

Valued News



TRINITY
Valuation Consulting Group, PLC

2011 Introductory Issue

*We are
the
Resource
Center
for
Attorneys
and CPAs*

Visit our website at www.trinityval.com to learn more about our services and sign up for our e-newsletter. We do not share your information with anyone.

A new resource has emerged for the financial and legal community. Partners Wayne Kirk, Travis McMurray, and Jason Fleming are proud to announce the launch of Trinity Valuation Consulting Group, PLC. Trinity was created to be a leading financial consulting firm providing business valuation, litigation support, business transaction, and other consulting services. Although our office is located in the Eastern United States, we are not constrained by geographic location. We service clients throughout the United States and abroad. Our professionals have provided services to companies located up and down the East and West Coasts, Canada, and in some European and Mediterranean countries.

Although our professionals are CPAs, Trinity does not provide traditional accounting services such as audit, tax, or bookkeeping. We serve our professional peers and are not in competition for the services they are providing. Our exclusive focus is business valuations, litigation support, business transactions, and other non-traditional consulting services. Trinity was created to provide a scope and depth of services that are not currently offered in our region or beyond. We like to think of ourselves as a "Resource Center" for attorneys, CPAs, and the clients they serve. The Trinity team consists of highly trained professionals who have earned advanced degrees in Accounting, Finance, and Business Administration. They have the experience, credentials, and expertise necessary to provide the highest quality of service.

Business Valuation Services

Business valuations are performed for a variety of reasons, including estate/gift tax planning, divorce and shareholder disputes. Whatever the reason, it is important to select a valuation firm that has the experience necessary to develop an appropriate conclusion of value. At Trinity, our valuation professionals have performed hundreds of business valuations that have been accepted by mediators, the courts, and the IRS. In addition to being Certified Public Accountants (CPAs), our professionals hold professional valuation credentials such as the Certified Valuation Analyst (CVA) credential from the National Association of Certified Valuation Analysts (NACVA) and the Accredited in Business Valuation (ABV) designation from the American Society of Certified Public Accountants (AICPA).

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Litigation Support Services

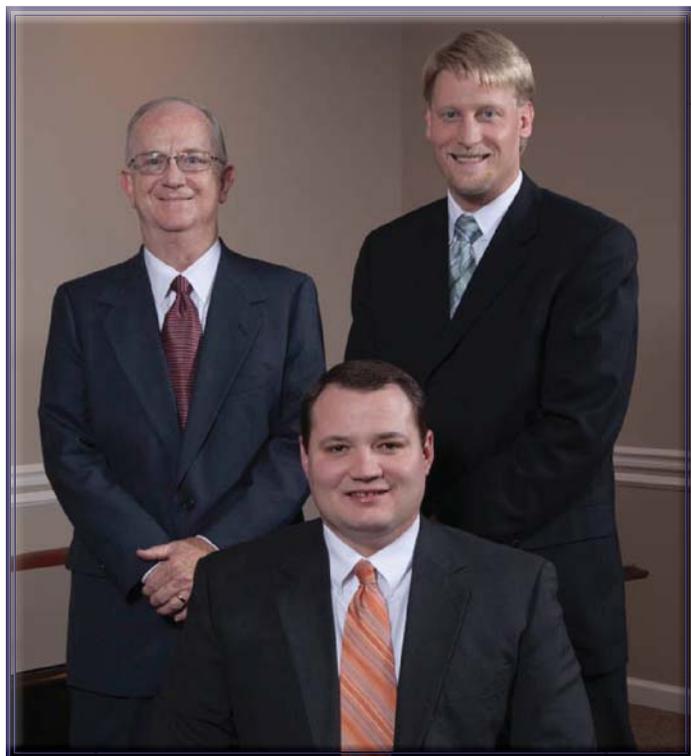
When preparing for litigation, it is important to select an expert witness that is experienced and respected. The professionals at Trinity are well respected for their many years of experience in providing independent analyses and expert witness testimony. Our professionals have served in matters of mediation, arbitration and litigation. We also have been retained jointly by opposing attorneys and have served as court appointed experts. Our credentials, experience, and integrity have been utilized for many litigation cases including lost profits, shareholder disputes, and marital dissolutions.

Business Transaction Services

The mergers and acquisitions specialists at Trinity have been involved in a variety of business transactions. Without professional expertise, many businesses do not sell. We work with business owners to make changes that will help ensure a successful outcome. We can assist in the negotiation process and deal structure. We also assist buyers with performing their due diligence so that they know they are getting what they are paying for. There are many advantages to having a professional represent your business during a transaction. Our experience helps to ensure you receive the price that your business is worth. We also serve to take the business owner out of the often emotional process of selling their business and negotiating with buyers.

Other Consulting Services

Our professionals have a breadth of experience to offer. We can assist clients with exit planning strategies, building company value, structuring buy-sell agreements, and ensuring an optimal capital structure. Exit planning is a crucial but often over looked component of a business plan. Even if you plan on leaving the business to your children or other family members, this transaction needs to be properly structured. Trinity can help you identify potential successors and can help structure the transaction to meet your needs. Many owners dedicate their entire lives to building a business but few truly focus on building the value of the business. Growing the business does not necessarily translate to increasing value. Trinity can put you on track to maximize the value of your business.



