settlement agreements should be determined on a case-by-case basis and allowed in five litigation-related licenses. The order stated that the litigation-related licenses were consistent with the non-litigation licenses and that their probative value outweighed the danger of potential prejudice or jury confusion of the issues.⁷

In the Eastern District of Texas, Marshall Division, the issue of admissibility of settlement agreements follows the same general pattern as in Tyler. In a review of the *Datatrans Corporation v. Wells Fargo & Company, et al.* (“*Datatrans*”) case, during a two-week period in March 2010, the court found some settlement agreements to be admissible as a result of the *ResQNet* decision while others were not. In orders on March 4 and 9, the district court ruled that in light of the *ResQNet* decision, litigation-related license agreements would not be excluded from trial on an *in limine* basis in relation to the determination of a reasonable royalty.⁸ However, on March 16, the district court ruled that seven of the 30 litigation-related license agreements were lump-sum agreements and the plaintiff’s model was a running royalty. The court ruled that when coupled with the fact that the seven lump-sum agreements were the result of litigation,

Register for AICPA Expert Witness Skills Workshop

Do you have the skills you need to express an opinion in court and have it examined? Are you as prepared as you can be? Will your testimony be accepted by the court? Join us in Washington, D.C., from April 28 through 30 to attend the new AICPA Expert Witness Skills Workshop. This practical, interactive workshop, which is being offered for the first time, offers unique preparation to be an effective expert witness at trial. [Register now!](#)

4 *ResQNet.com, Inc. v. Lansa, Inc.*, 594 F.3d 860, 2010 U.S. App., p.8.2

5 *Fenner Investments, LTD. v. Hewlett-Packard Co., et. al.*, 2010 U.S. District Court for the Eastern District of Texas, Tyler, p. 2.

6 *Software Tree, LLC v. Red Hat, Inc., et. al.*, 2010 U.S. District Court for the Eastern District of Texas, Tyler, p. 4.

6 *Fenner Investments, LTD. v. Hewlett-Packard Co., et. al.*, 2010 U.S. District Court for the Eastern District of Texas, Tyler, p. 3.

7 *Reedhycalog UK, LTD. v. Diamond Innovations Inc.*, 2010 U.S. District Court for the Eastern District of Texas Tyler, Memorandum Opinion and Order dated August 2, 2010, pp. 5-6.

8 *Datatrans Corporation v. Wells Fargo & Company, et. al.*, 2010 U.S. District Court for the Eastern District of Texas, Marshall, Orders dated March 4, 2010 and March 9, 2010.

continued on page 7

Apply the Market Approach, continued from page 6

those agreements were not admissible in the determination of a reasonable royalty.⁹

In conclusion, the subject matter of a benchmark license should be presented so that the relationship between the benchmark license and the license assumed in the hypothetical negotiation can be demonstrated. Attention should be placed on the technological and economic factors of the licenses. To the extent there are notable differences between the benchmark license and the hypothetical license, the analysis should attempt to reconcile those differences in the determination of a reasonable royalty.

Based on recent district court decisions following the ResQNet CAFC decision in the Eastern District of Texas, it appears that ResQNet is distinguishable and may not establish a right to simply rely on litigation-related settlement agreements without an analysis that explains their comparability, certainly when those agreements are lump-sum payments rather than running royalties. ■

Stephen P. Heath, CPA/ABV, is a senior managing consultant with Berkeley Research Group, LLC, a leading global expert services firm headquartered in Emeryville, CA.

⁹ *Datatreasury Corporation v. Wells Fargo & Company, et. al.*, 2010 U.S. District Court for the Eastern District of Texas, Marshall, Order dated March 16, 2010.

RELATED RESOURCES

[Statement on Standards for Valuation Services No. 1](#)

[AICPA Valuation Standard and Implementation Toolkit](#)

[Understanding Business Valuation - Self Study](#)

Developing a Business Valuation Practice

By Joseph Leauanae, CPA/ABV/CFF/CITP, ASA, CFE, and Marie Ebersbacher, CPA/ABV, CFE



JOSEPH
LEAUANAЕ



MARIE
EBERSBACHER

Starting a business is often intimidating and never more so than during the uncertain economic times

that we have experienced in the past few years. The same can be said of CPAs looking to expand their practices. However, with the growth and prevalence of business valuation as a CPA specialty practice area, the current economic environment may yet prove to be the right time for establishing or growing a business valuation practice.

In this article, we consider both the development of a boutique practice and a business valuation practice within a larger CPA-consulting firm.

