

CORPORATE
VALUATION
SERVICES, INC.



CLE Presentation

Business Valuation Essentials

Giustina, Cullifer

&

Current Audit Issues

Presented by: Corporate Valuation Services, Inc.

CORPORATE
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SERVICES, INC.

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Topic: *Surviving the IRS Valuation Audit*

Course Overview

CLE Course: Fall-out from *Giustina* and *Cullifer* and other recent USTC cases provides insight into the proper handling of valuation related audit issues. This presentation provides an update on current valuation issues in the USTC and IRS Audits. Attendees will also learn about the three main approaches to determining *Fair Market Value* and defensible discounts. The presentation will be open-ended allowing for discussions of attendees experiences, questions and scenarios.

CLE Course Length: (1) Hour

Materials: High-end bound presentation book

Lunch: CVS will cater the luncheon

Corporate Valuation Services, Inc. (CVS) is a boutique business valuation and expert witness testimony firm based in Chicago, IL. CVS's Opinions of Values have sustained IRS Audits including notable scenarios presented in this presentation.

CVS's largest services segment is working with professionals in appraising:

- | | | |
|-----------------------|------------------------|----------------------|
| ▪ Operating companies | ▪ Fractional Interests | ▪ Blockage Discounts |
| ▪ Holding companies | ▪ Promissory Notes | ▪ Fairness Opinions |
| ▪ FLPs / FLLCs | ▪ Options | ▪ Solvency Opinions |

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SECTION I

Premise of Value across Various Engagements

SECTION II

The IRS Today

Estate of Natalie B. Giustina – Ninth Court of Appeals US Tax Court (December 5, 2014)

Cullifer v. Commissioner – T.C. Memo 2014-208 (October 7, 2014)

Estate of Helen B. Richmond – T.C. Memo 2014-26 (February 11, 2014)

CVS IRS Estate Audit #1: Holding Company C-Corp (with Built-In Capital Gains)

CVS IRS Estate Audit #2: Estate Audit Regarding DLOM and Right of First Refusal

CVS IRS Gift Audit: Analysis of Discounts & Timing (Humorous)

Other Hot IRS Audit Issues

IRS, Valuations and the Near-Term Outlook

SECTION III

Discount Analysis

SECTION IV

CVS's Discount for Lack of Marketability Analysis

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Tony Gary, ASA, CPA/ABV/CFF, CVA, FCPA, CDFA



Mr. Garvy is President of Corporate Valuation Services, Inc. (“CVS”) prior to forming CVS, he was Managing Partner for valuation and litigation support services at the firm Chadwick & Garvy LLC. He has appraised billions of dollars of equity interests throughout the country and given court testimony in taxation, Company disputes, divorce matters, intellectual property litigation, rendered fairness opinions and solvency opinions. Mr. Garvy is a Director for several corporate and charitable institutions. Notably, Mr. Garvy was Chair of the Board of Directors for Vegetable Juices, Inc., a closely held food ingredients manufacturer that was successfully sold to a French publicly-traded company, Naturex SA.

Accreditations:

Mr. Garvy’s accreditations include:

- Accredited Senior Appraiser (ASA) – American Society of Appraisers
- Certified Public Accountant (CPA) / Accredited in Business Valuation (ABV) / Certified in Financial Forensics (CFF) – American Institute of Certified Public Accountants
- Certified Valuation Analyst (CVA) – National Association of Certified Valuation Analysts
- Forensic Certified Public Accountant (FCPA) – Society of Forensic Certified Public Accountants
- Certified Divorce Financial Analyst (CDFA) – Institute of Certified Divorce Financial Analysts

Education:

Mr. Garvy’s education includes:

- Master of Business Administration, Kellogg School of Management (Northwestern University)
- Master of Accountancy (Graduate Candidate), Kellstadt School of Business (DePaul University)
- Graduate Level Course work in Economics, Booth Graduate School of Business, (University of Chicago)
- Bachelor of Arts, History, Loyola University of Chicago

Membership in Professional & Civic Organizations:

Mr. Garvy’s professional and civic participation includes:

- American Institute of Certified Public Accountants
- American Society of Appraisers
- National Association of Certified Valuation Analysts
- Institute of Certified Divorce Financial Analysts
- Chicago Planned Giving Council
- Association for Corporate Growth
- Business Valuation Association
- Adult Congenital Heart Association



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James S. Arogeti, CVA



Associate at Corporate Valuation Services, Inc. He joined the company in 2012. Prior to starting at CVS, he studied at the Tulane University, A.B. Freeman School of Business where he received a Master of Risk Management (2010) and a Bachelor of Science in Management (2009).

Mr. Arogeti accredited as a Certified Valuation Analyst (CVA) with the National Association of Certified Valuation Analysts. He is also a 2015 Level II Candidate in the Chartered Financial Analyst Program (CFA).

Mr. Arogeti currently resides in the city of Chicago.

Representative Engagements:

Mr. Arogeti has rendered on a range of appraisals in many industries for companies of less than \$1 Million to over \$35 Billion in assets. Among the notable industries served: food processing construction, financial institutions, manufacturing, professional services, technology, and metal forming. Below are representative engagements that Mr. Arogeti has co-signed with Mr. Garvy on behalf of clients within the last three years:

Tax Planning

- Numerous appraisals for closely held businesses for gift and estate planning with assets of over \$100 million in certain engagements
- Dozens of Discount Studies
- Numerous S-Corp and pass-thru entity appraisals
- Complex estates with +10 entities

Financial Reporting Purposes & Corporate Planning

- Numerous appraisals for Fair Value Standards
- Numerous appraisals for intangible allocation and testing
- Numerous appraisals for shareholder redemptions



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PRESENTATION DATA SHEET

PLEASE RETURN:

FIRM NAME: _____

ADDRESS: _____

CITY _____ ST: _____ ZIP: _____

ONSITE ADMINTRATOR CONTACT NAME: _____

(ONSITE) HDMI _____ TV SCREEN _____ PROJECTOR _____

LUNCH:

SUGGESTED VENUE: _____

VEGATARIAN REQUEST _____

(We ask beverages are supplied by firm)

Delivery time: 11:45 AM

SITE LOCATION: CVS GLEN ELLYN _____ FIRM: _____

PRESENATION DATES: *(please check)* 12:00 PM -1:00 PM



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NAME: (please print)	Attorney Registration Number	Practice Area (s)

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