

BUSINESS VALUATION SEMINAR

Sponsored by the

American Society of Appraisers, Philadelphia Chapter;

Pennsylvania Institute of Certified Public Accountants,

and

NACVA PA-East State Chapter

Date: April 20, 2007

Location: Doubletree Guest Suites Plymouth Meeting
640 West Germantown Pike
Plymouth Meeting, PA 19462
Phone: 610-834-8300
Fax: 610-834-1751

COST: \$210

INCLUDES: 7 CE Credits
Continental Breakfast
2 Breaks (with snacks)
Full Buffet Lunch

8:30 AM-10:15 AM

*Latest Techniques to Developing Discounts for Lack of Marketability and Control,
with John Barton*

The theories and tools relating to the development of discounts for lack of control and lack of marketability continue to evolve. Practitioners are utilizing Long-term Equity Anticipation Securities or LEAPs, bonds, and options to arrive at such discounts. At the same time, the courts have continued to weigh in concerning the soundness of various benchmark data and more recently introduced alternative methods to quantifying such discounts.

John J. Barton, ASA, CPA, is Vice President at Murray Devine & Co. in Philadelphia, PA. He performs valuations for transactions, tax matters, corporate restructuring, and private equity fund analysis. Mr. Barton values intangible assets for purposes of compliance with FAS 141 and 142. He also provides expert witness testimony on litigation related matters. His responsibilities also include analysis for solvency and fairness opinions. Mr. Barton has testified as an expert witness in U.S. Federal District Court, as well as in state courts in Pennsylvania,

New Jersey, and Florida. He is an adjunct instructor of finance in Villanova University's MBA Program. Mr. Barton is also an instructor of valuation courses for the American Society of Appraisers and has taught valuation courses for Big Four accounting firms overseas in Cyprus, Turkey, and Finland. He also participates on two international ASA committees, the Business Valuation Committee and the International Membership Committee, as well as a Subcommittee, the Board of Examiners. As part of his work on the Education Committee, Mr. Barton restructured the ASA's Principles of Valuation curriculum and launched four new courses during 2004 and 2005. He is also currently developing the ASA's international principles curriculum. Mr. Barton was past Chairman of the Regional Business Valuation Committee and was a past member of the Cooperation with the Bar Committee. Mr. Barton has published for Practitioners' Publishing Company and has made numerous presentations to professional societies over the years on a variety of valuation topics.

10:15 AM-10:30 AM: Coffee Break

10:30 AM-11:45 AM

Hot Issues in Health Care Valuation, with Alan Simons

Valuing health care enterprises requires consideration of a variety of issues that are not ordinarily encountered with other types of businesses. Providers that abuse the system and pressures to contain health care costs have created a fast-changing high risk environment. Appraisers working in this industry must be aware of and understand constantly changing reimbursement and provider compliance issues, and the regulatory complexities affecting valuations.

Alan B. Simons, CPA/ABV, DABFA, is the principal-in-charge of LarsonAllen's national health care business valuation practice and the health care leader in the Philadelphia office. Alan has prepared hundreds of health care business valuations in conformity with IRS Revenue Ruling 59-60 and the Uniform Standards of Professional Appraisal Practice. He has been engaged by health care providers to determine fair market value for transactions involving the Stark law, the Anti-Kickback statute, Internal Revenue Code section 4958 (intermediate sanctions) and transactions among for-profit and nonprofit organizations. In addition, Alan has prepared numerous opinions as to the reasonableness of compensation or payments paid to clinical, administrative, managerial, and executive physicians to support a rebuttable presumption of reasonableness with respect to IRS private inurement (private benefit) issues. Alan is proficient in the valuation of a variety of health care businesses, including physician and other medical practices, hospitals, senior care facilities, home health, and ancillary facilities such as imaging centers, dialysis centers, surgical centers, and radiation oncology treatment centers.

11:45 AM-12:45 PM

Appraiser Liability Engagement Issues & Expert Witness Pointers, with Michael J. Revness

HOW TO CONTRACTUALLY LIMIT YOUR LIABILITY & POINTERS FOR THE EXPERT WITNESS

Through carefully constructed contracts, the law of Pennsylvania and New Jersey allows us to limit our liability even in the event of breach of contract or negligence. These contracted-for limitation of liability provisions are often crucial in industries where the fees being charged for the service are disproportionately small in relation to the liability risk being assumed for the services. Mr. Revness will discuss the enforceability of such provisions and how to properly draft them. In addition, a few moments will be dedicated to discussing traps and pitfalls for the economic expert witness.

Michael J. Revness is a founding partner in the business law firm of Kurtz & Revness, P.C., a boutique law firm in Pennsylvania and New Jersey. The firm represents clients in complex commercial transactions, business litigation, business formation, contract drafting and negotiation and employment matters. The firm combines the sophisticated legal expertise of the “big city” firm with the personal service and reasonable fees of a boutique. Mr. Revness graduated first in his law school class with Magna Cum Laude Honors and was a member of the law review.

