



Solutions to Financial & Information Issues in Legal, Litigation & Tax Matters

July 2003

Kentner Sellers provides litigation consulting, valuation and expert services to help make sense of complex financial, economic and information issues. To each assignment we bring experience, credibility, objectivity and creative thinking to help the attorney and their client work towards the best strategies and information solutions.

We Can Help You With...

- ◆ **Business Valuations for Estates** - Most often when a business owner passes away, the estate must file an asset inventory with the probate court and possibly Federal and Ohio estate tax returns. We are qualified business appraisers who regularly prepare the valuation analysis of the business and the reports necessary for these estate filings.

When the decedent has a business interest included in a taxable estate, it pays to have a thorough and reasonable valuation analysis from a qualified business appraiser, such as us, to make sure that the business interest in the estate is not reported at an unsupportable or overstated value.

- ◆ **Business Damage Claims** - Sam, an officer of Builder Inc., quit the company, then started Sam Co., his own company. While still employed with Builder Inc., Sam talked a few employees into moving to Sam Co. with him, and he contacted several of Builder Inc.'s customers and arranged future jobs with those customers for Sam Co. when it opened.

In this case, we testified for the arbitration panel on the nature and value of the damages, and then helped Builder Inc. and their attorney analyze the damages from Sam's breaches and commercial actions to finalize Sam's settlement payment to Builder Inc.

Experts' Tips

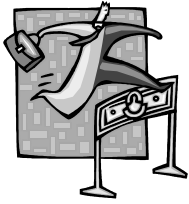
CPAs Differ from Other Financial Experts

- In today's uncertain financial environment, you may be able to rely on CPAs to provide higher quality financial expert services than other financial experts. Certified Public Accountants that keep their CPA license or are members of the American Institute of CPAs (AICPA) have numerous Professional Standards and Ethics requirements to follow to maintain the CPA license and designation. Many other financial experts do not have professional obligations to uphold standards or ethics in their work or testimony.

The AICPA Code of Professional Conduct specifically requires CPA members to be Independent, to maintain both Integrity and Objectivity, to complete our projects with Professional Competence, and exercise Due Professional Care. While CPAs should not be advocates for the client's position, CPAs can offer valuable credibility as objective financial experts who deliver assistance to the attorney, client and court while complying with rigorous professional standards.

Using Your Financial Expert

- A good financial expert can prepare effective document requests and deposition questions.
- The expert should analyze and explain the financial and tax considerations of the case.



KENTNER SELLERS

www.kentnersellers.com/expert.htm

EXPERT ADVICE for FINANCIAL MATTERS

CPAs Experienced in Court, Tax, & Financial Issues

- ✓ Expert Witness for Financial, Valuation & Tax Matters
- ✓ Business Valuation for Divorce, Buy/Sell, Litigation, Taxes
- ✓ Damages & Lost Profits Analysis; Financial & Tax Planning
- ✓ Over 20 Years Experience Serving Area Attorneys

In the Courts

It Pays to have a Good Expert - In *Goswami v. Goswami* (2003 Ohio 803, Judge Waite), the trial court declared a \$260,000 value of husband's medical practice, dismissing both the wife's expert claim of \$226,000 and the husband's expert opinion of \$24,500. The court of appeals found that the trial court ruled within its discretion "due to the deficiencies in the analyses of both experts". Similarly, in *Lippe v. Bairnco Corp.*, 288 B.R. 678, 2003 U.S. Dist., the court excluded business valuation testimony from an investment banker and a finance professor, finding that their opinions were "shaky"...and "so unrealistic and contradictory". Goes to show that trained valuation experts may better help support your case.



Minority Interest Discount Disallowed in Ohio Divorce Case - In *Bunjevac v. Bunjevac*, No. 80069 (June 13, 2002), the Ohio 8th District Court of Appeals affirmed a magistrate's decision to disregard a minority

interest discount in valuing a one-third interest in a tool company for a divorce matter, especially after the husband purchased full control of the company after separation but before the divorce hearing. Other recent Ohio court cases held that the statutory standard for marital value of a closely-held business was "fair cash value" defined as "[T]he amount a willing seller, under no compulsion to sell, would be willing to accept, and a willing buyer, under no compulsion to purchase, would be willing to pay for a share of stock of the corporation to be merged." This shows how the specific facts and circumstances of a case dictate how the Ohio court may or may not apply business valuation discounts.

Financial Experts

Greg Toman, CPA/ABV – Greg has provided litigation and business valuation services for more than twenty years, helping attorneys and their clients in legal and tax matters with analysis, research, investigations, negotiations, reports, and expert testimony. He is Accredited in Business Valuation by the American Institute of CPAs, and has participated in the AICPA National Business Valuation and Litigation Conferences each of the last six years.

Jon Stangel, CPA – Jon's work with family and closely held businesses gives him a special knack with business valuation, profits, and ownership matters. Jon specializes in manufacturing and construction issues, especially in financial damage claims and lost profits issues.



Valuation Solutions

Kentner Sellers delivers logical solutions to help make sense of the complex valuation issues involved with closely held businesses. With solid credentials and extensive valuation experience, we add insight into business operations, objectivity and sound judgment to help offer better quality valuation services.

Financial Expert Solutions for Litigation Matters

Kentner Sellers can help attorneys, the courts and clients make sense of the complex financial and economic issues involved in legal matters and legal agreements. We are committed to giving high quality, timely and effective litigation services. We get it done when you need it.