Experience and Credentials

Experience and credentials are perhaps the truest indication of the quality of an appraiser's abilities. Although an experienced and well-credentialed appraiser might still perform a

deficient appraisal that risk is certainly lower than it would be for an appraiser with no experience or credentials.

The various credentialing organizations and credentials available today include:

- Accredited in Business Valuation (ABV), awarded by the AICPA
- Accredited Senior Appraiser (ASA), awarded by the American Society of Appraisers
- Certified Business Appraiser (CBA), awarded by the Institute of Business Appraisers
- Certified Valuation Analyst (CVA), awarded by the National Association of Certified Valuation Analysts

The credentials you ultimately pursue will depend on your timeline for developing your practice, your clients and competitors, and the services the firm will offer. For example, if you are looking to develop a litigation-intensive business valuation practice, understand that a comparison is often made in litigated cases between the credentials of experts retained by opposing parties. In such comparisons, the degree of difficulty required to obtain specific

continued on page 8

valuation credentials may serve as a point of differentiation.

Determining What Services to Offer

Many CPAs who provide business valuation services also offer other nontraditional, often litigation-related services, such as forensic accounting and calculation of economic damages. When deciding which to offer, consider whether you want to specialize in a niche practice area. Such niches might include working primarily within the context of a marital dissolution, financial reporting, gift and estate tax appraisals, employee stock option pricing and so forth. Another option is to develop a more general business valuation practice. What you determine will also affect the types of clients you need and the marketing efforts you undertake to attract and retain them.

Your experience and the credentials you already have or are planning to acquire will also affect the services you may ultimately offer. Experience in a particular industry or occupation may allow you to play to certain strengths. For example, if you have a significant tax background you may want to focus on providing business valuations that involve complex tax issues. In the development of many business valuation practices, the professional upbringing, training and mentoring of the firm's founders will often set the tone and direction of the firm's services.

Since professional services firms do not exist in a vacuum, you must be aware of the requirements, regulations or other authorities that apply in your local market. You must also be attuned to the offerings and competencies of other business valuation firms or practice groups that compete for your potential client base. Understanding the services provided by other firms and the fees they charge is instrumental in effectively breaking into the market and staying competitive. Although it would be nice to think that the quality of an appraisal firm's work supersedes all other factors considered by potential clients, in reality an appraisal firm's fees may often be the deciding factor for clients.

Identifying the types of services you offer will also affect how you charge for them. For example, litigation support work is most often billed on an hourly rate, while nonlitigation business valuation or consulting work is often structured using fixed-fee arrangements.

Understanding Your Appraisal Environment

If you will be developing a litigation-related business valuation practice, you will likely be providing services in the areas of marital dissolution, shareholder disputes and economic damages. As such, you will need to identify and become familiar with the applicable governance for your practice area. For example, business valuation for marital dissolution purposes relies on a combination of statute and case law that is specific to each state. If you plan to provide services in multiple jurisdictions, you may need to educate yourself on the business valuation consideration required in each locale.

If you will be offering nonlitigation business valuation services, you will likely provide services in the areas of financial reporting, gift and estate tax, ESOPs and consulting for mergers and acquisitions. That means you will need to be familiar with the specific needs in these areas. For example, business valuations or impairment testing for financial reporting purposes often require significant interaction with auditors, which may be challenging for business appraisers without an accounting background.

Marketing

Identifying the services to offer and the environment within which to offer them is only part of the practice development process. Another integral component is determining how you will attract and retain clients.

If you are starting a practice without an existing client base, then marketing efforts may be directed by the type of business valuation services you will be offering. If you plan on providing litigation services, then you will benefit most from contacting and networking with attorneys. If you plan on providing nonlitigation business valuation services, then

ABV Mentor Program: Be a Mentor or a Protégé

The ABV Mentor Program is an excellent resource for professionals seeking to enter the business valuation field as well as ABVs who have been practicing for a few years and would like to expand their expertise. Whether you are trying to grow an existing business or gain entry into the valuation field, this program can help. Join this community of ABVs so that you can progress in your professional career. More information for those interested in being a Mentor or a Protégé can be found [here](#). Direct inquiries about the program to abvmentor@aicpa.org.

you may want to focus more on networking with CPA firms that do not have a business valuation group. One benefit of developing a boutique or standalone business valuation practice is to facilitate developing referrals from CPA firms. Referring firms will find your practice less threatening because you are unlikely to take away a referring firm's audit or tax client.

