The Other Side of the Coin: Financial Issues in a Post-COVID World

Presented by the American Bar Association Section of Family Law, BNY Mellon Wealth Management, and Marcum Advisory & Consulting

Program Materials

Live Program: Tuesday, June 23, 2020 | 2:00 PM Eastern

Please note: The content of this program does not meet requirements for continuing legal education (CLE) accreditation. You will not receive CLE credit for attending or watching.

Have a question? Please send it to familylaw@americanbar.org

American Bar Association
Family Law Section

BNY Mellon Wealth Management
Marcum Advisory & Consulting
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   Kenneth J. Pia, Jr., CPA, ABV, ASA, MCBA

PANELISTS

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Jere Doyle is a Senior Tax and Estate Planning Strategist at BNY Mellon Wealth Management. In his role, Jere provides individuals and families throughout the country with integrated wealth management advice on how to hold, manage and transfer their wealth in a tax efficient manager.

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Marcum Advisory & Consulting
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Ken Pia is a partner and the leader of the Business Valuation Industry group at Marcum Advisory & Consulting. He has performed valuations of businesses and partial business interests for a variety of purposes including family law matters, employee stock ownership plans, business damages, buy-sell agreements, shareholder litigation, estate and gift tax matters, and buying and selling businesses.

John Winchester
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John Winchester is the Head of Private Bank Structural Funding at BNY Mellon Wealth Management. As a senior member of BNY Mellon’s Private Banking team, John has extensive experience working with the SBA and will be sharing his insights including how the Paycheck Protection Program or PPP loans may impact couples during a divorce.

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Jonathan Wolfe is a Co-Managing Partner of Skoloff & Wolfe and Chair of the firm’s Matrimonial and Litigation Departments. He focuses his practice on business litigation and matrimonial disputes and is admitted to practice law in New York and New Jersey.
CARES Act

Jeremiah W. Doyle IV, Esq.
Estate Planning Strategist, BNY Mellon Wealth Management
Provisions for Individuals

**Stimulus payments**

- $1,200 for singles
- $1,200 for heads of household
- $2,400 for married couples filing jointly
Stimulus payments – additional $500 per child

• Families receive an additional $500 credit for each qualifying child under 17 with the credit being subject to the same AGI based phase-out thresholds.

• Payments not available if the person has no social security number, is a nonresident alien or is an adult dependent
Provisions for Individuals

**Stimulus payments**

- Qualification based on adjusted gross income (AGI) of the most recently filed income tax return - for 2019 return or 2018 return if 2019 return not yet filed

- Filing and payment date for 2019 income tax returns extended to July 15, 2020

- Once the taxpayer’s AGI exceeds a certain limit of AGI, the amount of the stimulus payment is reduced or eliminated

- The credits are reduced by $5 for every $100 of AGI above the phase-out thresholds
Provisions for Individuals

Stimulus payments

• Stimulus payment is an advance for an income tax credit to be claimed on the 2020 income tax return.

• IRS won’t require individuals to repay any overpayments of their credits although taxpayers will receive the difference in 2020 if they were previously underpaid based on their 2020 income tax return

• The credit is fully refundable for individuals with low or zero tax liabilities
Provisions for Individuals

Stimulus payments

• To expedite payments, the IRS will issue electronic payments for people who have provided bank account information with filing tax returns in the past.

• Other people will receive paper checks
Provisions for Individuals

Stimulus payments – phase-out thresholds

• $75,000 for singles, completely phased out at AGI exceeding $99,000

• $112,500 for heads of household, completely phased out at AGI exceeding $136,500

• $150,000 for married couples filing joint, completely phased out at AGI exceeding $198,000
Provisions for Individuals

Stimulus payments – divorce

• If not yet divorced – payment would be community property in a community property state and likely divided equally between the parties

• The stimulus payment plus the $500 per child payment deposited electronically to an account provided by the taxpayer in connection with 2018 or 2019 tax return. If no account known to the IRS, payment will be sent to the address on the taxpayer’s most recent tax return. It is possible that one or neither of the spouses lives at the address where the IRS sends the check.

