

KENTNER SELLERS

Financial Expertise

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

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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...

- ◆ **Income Tax Check Up of Partnerships and Limited Liability Companies** - Recent Tax Court cases may cause many individuals who have created LP's or LLC's in the past to consider an overall review of that planning. We can help look over the partnership's:
 - ◆ Start-Up - Initial owners and capital contributions; timing of contributions, gifts and sales; restrictions on limited or minority partners; gift tax reporting.
 - ◆ Operating - Decision-making; regular activities and investing; reasons, timing, allocation for owner distributions; income tax records.
 - ◆ Ownership - Annual or other gifts, or other transfers of ownership interests; details of trusts that own any interests.
- ◆ **Quantifying Economic Damage Claims**
Often, the most intricate portion of a damage case is quantifying or challenging the damage claim amounts. We analyze the financial situation, the circumstances surrounding the claim, and the potential amount of loss based on sound and reasonable financial assumptions. We have worked with lost profits, lost earnings, business interruption, contract litigations, and fraud investigations to quantify the potential damages and financial issues.

Kentner Sellers' Seminars

If you or your firm would like to get more information on business valuation, financial or tax issues, or would like to have us speak at your firm or organization, please call us at 898-1376 or fill out the enclosed Response form.

In May, Greg Toman, Gregg DeVilbiss and Jon Stangel of Kentner Sellers gave presentations to over 150 CPAs at the Ohio Accounting Show on *Valuation Issues with Limited Partnerships & LLC's* and *Choosing the Business Valuation Approach*. They touched on current hot issues such as recent court decisions related to LLC's and LP's, the Courts' attacks on expert witnesses, and using income and market approaches to value closely held businesses. Greg, Gregg and Jon frequently teach other CPAs about business valuation and other issues, in addition to speaking to community, business organizations, and local universities.

Valuation Rules Of Thumb

Rules of thumb are often used to help business owners set a price on their businesses, often stated as multiples of sales or earnings. One guide book quotes a rule of thumb for valuing a law practice of 60% to 100% of annual fee revenue. This "ballpark" range is just a guideline to compare to a complete valuation analysis of the business' earnings, potential, and other data.

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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

Expert's Damage Analysis Unpersuasive - In *Trenhaile v. J.H. Findorff & Son, Inc.* (a 2004 Wisconsin Appeals Case), the court found the plaintiff's expert's analysis "unpersuasive and completely insufficient to establish damages to a "reasonable certainty" for several reasons". First, the expert used general industry statistics to show damages, with no evidence that the businesses used to compile the statistics were similar to the plaintiff. Second, the court had doubts about the expert's analysis because it found that he only relied on three years of plaintiff's operating history in some of his calculations. The court commented that this was a "small sample on which to base future projections" and that the exclusion of a certain year's results was "a clear example of (the expert's) inclination to structure a favorable lens through which to view (the plaintiff's) future."

In Ohio, Is Goodwill Marital Property? - In *Kahn v. Kahn* (Ohio App. 2d Dist.), the appellate court ruled that personal goodwill and enterprise goodwill in a medical practice constitute marital property. In *Goswami v. Goswami*, (Ohio App. 7th Dist. 2003), the appellate court ruled that personal goodwill is not marital property. This issue has not come to the Ohio Supreme Court, so the local courts are continuing to set their own goodwill guidelines.

Find our litigation and valuation resources at
www.kentnersellers.com/expert.htm

Valuation Solutions

Kentner Sellers delivers logical solutions to help make sense of the complex valuation issues involved with closely held businesses. With years of valuation experience, we add insight into business operations and professional objectivity to help fairly analyze and communicate the options and opportunities involved with business valuation issues.

Financial Expert Solutions for Litigation Matters

Kentner Sellers can help attorneys, the courts and clients make sense of the financial and economic issues involved in legal matters and legal agreements. Our practical background in consulting and court room helps us deliver quality and timely work when you need it.



Financial Experts

Greg Toman, CPA/ABV – Greg has provided litigation and business valuation services for over twenty years, helping attorneys and clients in legal and tax matters with analysis, research, reports, investigations, negotiations, and expert testimony. Greg earned the Accredited in Business Valuation from the American Institute of CPAs, and has participated in the AICPA National Valuation or Litigation Conferences in 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.

Greg Toman, CPA/ABV Jon Stangel, CPA

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