If you are starting a business valuation practice group within a larger multi-service CPA firm, then you have an advantage because your firm may be able to direct tax or audit clients to the business valuation group. Obviously, some clients may pose conflicts of interest, but for most traditional CPA firms looking to start a business valuation practice, the ability to refer existing clients to an in-house business valuation group is a significant benefit.

As in most businesses, referrals are extremely important. In the authors' experience, focusing on relationships with a few key referral sources will be more productive than trying to impersonally manage a larger roster of potential referral sources. Nevertheless, at the end of the day the success of your marketing efforts will likely be based on the quality of your appraisal work and your ability to meet client deadlines. No compliment speaks louder than a referral.

You must be willing to invest not only in training and credentialing, but also in time. You will need to attend functions sponsored by your local bar association (for litigation and tax practitioners) and take the time to develop presentations and training materials. Pure marketing presentations are rarely as effective as presentations meant to give potential clients and referral sources a general understanding of appraisals and the processes that must be followed. This serves two purposes. First, you are seen as a knowledgeable practitioner, not a salesperson, and second, you can highlight the competencies necessary to effectively perform business valuation, thus making it less likely that potential clients will simply look to the lowest-cost business valuation firm alternative.

Managing Your Workload

So you've figured out what services to offer and how you're going to get clients, but now that you have that work, how will you manage it?

Before accepting an engagement, you must ensure that you have the expertise to complete the project and the staff necessary to meet any stated deadlines. Nothing cools referral sources or sours clients more than shoddy work or missed deadlines. Regardless of the number of business valuation you have already performed, if you are approached to undertake an engagement that is too large for your available firm resources or is in an industry that requires more due diligence than you can adequately provide, you should decline the engagement. A better solution, if available, might be to develop relationships with other business valuation firms to whom you could then refer some work or partner with for some engagements.

Staffing is a particularly critical issue for specialized business valuation firms. The main question generally is whether to "build" staff (seek and train them while they're still in college) or "buy" staff (bring in experienced individuals as needed to fill gaps in the firm's hierarchy). Both approaches have pros and cons. We do not propose that one method is preferable to another or that the two are mutually exclusive. Rather, we believe that developing staff will depend on considerations such as your ability and availability to train staff, your proximity to colleges with good academic programs, and the timeline for developing your practice.

Success in building your staff depends on how much time you can dedicate to training them and how quickly they can effectively absorb and learn what you teach them. Building staff will often be less expensive than the alternative from a compensation perspective, but it may not necessarily be the least expensive method if you consider the opportunity cost of the time you spend training staff as opposed to working on billable jobs. When you build staff, however, you have significant control over the way engagements are completed, which may be good for quality control but can also be

Be a CFF or ABV Champion!

Want to help spread the word about the vital role of FVS professionals while raising your own visibility in the community? The CFF and ABV Champion Programs are AICPA initiatives that enable CFFs and ABVs to help promote and expand the CFF and ABV credentials in their local communities. CFF or ABV Champions are willing to play a leadership role in their advancement and encourage a sense of community among fellow credential holders within their states.

In the Champion Program, ABVs and CFFs inform the professional accounting community about:

- The responsibilities of an ABV or CFF professional.
- The knowledge required to become a specialist.
- The benefits of the ABV or CFF credential.

For additional information about these programs, [click here](#).

detrimental if it prevents the firm from keeping up with ongoing developments in business valuation theory and practices. Note that building your staff will often temper the growth of a small firm because of the resource strains placed on the supervising trainer.

Not only should experienced staff become profitable sooner, they may also have their own contacts or knowledge about useful practice efficiencies. Other considerations concerning hiring experienced staff include the importance of cultural fit as well as the meshing of alternative business valuation training (which can have both positive and negative impacts) into the firm's collective infrastructure.

There may be significant benefits to developing a business valuation group within a larger CPA firm. Two of the greatest are the chance to cull referrals from existing partner relationships and the ability to use "traditional" tax and accounting staff to assist, as necessary, with staff-level business valuation work, such as data entry, first-level variance and financial analysis, and industry research. The latter helps to relieve staffing pressures as you start up the practice because you have access to staff (with presumably good references) without the burden of carrying a full-time employee during the first year. New business valuation practitioners often experience pressure to take on assignments or engagement they are not ready for in order to keep staff busy.