• If filing jointly in 2018 and divorced by 2019 but 2019 return has not been filed, payment will be electronically deposited into the account shown on the 2018 tax return (which account may no longer exist or be in the name of only one spouse), or if no account known to the IRS, the refund will be in the form of a check in the name of both parties. The CARES Act specifically states that where a payment is made in connection with a joint return, half of the credit shall be treated as having been made to each individual filing the return.
Stimulus payments – divorce

- Likely that the parent who claimed the child or children on their 2019 return will obtain the benefit of the $500 payment(s). However, if the 2019 return is not yet filed, the payment for the children will be based on the parent who claimed the children on their 2018 income tax return. Probably not fair for parents who have joint custody and have elected to alter the child tax exemption year to year.

- Remember, the stimulus payments are considered an advance of a 2020 tax credit and a parent who is entitled to claim the child or children on his or her 2020 tax return should receive the benefit of the payments for the qualifying children.
Provisions for Individuals

Stimulus payments – divorce – child support arrears

• If payor is behind on child support payments, it is likely that the payor’s stimulus payment will be offset and reduced by the amount owed in child support in cases where the states have reported the past due child support payments to the U.S. Treasury.

• Other unpaid debts such as back taxes, student loan payments or other garnishments will not be applied to the CARES Act payment.
Provisions for Individuals

Unemployment benefits

• Provides for an additional $600/week for four months on top of existing unemployment benefits, the extra $600 being provided by the Federal government

• Unemployment benefits are extended an additional 13 weeks

• The Act extends unemployment benefits to self-employed workers, independent contractors and those with a limited work history

• Payments will date back to an applicant’s eligibility date or the date the applicant’s state signed an agreement to provide the benefits, whichever is later.

• Eligible people will receive retroactive payments to one of the above dates.
Provisions for Individuals

Unemployment benefits - divorce

• The extra $600/week ($2,400/month) in federal unemployment benefits may impact current child and spousal support orders.

• Unemployment benefits may be considered income available for support and included in a party’s income for purposes of calculating child or spousal support.

• Can party not receiving the unemployment benefit seek a modification of the support order based on the receipt of an extra $2,400/month? Remember, the 13 week extension of unemployment benefits and the additional $600/week is short-term, so it is unlikely a court would order a modification of child and spousal support orders.
Penalty for early withdrawal

• Waives the 10% early withdrawal penalty, but not the income taxation, on retirement account distributions (IRAs, 401(k)s and other qualified plans) for taxpayers facing COVID-19 related challenges.

• Withdrawal must be made by an individual (or the spouse or dependent of an individual) diagnosed with COVID-19 with a CDC approved test, or an individual who experiences adverse financial consequences as a result of quarantine, business closure, layoff, furlough, reduced hours due to the virus, being unable to work due to lack of child care due to the virus or other factors determined by the Treasury.

• Maximum distribution is $100,000.

• The distribution must be taken between January 1, 2020 and December 31, 2020.
Penalty for early withdrawal

• The amount distributed must be repaid to the retirement plan at any time over a three year period beginning on the day after the date the distribution was made.

• The repayment can be made without affecting the retirement account caps.

• The repayment may be made to any eligible retirement plan of which the person taking the distribution is a beneficiary and to which the person would be eligible to make a rollover contribution, including 401(k) plans, 403(b) plans, and IRAs among others.

• If not repaid, the distribution can be included in income over three years, beginning with the tax year in which the distribution was received.
Penalty for early withdrawal

• As of March 30, the distribution is not available to individuals who continue to work with a reduced salary. However, the Secretary of the Treasury has the authority to expand the list of individuals who can take the distribution.

• The distribution is not subject to the automatic 20% withholding.
Loans from qualified plans

- Increases qualified plan loan limits from 50% to 100% of the plan balance.

