



Valuation & Venture Consulting

Business and Intangible Asset Valuation

Introduction

Valuation and Venture Consulting (ValuationVC) is a premiere valuation firm in Southern California, founded in 2000, with some of **the most knowledgeable and experienced appraisal professionals in the industry.** In addition to the experience gained by working on different types of valuation projects across various industries over many years, our professionals have degrees from the nation's top business schools, credentials and designations awarded from the leading professional organizations, and memberships with national financial and accounting associations such as the AICPA, CFA Institute, and the American Society of Appraisers.

The **depth and breadth of our knowledge and experience** translates into estimates of value with **greater reliability** for our clients' valuation needs. We understand that our clients and their advisors use and **rely on our independent and objective opinions of value for their most important financial decisions,** tax compliance, or financial reporting. On some projects, we provide expert testimony and other litigation support services to our clients and their attorneys.

We work closely with our client's legal, accounting, and tax advisors - we also "value" these relationships. We believe that our clients and their advisors will always have an appreciation for a dependable team of professionals who can provide **cost-effective valuation solutions.**

Who we are

Experienced Professionals.

Knowledge and Experience

An estimate of value or appraisal requires a **unique combination of knowledge and capabilities**, including, but not limited to the following: extensive experience with quantitative financial analyses, a knowledge of economics and how industries and their market participants operate competitively, a historical perspective and current information about the capital markets, and knowledge about how to research the regulatory reporting requirements for the valuation of businesses, equity interests, and intangible assets.

These analytic skills are necessary so that a scientific approach can be employed for the valuation process and to support an opinion of value.

ValuationVC's professionals have had careers with extensive financial analytic experience - Big 4 accounting, financial consulting services, investment banking, and real estate investment. Our professionals also have experience providing expert testimony, analyses for class-action litigation, and possess experience in the high tech industry and assisting unique start-ups and turnaround situations.

Our appraisers have strong academic backgrounds and value the importance of continued education and awareness of the current state of the financial markets. **Each of our appraisers holds an advanced degree and credentials documenting specialized valuation training as well as membership in professional societies.**

What we do

Valuation Services.

As a **premiere valuation firm**, our focus is providing reliable appraisals of value. We know that shareholders, entrepreneurs, senior management for both private and publicly traded companies, and financial advisors to high net-worth individuals want the most reliable estimates of value for their businesses, equity interests, and intangible assets. And if a real estate asset needs to be valued, we can recommend some of the top real estate appraisal firms in the country to assist a client with their valuation needs.

Typically, our opinions and appraisal reports are used for a **financial reporting (GAAP)**, **tax (Estate and Gift Tax)**, and **internal purpose (shareholder/partner buy-out or business combination)**.

Equity Valuation (Common and Preferred Stock and Stock Options)

- Shareholders and managers of privately-held companies need to know the **“fair value” of company stock and equity-derivative securities** for financial reporting purposes (ASC 718).
- Shareholders and management of privately-held companies need to understand the **“fair market value” of stock options or other equity-based awards for tax purposes (Section 409A and Section 83(b) elections)**.
- Shareholders of privately-held

companies need to establish the “fair market value” of their equity securities for **estate and gift tax planning** and when transactions are contemplated between shareholders (e.g., buyouts).

Intangible Asset Valuation (Patents, Developed Technology, Trademarks, Customer Relationships, Goodwill, Assembled Workforce, and URLs)

- Publicly traded and privately-held companies need the **“fair value” and remaining useful lives of acquired intangible assets for their**

What we do

Valuation Services.

financial reporting (ASC 805) when a company or its assets are acquired by another company. In some projects, management and their advisors want to know the “fair market value” of these assets for tax reporting compliance or for a tax planning opportunity.

- Publicly traded and privately-held companies need the **“fair value” of their goodwill and other indefinite-lived intangible assets tested for potential impairment (ASC 350 and ASC 360).**

Business Valuation

- Entrepreneurs want to know the potential **value of their business** idea when they are formulating their business plans. They also want our assistance with creating a set of cash-flow projections that can be used for their initial business planning and performance measurement.
- Shareholders and senior management want to know the potential value of their company and/or the value of other privately-held companies when

doing their due diligence for mergers or acquisitions.

- **Privately-held companies want to take advantage of certain tax strategies** (e.g., C to S Corp. conversions) where they need to estimate the “fair market value” of all of the company’s assets, including intangible assets as of a certain date.

Litigation Support and Expert Testimony

- **Attorneys and their clients need an expert opinion and an expert report** documenting the economic impact to the value of their businesses and/or investments when a damaging action or activity is alleged.

Valuation Consulting

- Sometimes shareholders and management of both private and publicly traded companies utilize our proprietary **Value Creation framework to measure and enhance overall company performance and to increase shareholder value.**

Gary R. Johnstone

CFA, CPA/Accreditation in Business Valuation - Managing Director

Mr. Johnstone established Valuation and Venture Consulting in 2000

after recognizing a need in Southern California for a firm of professionals that could provide independent, reliable opinions of value and specialized valuation services. At the time, Mr. Johnstone was a **Manager in the high-technology valuation practice of Deloitte, LLP in Los Angeles and Orange County.**

Mr. Johnstone has more than twenty years of experience providing quantitative financial and investment analyses to individuals, private and public companies and government entities.

Mr. Johnstone formerly worked as an analyst for such large, well-known financial services companies as Merrill Lynch and Deloitte. Mr. Johnstone has also provided valuation-based consulting services to government organizations, including Rebuild LA and the Kuwait Ministry of Accounting.

Mr. Johnstone received both his M.B.A. and B.S. (Emphasis, Finance



and Accounting) from the University of Southern California. **He is also Chartered Financial Analyst** and a Certified Public Accountant in the State of California. **Mr. Johnstone is accredited in Business Valuation by the American Institute of Certified Public Accountants and is a member of the CFA Institute and the Los Angeles Society of Financial Analysts.**

Blake M. Coleman

ASA (Accredited Senior Appraiser – Business Valuation) - Senior Vice-President

Mr. Coleman joined ValuationVC as Senior Vice President in 2015. Previously, Mr. Coleman worked for nine years at FMV Opinions, Inc. in the Irvine office. At FMV Opinions, Mr. Coleman opined on value and consulted to clients for the valuation of privately held business entities primarily for gift and estate tax planning purposes. **Mr. Coleman specialized in the valuation of fractional interests in entities holding real property, marketable and illiquid securities, real estate assets, notes, and bonds, as well as direct interests in real estate.**

More recently, **Mr. Coleman worked with a private equity real estate investment company** where he underwrote over \$1B of commercial real estate and was involved in the acquisition of retail, medical office, and student housing properties throughout the United States.

Mr. Coleman has extensive analytic financial skills and considerable experience with financial advisory services including real estate and



wealth management. He earned his Bachelor of Business Administration from Cal Poly – San Luis Obispo and an M.B.A. from the Marshall School of Business at the University of Southern California. **Mr. Coleman is an Accredited Senior Appraiser with the American Society of Appraisers.**

More Knowledge.

More Experience.



It's all about the Relationships!

We know what it's like to run a business or practice and what it takes to create value. **Our valuation professionals are analytic, personable, thorough, and good communicators** – we are able to explain valuation concepts and solutions in a simple and straightforward manner.

ValuationVC succeeds because of relationships with clients and our relationships with their advisors. Exceptional client service is one of our core values and because of it we have become a trusted partner with our clients and their advisors rather than simply a service provider.

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Reliable Estimates of Value.

Dependable Professionals.