Internal Outreach

To secure referrals from your partners in a multipractice CPA firm, you will need to undertake some form of internal marketing. You must educate your partners just as you would educate the local market that you have started a business valuation practice and have gone through the necessary training and credentialing. In addition to lunches and events with local attorneys, your marketing budget should also allow for you to meet and develop relationships with your partners. You need to make them aware of your capabilities and competencies, and you should be specific about how they can identify business valuation opportunities within their current client base. It would also be helpful to work out a referral incentive program with senior management. Your partners should realize that you are providing a service that they cannot offer themselves, and that you are complementing and further solidifying the client's relationship with the firm and ultimately with the partner in charge of their account.

In every case, it is critical that the individuals you work with feel free to openly discuss and debate the judgment calls that arise in business valuation engagements. Although this should be done in all engagements, it is extremely important when performing business valuations within the context of litigation since your valuation work will be reviewed and challenged by an expert retained by an opposing party. This will help identify the weaknesses in your

continued on page 11

Hot Topics and Emerging Issues: We Want to Hear about Them

Ever wonder if you are the only one struggling with an emerging issue or how your peers are handling a hot topic? We'd love to hear from you. In order to keep the FVS Consulting Digest timely and relevant to you, we are always seeking information on hot topics and emerging issues that are on your mind or that you face in your day to day practices. If it's important to you and you'd like to learn more information, send us an email at fvsconsultingdigest@aicpa.org describing the emerging issue and your questions. We'll track them and work to provide timely information in our future issues.

Quick Tip



Get LinkedIn to the FVS Community

The AICPA's FVS LinkedIn [group](#) is an exclusive member resource that FVS members can use to ask questions of fellow professionals and share ideas and news. It's a great opportunity to tap into a network of your peers in the FVS Community. But remember: You must be a member of the AICPA LinkedIn group to join the Forensic and Valuation Services LinkedIn group to join. ■

Developing a Business Valuation Practice, continued from page 10

arguments, preferably before you issue your report but definitely before you are defending them on a witness stand.

Benefits of Developing a Business Valuation Practice

As you stand at the fork in the road (or at the edge of the precipice), why should you consider developing a business valuation practice?

For one, it presents a great expansion opportunity for existing CPA firms with a built-in referral-client base. In fact, such CPA firms are probably already referring this type of work to a business valuation-capable firm, so keeping the work in-house will leverage profitably.

Another reason is that fees for business valuation and litigation support services are typically higher than for traditional tax and audit work. And that's true in both the current economy and a better one.

But if you're still on the fence, consider that in recent years there has been significant demand for business valuation in financial reporting,

marital dissolution and combined forensic accounting-business valuation engagements.

Recognize that this practice requires a meaningful commitment in both time and training, but that the rewards can be substantial. Business valuation is an intellectually challenging CPA practice area, where no two assignments are alike, and great opportunities are available for those willing to reach for them.

For more information on establishing a BV practice, refer to our *BV Practice Management Toolkit* (login required). The AICPA has designed this toolkit to provide general guidance on the many issues to be considered in operating a successful practice. ■

Joe Leauanae, CPA/ABV/CFF/CITP, ASA, CFE, is the president of Anthem Forensics, a Henderson, Nevada-based firm. Marie Ebersbacher, CPA/ABV, CFE, a shareholder of Mayer Hoffman McCann P.C., is the firm's Forensic and Financial Services National Practice Leader and a Managing Director in the Southern California offices.

RELATED RESOURCES

[ABV Marketing Toolkit](#)

[Business Valuation Practice Management Toolkit](#)

[CFF Marketing Toolkit](#)

Technology Tip



Shared IDs make it impossible to hold individual users accountable for their transactions. Identify these IDs by reviewing the user list and determining the ones that are not traceable to a particular user. Examples might include "AP Department," "Training," or "Manager." Change these IDs so that they can be traced to one individual. ■

AICPA Forensic and Valuation Services Executive Committee Comments on the Department of Labor's Proposed Changes to the Term Fiduciary

The Department of Labor proposed to change the definition of the term *fiduciary* to include virtually all valuations prepared for benefit plans, including ESOPs. These changes would require a valuation analyst to be considered a fiduciary. The AICPA Forensic and Valuation Services Executive Committee submitted a comment opposing this change because it:

- Is incompatible with the Internal Revenue Service's requirements for an independent appraisal of employer securities;
- Does not address the underlying issue of proper qualifications and standards for performing valuation services;
- Will increase the cost of valuation services for ESOP plans; and
- Will restrict the number of valuation specialists willing to do valuations for ESOP plans.