12:45 PM-1:45 PM: Lunch Break (Lunch is included with the program fee.)

1:45 PM-3:30 PM

The Delaware Open MRI Radiology Associates Decision: The Inside Story, with Cathy Reese and John Mitchell

The plaintiffs’ lead trial counsel, Cathy Reese, and valuation expert, John Mitchell, will provide you with insights into the Delaware Court of Chancery’s landmark 85-page appraisal/valuation decision that doubled to \$6 million the \$2.4 million price offered for the plaintiffs’ minority interest in a squeeze-out merger of Delaware Open MRI Radiology, PA. Learn how the Court of Chancery (i) tax affected the valuation of this S corporation, (ii) valued the corporation’s future expansion plans; (iii) treated the “reading fees” and management fees generated by the subsidiary MRI centers; and (iv) determined that each of the defendants should be held jointly and severally liable for the full \$6 million. Learn also the factors that caused the Court to “easily conclude” that John Mitchell’s expert’s testimony was “more credible and well-grounded in finance and fact” than that of the

defendants' expert. Cathy and John will also discuss the differences between fair market value appraisals and fair value appraisals under the Delaware appraisal statute.

Cathy L. Reese is an established trial attorney with extensive experience in corporate, securities, and complex commercial litigation, as well as corporate counseling and opinions. Ms. Reese heads her firm's Corporate and Chancery Litigation practice. She has been listed in every edition of *Chambers USA: America's Leading Business Lawyers* as one of a small group of lawyers ranked as the leading litigators in Delaware in commercial and chancery litigation, based on interviews with clients and counsel. Ms. Reese has also been selected as one of the state's top 10 corporate litigators by a poll of the Delaware bar and retired judges published in *Delaware Today* magazine. Ms. Reese has appeared as a guest on national television to discuss corporate and shareholder issues and has published related articles for various business publications, including *Barron's*, *Fortune*, *Ticker*, and *Investor's Business Daily*. Ms. Reese began her career as a law clerk to the Honorable Philip Nichols Jr. on the United States Court of Appeals for the Federal Circuit.

John E. Mitchell, CPA/ABV, CVA, a member of Gocial Gerstein LLC, assumes responsibilities in areas of litigation consulting, business valuation, accounting and auditing, and quality control. Mr. Mitchell has completed damages analysis, business valuation, investigative accounting, auditing and other types of engagements for a variety of clients and end users, including attorneys, bankers, and the courts. Mr. Mitchell has provided expert witness testimony in several jurisdictions. Mr. Mitchell also directs the firm's participation in the AICPA's Peer Review Program, and has been instrumental in the firm's receiving its initial and subsequent unqualified reports. Prior to joining a predecessor of Gocial Gerstein in 1991, Mr. Mitchell was a senior manager with Arthur Andersen & Company and a principal of Laventhol & Horwath. Mr. Mitchell has published articles in the *Journal of Accountancy* and the *Pennsylvania CPA Journal* and has made many training and speaking presentations before national firm and business professional groups on accounting and auditing, business valuation, and litigation consulting topics.

3:30 PM-3:45 PM: Coffee Break

3:45 PM-5:00 PM

The Latest Developments in Appraiser Professional Responsibility, with Paul H. Elkins

A discussion of the IRS Business Valuation guidelines, including the most recent revisions, and the migration to USPAP for valuations prepared for income tax purposes.

Paul H. Elkins, MS, MST, CPA, CVA, is an Internal Revenue Agent Senior Valuation Specialist and Engineering Team Lead located in the King of Prussia, PA post of duty. He is a Certified Valuation Analyst, certified by the National Association of Valuation Analysts (NACVA), a Certified Public Accountant certified in the state of New Jersey, and has completed all four primary BV courses of the American Society of Appraisers. He is a member of the Institute of Business Appraisers and is a candidate for the accreditation as an ABAR (Accredited in Business Appraisal Review). He also functions as the lead instructor for the Internal Revenue Services Phase V Business Valuation Training. His primary activities in the area of valuation are concerned with Estate and Gift issues for both the examination and the appeals divisions and in the income tax arena he is concerned with valuation issues that arise in mergers, acquisitions, certain entity formations and transfers of intangible property.

Information: Bob Haas, ASA at rhaasjr@rmha.com, or 215-887-6500
Joanne Paciello at asaphila@verizon.net

To Register: Please complete and return the following section with payment by check payable to the Philadelphia Chapter of the ASA by April 6 to 8 Terrace Road, Plymouth Meeting, PA 19462:

Name: _____

Company: _____

Address: _____

Telephone: _____

Email: _____

Designation for which CE sought: _____