- Allows loans from qualified plans up to the lesser of (1) $100,000 or (2) 100% of the present value of the participant’s account balance or the nonforfeitable accrued benefit.

- The previous limit was up to the lesser of (1) $50,000 or (2) 50% of the present value of the participant’s account balance of the nonforfeitable accrued benefit.

- The increase loan amount applies for loans taken between March 27, 2020 and September 23, 2020 (180 days after enactment of the CARES Act). After that, the borrowing limit reverts to the traditional $50,000.
Retirement Plan Provisions Affecting Individuals

Loans from qualified plans

• State automatic temporary restraining orders that take effect upon filing for divorce may be a hurdle to being able to take a loan from a qualified plan.

• State automatic temporary restraining order may necessitate the consent of non-participant spouse or a court order prior to taking a loan from a qualified plan.

• Loans from a qualified plan may be considered income for purposes of child and support prompting the supported spouse requesting an upward modification of support based on the other spouse’s increased cash flow. The loan could also create more liquidity for payment of attorney and professional fees.
Retirement Plan Provisions Affecting Individuals

Loans from qualified plans

• Normally, loans from qualified plans must be repaid within five years or, if not, it will be considered a taxable distribution from the plan.

• If the loan payment is due between March 27, 2020 and December 31, 2020, the payment may be delayed for one year from the original due date.

• These special loan provisions apply to the same individuals who are eligible for the penalty-free withdrawals.

• These increased loan provisions only apply for a period of 180 days. Note that loans are only able to be taken from a qualified plan and only if the plan allows such loans. Loans may not be taken from an individual retirement account (IRA).
Retirement Plan Provisions Affecting Individuals

Suspension of minimum required distributions

• Minimum required distributions from retirement plans are suspended for 2020, regardless of whether the taxpayer has been impacted by the virus.

• This avoids the need for plan participants and IRA owners to liquidate investments during a time when market values are depressed.

• These plans include qualified 401(a) defined contribution plans, 403(b) plans and governmental 457(b) plans and IRAs.
Retirement Plan Provisions Affecting Individuals

Suspension of minimum required distributions

• Since the Act waives all minimum required distributions for 2020, the amount already distributed from the IRA or 401(k) does not meet the definition of a minimum required distribution.

• Thus, it appears that minimum required distributions already taken in 2020 may be placed back into the plan if (1) done with 60 days of the distribution and (2) the taxpayer has not done a 60 day rollover within the last 12 months.

• The year 2020 distribution will be ignored in applying the five year distribution rule for minimum required distributions applicable to certain distributions after a participant’s death.
Provisions Affecting Business

Net operating losses

• Allows business to temporarily carry back net operating losses to prior years.

• The TCJA of 2017 previously eliminated the ability to carryback NOLs for years after 2017 even though it did provide for an unlimited carryforward of NOLs.

• NOLs incurred in 2018-2020 may be carried back 5 years and may fully offset income in the carryback years.

• NOLs arising before January 1, 2021 may fully offset income. Prior to the CARES Act, NOLs were limited to offset up to 80% of taxable income.

• Businesses will be able to amend or modify tax returns for tax years dating back to 2013 in order to take advantage of the carryback.
Provisions Affecting Business

Net operating losses

• Depending on the status of the divorce, these refunds could be considered an additional marital asset to be divided, or they may be considered as a source of funds for one party to pay overdue child or spousal support or equitable distribution payments.

• Possible refund for up to 5 year carryback. Corporate tax rate is now 21%. Carryback can offset income previously taxed at 35%. However, HEROS Act passed by House on 5/15/2020 prohibits the carryback to pre-2018 tax years.
Miscellaneous Provisions

Tax incentives to encourage charitable giving

• $300 above-the-line deduction charitable deduction

• Available in 2020 and thereafter

• Only available if taxpayer does not itemize deductions

• Percentage of adjusted gross income (AGI) limitations do not apply

• Must be paid in cash to a public charity defined in Section 170(b)(1)(A). Can't be paid to a donor advised funds or supporting organization.