Because of these issues, the Executive Committee believes the DOL should not change the definition of fiduciary. Instead, it recommended that the DOL implement rules to ensure only qualified individuals prepare valuations for benefit plans and that individuals follow recognized valuation standards. Read the Executive Committee's [comment letter](#) for more information.

On March 2, 2011, Robert Reilly, CPA/ABV/CFF, spoke on behalf of the AICPA at the DOL's hearing on the proposed changes to the term fiduciary. The transcript of his testimony can be found [here](#). ■

Did You Know?



FVS Podcast: Meet the New Committee Chairs and See What's in Store for 2011

Want to get the inside scoop on the direction of our FVS committees? In our first podcast of the new year, we will introduce three newly appointed FVS Committee chairs:

- Thomas F. Burrage, CPA/ABV/CFF, CVA, AICPA FVS Executive Committee.
- Robert Gray, CPA/ABV/CFF, CFE, AICPA Forensic & Litigation Services Committee.
- Carol Carden, CPA/ABV, ASA, CFE, AICPA Business Valuations Committee

You'll also meet their new committee appointees for 2011 and hear what member initiatives are planned for the coming year. Click [here](#) to download the podcast now or subscribe by clicking here. ■

Save Your Seat to One of 2011's AICPA National BV Schools!

Register now for AICPA's National Business Valuation School, an intensive program that covers crucial topics that practitioners need to know about valuing a business. Ideal for practitioners interested in creating or growing a business valuation discipline within their firms, this intensive five-day course will expose participants to fundamental relevant theory, applications, best practice methods and more. Upcoming dates and locations are:

- [May 16-20 in Atlanta, GA](#), presented by Harold Martin, Jr., CPA/ABV/CFF and Kevin Yeanoplos, CPA/ABV/CFF
- [June 13-17 in Denver, CO](#), presented by Ed Dupke, CPA/ABV and Ronald DiMattia, CPA/ABV/CFF
- [July 11-15 in New York, NY](#) presented by Robin Taylor, CPA/ABV and Mark Zyla, CPA/ABV/CFF

Even Ibbotson Multiples Are Challenged for First Time Lost Profits Expert

By Sherrye Henry, Esq., Legal Editor, Business Valuation Update

***Metro Tech Corp. v. TUV Rheinland of N.A.*, 2010 WL 4117123 (D. Puerto Rico.) (Oct. 18, 2010); and *Metro Tech Corp. v. TUV Rheinland of N.A.*, 2010 WL 4117115 (D. Puerto Rico.) (Oct. 18, 2010)**

These two related cases show how far opposing counsel will go to discredit the testimony of a financial expert. In this case, the plaintiff is a Puerto Rico corporation that specializes in laboratory calibration and preventive maintenance services. In 2002, it contracted with the defendant to conduct the necessary assessments to certify the plaintiff as ISO 17025 compliant. Over the next five years, the parties' relationship deteriorated due to payment and certification delays. The plaintiff eventually filed suit, alleging the defendant breached the contract by postponing ISO 17025 re-certification and incorrectly informing the plaintiff's customers that it lacked certification. The plaintiff alleged approximately \$35.6 million in economic losses, including lost profits and lost goodwill.

Before trial, the defendant moved for summary judgment on all claims except any damages flowing from the cancellation of plaintiff's contract with a large Puerto Rican laboratory (IIBI), which it said were limited to no more than \$16,000.

Damages may not be remote. As a preliminary matter, the court held that a material factual dispute existed regarding the amounts due under the IIBI contract, sufficient for this question to proceed to trial. As for the remainder of its damages claims, the court permitted those regarding lost business in the Dominican Republic (\$15 million) and Puerto Rico (\$3 million). It granted summary judgment regarding its claims in the CAFTA countries (\$9 million), however, finding the alleged losses depended on too many speculative factors such as market-entry costs, the financial and political

stability of the countries, and the plaintiff's ability to compete with existing providers. The plaintiff also failed to present any independent evidence of lost goodwill in these countries.

Of even more interest to FVS members, the defendant also moved to disqualify the plaintiff's damages expert under *Daubert*. The expert was a Ph.D. who'd taught international trade and economics courses at the university level since 1977. The expert had also worked at several economist forecasting firms and written a chapter on Puerto Rico economy for a United Nations publication. He'd served as an expert witness in 22 prior cases, but had never calculated economic damages for a plaintiff corporation.

The defendant claimed these qualifications did not satisfy *Daubert*. The expert had never published any papers on business valuation techniques, valuation of economic damages, lost profits, "or any other relevant area." He had never taught any courses on valuing economic losses and this was the first time he'd applied any method to assess a company's lost profits.