Partners of Trinity

Standing left to right: Wayne Kirk
and Travis McMurray
Seated: Jason Fleming

Case Law

Goodwin v. Goodwin
Court of Appeals of Tennessee, at Knoxville
Filed February 25, 2010

Divorce

Summary

At the time of the parties' divorce, their primary marital asset was a steel fabrication business. Husband and wife operated the business with their adult sons and husband acted as general manager and wife was the company's bookkeeper. Husband fired one of his sons, who later found he had an inoperable brain tumor and died shortly after. Husband became severely depressed and had his wife run the business for a short time. After husband's return, he fired his wife because of the way she operated the company in his absence. The parties separated shortly after. Husband's expert valued the business at \$385,000 at the date of the wife's firing, while the wife's expert valued the business at \$1.65 million. The wife's expert utilized a valuation date which was just months before the trial. The trial court accepted the valuation of the wife's expert and the husband appealed. The appellate court affirmed the trial court's ruling, stating that Tennessee law requires valuing a marital business as close as "reasonably possible" to the date of trial and the wife's expert valued the business 19 months closer to the date of trial, when compared to the husband's expert.

Farmers Insurance Exchange v. Hudson
Court of Appeals, Ninth District of Texas at Beaumont
Delivered May 6, 2010

Lost Profits

Summary

The appellate court had to determine if the lower court erred in its calculation of lost profits resulting from the termination of an agent by an insurance company. The agent was terminated after switching a customer to another insurance carrier. At trial, the agent's expert calculated both pre-trial lost profits, as well as post-trial lost profits through the agent's retirement, and date of death discounted to present value. The insurance company appealed the trial court's verdict, arguing that the three-month termination clause in the agency agreement should limit damages. The agreement provided that either party could terminate the agreement for any reason by simply providing three months notice. The agent argued that he was wrongfully terminated without notice, and the agreement did not apply. The court took the position that the measure of damages for a breach of contract is that which restores the injured party to the economic position he would have enjoyed if the contract had been performed, further noting, that the agent did not have a contract term "for the rest of his natural life." The court further noted that the agency was not bound to employ the agent until he retired. As such, the court limited the agent's damage claim to three-months lost income.

Contact Us

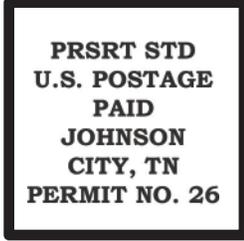
Web:
Email:
Phone:

trinityval.com
info@trinityval.com
423.232.0461

Trinity Valuation Consulting Group, PLC
801C Sunset Drive, Suite 100
Johnson City, TN 37604



Trinity Valuation Consulting Group, PLC
801C Sunset Drive, Suite 100
Johnson City, TN 37604
423 232-0461



E. Wayne Kirk

CPA/CVA



E. Wayne Kirk is a partner in Trinity Valuation Consulting Group, PLC. He has been a Certified Public Accountant since 1974 and has been actively involved with the valuation of companies since 1990. Mr. Kirk has 40 years of experience in the healthcare industry. He also has experience in capital structuring and sourcing, growth/exit strategies and creative transactional concepts.

Prior to joining Trinity, Mr. Kirk was the managing partner of Business Valuations & Consulting and was the co-founder of Kirk & Fortner, CPAs. In addition to being a CPA, Mr. Kirk is a Certified Valuation Analyst as designated by the National Association of Certified Valuation Analysts.

Travis McMurray

MBA, CPA/ABV/CFF, CMA/CFM



Travis McMurray has been a tax partner with Blackburn, Childers & Steagall, PLC (regional accounting firm) since 2004. Mr. McMurray has been in public accounting since 1992 and received both his Bachelor of Business Administration and Master of Business Administration from East Tennessee State University. In addition to corporate and partnership tax, his areas of expertise include business valuations, mergers and acquisitions, forecasts and projections, business start-ups, medical practice consulting and accounting systems consulting.

Mr. McMurray is licensed as a CPA in both Tennessee and Virginia. He is Accredited in Business Valuations (ABV) and is Certified in Financial Forensics (CFF). Mr. McMurray is also a member of the Institute of Management Accountants (IMA) and holds the designations of Certified Management Accountant (CMA) and Certified in Financial Management (CFM).

Jason Fleming

CPA/ABV/CFF



Jason Fleming is a partner in Trinity Valuation Consulting Group, PLC. Mr. Fleming is a Summa Cum Laude graduate of East Tennessee State University where he earned a Bachelor of Business Administration in Accounting and a Master of Accountancy degree. Prior to joining Trinity, Mr. Fleming worked as a senior consultant for a large regional CPA firm. In this role, he performed numerous business valuations including that of healthcare entities such as physician practices, diagnostic imaging centers, and ambulatory surgery centers. Mr. Fleming also has experience in litigation support including economic damages calculations, lost profits analyses, marital dissolutions, and forensic accounting investigations. Mr. Fleming was also a partner in a multi-office mergers and acquisitions firm where he oversaw the transfer of a variety of businesses.

In addition to being a CPA, Mr. Fleming is Accredited in Business Valuation (ABV) and is Certified in Financial Forensics (CFF). He is also involved with a number of professional organizations.