Nevertheless, the court qualified the expert. An expert with appropriate credentials and an appropriate foundation for his opinion "must be" permitted to testify if his evidence will tend to make the existence of any material fact more or less probable than it would be without the testimony, it said. The expert's testimony would aid the jury to determine the proper level of damages should they find for the plaintiff.

Ibbotson data not peer-reviewed?

The defendant also claimed the expert's methodology was unreliable. In essence, his damages calculations consisted of three steps: 1) deciding the plaintiff's confirmed lost business; 2) deciding its lost deals, which he equated with losing the business (and all its potential profits); and 3) using business valuation techniques that required applying

continued on page 14

multipliers from Ibbotson's *Cost of Capital* 2008 Yearbook. The expert did not know whether this methodology has been subject to peer review or publication, the defendant argued. He did not know its potential rate of error, or whether the method for quantifying damages was generally accepted by the economic and legal community. Finally, he did not verify that he applied the Ibbotson multipliers from different SIC codes correctly, and his overall calculations failed to analyze such information as costs, expenses, cash flow, and book value of comparable companies.

The plaintiff countered that—even though it was the expert's first time using the Ibbotson price/sales equity valuation ratio to calculate damages, other experts have used this method in prior cases and published court opinions. The plaintiff also said that Dr. Ibbotson's work has been published and subject to peer review (although the court opinion does not set forth any citations.) Further, the expert reviewed extensive regional data pertaining to each area

of claimed damages and confirmed lost quotes and business contacts that arose from the cancelled IBII contract, and "followed Ibbotson methodology to calculate damages," the plaintiff said. For example, for damages related to lost opportunities in the Dominican Republic, he divided the claim into two parts: the first relating specifically to the loss of the IBII contract (\$1.8 million), and the second relating to lost quotes from other contacts, to which he applied the Ibbotson ratio.

The court considered the alleged weakness of the evidence, and found they were better suited to cross-examination at trial and consideration by the jury. Accordingly, it denied the *Daubert* motion and permitted the expert to testify to the damages claims remaining after summary judgment.

The court documents for these two cases are available free for FVS members at www.bvresources.com/FVS. ■

Register Now for the 2011 ABV and CFF Exams!

The Accredited in Business Valuation (ABV) and Certified in Financial Forensics (CFF) exams are now offered twice per year. Registration is open on a year-round basis.

You can register for the ABV exam by clicking [here](#). More information on the exam, including the Content Specification Outline (CSO) and exam preparation aids can be found at aicpa.org/abvexam.

You can register for the CFF exam by clicking [here](#). More information on the exam, including the CSO and exam preparation aids can be found at aicpa.org/cffexam.

The exams will be offered on the following dates:

Spring 2011 Exams (ABV and CFF):

June 1st – June 30th

Fall 2011 Exams (ABV and CFF):

November 7th – December 10th

NOTE: Candidates are only allowed to take the exam once per calendar year. ■

Ask The Expert



Q: Is it true that I don't have to follow the AICPA Business Valuation Standard, SSVS #1 when I'm doing a valuation for a litigation engagement?

A: No, that is not true. Whenever an AICPA member or a CPA whose controlling jurisdiction has adopted the AICPA Standards as part of its accountancy law, expresses a calculation of the value or a conclusion of the value of a business, an interest in a business, a security or an intangible asset, the AICPA Business Valuation Standard SSVS #1 must be followed. Paragraph 50 of SSVS #1 provides an exemption from only the reporting portion of the standard for certain controversy proceedings. Paragraph 50 states:

A valuation performed for a matter before a court, an arbitrator, a mediator or other facilitator, or a matter in a governmental or administrative proceeding, is exempt from the reporting provisions of this Statement. The reporting exemption applies whether the matter proceeds to trial or settles. The exemption applies only to the reporting provisions of this Statement (paragraphs 47-49 and 51-78). The developmental provisions of the Statement (paragraphs 21-46) still apply whenever the valuation analyst expresses a conclusion of value or a

calculated value (Valuation Services Interpretation No. 1).

So, in a litigation matter, where the valuation analyst is providing the value of a business, an interest in a business, a security or an intangible asset, the valuation analyst is exempt from the reporting portion of SSVS #1 but still must follow the developmental provisions of the Standard in arriving at his/her estimate of value.

Response provided by Edward J. Dupke, CPA/ABV CFF ASA, Clifton Gunderson LLP, Phoenix, AZ.

Q: In determining a cost of capital, why would I use Morningstar's Stocks, Bonds, Bills and Inflation data instead of Duff and Phelps' Risk Premium Study data? Are there any "rules of thumb" as to which is more appropriate?

A: The only rule of thumb is that, when applied correctly, you should get a reasonable range for the cost of equity capital (COEC) using both sources of risk premium data. As such, both Ibbotson and Duff & Phelps (D&P) can be used to calculate the COEC. I have recently written two articles where I made comparisons between the two sources of data for 2010 and 2009. These comparisons assume a smaller company where the Ibbotson equity risk premium for the market (ERP, also called R_{Pm}), both historical and supply side, and 10th decile size premium (R_P) and the D&P ERP and 25th size category R_Ps would apply. Below are some of these comparisons when using both sources of data and when using the Build-Up Model only, where an industry risk premium (R_{Pi}) and specific company/unsystematic risk (R_{Pu}) is also applied. The chart below also assumes the use of only published unadjusted ERP data for Ibbotson

continued on page 16

(examples used in the *Valuation Yearbook*) and adjusted and unadjusted ERP data for D&P (explained below) as of the valuation dates. Data inputs and results are rounded.

	Costs of Equity Build Up Model Only		COEC = ERP + RPs + RPi + RPu	
	(Ibbotson ERP Unadjusted; D&P ERP Unadjusted)		Ibbotson ERP Unadjusted; D&P ERP Adjusted [5.5% (+1.25% in 10); 6% (+2.16% in 09)]	
	12/10	12/09	12/10	12/09
SBBI Hist. ERP	22%	21%	22%	21%
SBBI SS ERP	20%	21%	20%	21%
D&P ERP	18%	18%	20%	20%
D&P Three Risk Measures	19%	18%	20%	21%

The adjusted D&P ERP is presented as a forward-looking adjustment to the historical actual D&P ERP. For example, in the 2010 *D&P Risk Premium Report*, the unadjusted historical ERP is 4.25% (p. 14). The suggested or adjusted D&P ERP is 5.5% (p.14). In the 2010 *Ibbotson Valuation Yearbook* the unadjusted historical ERP and the supply side ERP is 6.7% and 5.2%, respectively (back page). The 10th decile size premium for the Ibbotson 2010 *Valuation Yearbook* is 6.3% (back page) and the 25th category size premium from the 2010 *D&P Risk Premium Report* averages 5.7% (based on all eight measures of size, B Exhibits). I have also found that, in general, the bottom line COEC when using the Ibbotson supply side ERP and the adjusted D&P ERP are in a very tight range.

While it is true that these two sources of risk premiums are calculated differently, when using them as suggested, you can see from the chart that the results are not that far apart. I believe the use of both sources enhances support for the cost of equity capital and that both are relevant.

Response provided by James R. Hitchner, CPA/ABV/CFF, ASA, Financial Valuation Advisors, Financial Consulting Group, and Valuation Products and Services, Ventnor, NJ.

Q: SSVS #1 seems to require a lot of work to be done for a calculation engagement. If so, why wouldn't this level of service be appropriate if the user is a third party such as a court, the IRS or a bank?

A: A calculation is similar to an agreed upon procedures assignment and can be a lot or a little depending on what is requested by the client. With that said, it is important to note that a calculation report does not provide a conclusion of value. Therefore, it would be inappropriate for any type of assignment that requires the valuation analyst to provide an independent, objective analysis, based on the facts and circumstances that will lead to a conclusion of value. Generally, the courts and the IRS will require a conclusion of value as opposed to an agreed upon number-crunching exercise. A bank may accept a calculation but the client would be well-advised to make sure that the bank will accept it. The valuation analyst may want to speak with the bank before entering into this type of assignment to make sure that the bank understands what a calculation is and is not. Otherwise, the analyst may have a very unhappy client after paying a fee for something that will not be accepted.

Response provided by Gary R. Trugman, CPA/ABV, MCBA, ASA, MVS, Trugman Valuation Associates, Inc., Plantation, FL ■

[SUBMIT A QUESTION](#)

Technical Advisory Board



James Ashe,
CPA/CFF, CFFA
Marcum LLP
Melville, New York



Karen J. Kaseno,
CPA /ABV/CFF, CVA,
CFF, CFFA
The Kaseno CPA Firm, APC
San Diego, California



Linda B. Trugman
CPA/ABV, MCBA, ASA,
MBA
Trugman Valuation Associates
Plantation, Florida



Rosanne J. Aumiller,
CPA/ABV/CFF, ASA
BBP Partners LLC
Cleveland, Ohio



Louis D. Maglione,
CPA/ABV/CFF
Barnes Wendling Valuation
Services, Inc.
Cleveland, Ohio



Alan D. Westheimer,
CPA/CFF, CFE
Alan D. Westheimer,
CPA/CFF, CFE
Houston, Texas



Don Barbo,
CPA/ABV
Deloitte Financial Advisory
Services LLP
Dallas, Texas



Michael D. Morhaus,
CPA/ABV/CFF, ASA,
CVA
Anders Minkler & Diehl LLP
St. Louis, Missouri



Allen Wilen,
CPA/CFF, CIRA, CFA
Eisner Amper LLP
Houston, Texas



Brent Bersin,
CPA/CFF, CLP
IPFC Corp.
Houston, Texas



W. Marc Schwartz,
CPA/CFF, CFE
Hill Schwartz Spilker Keller LLC
Houston, Texas



Vickie Wolf,
CPA/ABV/CFF, CFE
Brinig & Company, Inc.
San Diego, California



Joseph G. Emanuele,
CPA/ABV/CFF, CFA
Burr Pilger Mayer
San Jose, California



Holly Sharp,
CPA/CFF, CFE
LaPorte Sehrt Romig Hand
New Orleans, Louisiana



Kevin R. Yeanoplos,
CPA/ABV/CFF, ASA
Brueggeman and Johnson
Yeanoplos, P.C.
Tuscon, Arizona



Richard Hilliard,
CPA/CFF, CFE
ParenteBeard LLC
York, Pennsylvania



Glenn Spinello,
CPA/ABV/CFF, CVA
ParenteBeard LLC
York, Pennsylvania



Hubert Klein,
CPA/ABV/CFF, CVA,
CFE
Eisner Amper LLP
Hackensack, New Jersey



Peter Thacker,
CPA/ABV/CFF, ASA,
CFE
Keiter Stephens
Glen Allen, Virginia

FVS Calendar of Events

Conferences	Location	Dates	Why You Should Attend
AICPA Expert Witness Skills Workshop	Washington, DC	April 28–30	Develop and enhance the skills necessary to be an effective expert witness through practice and critiques by attorneys, judges and others involved with the process. FVS Section Members save \$100 on registration.
AICPA Family Law Conference	Las Vegas, NV	May 18–20	The conference features a ground-breaking strategic focus on the interrelated aspects and financial implications of business & family, litigation & divorce, valuation & tax issues of property division. FVS Section Members save \$100 on registration.
AICPA Fair Value Measurement and Reporting Conference	Las Vegas, NV	June 6–7	Learn about hot topics in this dynamic area from leading experts. FVS Section Members save \$100 on registration.
AICPA National Forensic Accounting Conference	Chicago, IL	September 21–23	The conference features presentations on how to apply complex analytical techniques, scrutinize online consumer transactions, explore public databases, conduct advanced interviews, face video depositions and analyze written statements. FVS Section Members save \$100 on registration.
AICPA National Business Valuation Conference	Las Vegas, NV	November 6–8	Gain insights into this rapidly evolving field with important updates on new standards, cutting-edge skills and proven real-world strategies. FVS Section Members save \$100 on registration..

Business Valuation Schools	Location	Dates	Why You Should Attend
AICPA National Business Valuation School	Atlanta, GA	May 16–20	An intensive program that covers crucial topics that practitioners need to know about valuing a business, this intensive five-day course is ideal for practitioners interested in creating or growing a business valuation discipline within their firms. FVS Section Members save \$100 on registration.
AICPA National Business Valuation School	Denver, CO	June 13–17	
AICPA National Business Valuation School	New York, NY	June 11–17	

This publication is designed to provide illustrative information with respect to the subject matter and does not represent an official opinion or position of the American Institute of Certified Public Accountants (AICPA). Comments and opinions expressed by the authors and/or participants are their own and do not necessarily reflect the views, positions, or opinions of the AICPA and should not be construed or interpreted as such.

This publication is provided with the understanding that the AICPA is not engaged in rendering legal, accounting, or other professional service. If such advice or expert assistance is required, the services of a competent professional person should be sought. The AICPA makes no representations, warranties, or guarantees as to, and assumes no responsibility or liability for, the content or application of the material contained in this program, and expressly disclaims any and all liability for any damages related to the material and/or arising out of the use of, reference to, or reliance on any such material. Your use of, or reference to, the material contained in this program is solely and entirely at your own risk.