• Charitable contribution from a previous year does not qualify. Section 2204.
Miscellaneous Provisions

Tax incentives to encourage charitable giving

• 100% of cash contributions deductible in 2020. Suspends percentage of AGI limitations for tax year 2020 for contributions of cash.

• Contribution must be made to a public charity defined in Section 170(b)(1)(A). Can’t be made to a donor advised fund or a supporting organization.

• Must take other charitable contributions into consideration e.g., long-term capital gain property subject to 30% of AGI limitation

• Amount in excess of 100% of AGI may be carried over for 5 years

• Taxpayer must elect to have this provision apply. Section 2205.
Disclosure Appendix

The information provided is for illustrative/educational purposes only. All investment strategies referenced in this material come with investment risks, including loss of value and/or loss of anticipated income. Past performance does not guarantee future results. No investment strategy or risk management technique can guarantee returns in any market environment. This material is not intended to constitute legal, tax, investment or financial advice. Effort has been made to ensure that the material presented herein is accurate at the time of publication. However, this material is not intended to be a full and exhaustive explanation of the law in any area or of all of the tax, investment or financial options available. The information discussed herein may not be applicable to or appropriate for every investor and should be used only after consultation with professionals who have reviewed your specific situation. BNY Mellon Wealth Management may refer clients to certain of its affiliates offering expertise, products and services which may be of interest to the client. Use of an affiliate after such a referral remains the sole decision of the client.


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The Other Side of the Coin: Financial Issues In a Post-COVID World

ABA – Family Law Section
June 23, 2020  |  Kenneth J. Pia Jr., CPA, ABV, ASA, MCBA
Ilan E. Hirschfeld, CPA, ABV, CFF, MBA
Disclaimer

Marcum LLP, Marcum Technology have prepared these materials as part of an educational program. The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual, entity or case. While every effort has been made to offer current and accurate information, errors can occur. Furthermore, laws and regulations referred to in this program may change over time and should be interpreted only in light of particular circumstances. The information presented here should not be construed as legal, tax, accounting or valuation advice. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.
Take-Aways

► Valuation Theory

► How the date of the valuation impacts value

► Valuation Methods

► How the market has affected the multiples utilized in the valuation of a private company and the impact on short-term discount rates

► Adjustments you might make to account for this type of uncertainty

► Litigation impacts
Standard of Fair Market Value

Definition of value – usually based on a definition similar to:

“the price expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm’s length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.”*

*Definition of fair market value from the International Glossary of Business Valuation Terms, which was jointly adopted by the American Institute of Certified Public Accountants, the American Society of Appraisers, Canadian Institute of Chartered Business valuators, the National Association of Certified Valuators and Analysts, and the Institute of Business Appraisers.

*The standard of value varies by jurisdiction.
Valuation Theory

► Value today is based on future expectations

► An investor today (that is hypothetical buyers and sellers) bases their value opinion on what they think will happen in the future – as it is the future that will provide them a return on their investment
Valuation Theory

Return and Risk

- **Return** is represented by the proceeds or cash flow received by an investor from a particular investment
  - Periodic dividends/distributions
  - Proceeds when selling the investment

- **Risk** is based on the perceived amount, timing, and likelihood of receiving those returns
  - If the return is held constant, greater perceived risk results in lower value
  - If the perceived risk is held constant, lower return results in lower value
  - If perceived risk is higher and return is lower – that’s not good
Valuation Theory

► Effective Date

► Value is different on different dates

► Each valuation is as of a specific date – or effective date

► Only information that was “known or knowable” on a given effective date should be reflected in the valuation

► Valuation date is set by state statute, case law or a combination thereof
Valuation Theory

Variables that affect value:

- Nature and history of a business
- Economic conditions and outlook in general and industry conditions and outlook for the specific industry
- Net asset value and the financial condition of the business
- Earnings capacity and dividend paying capacity
- Existence or nonexistence of intangible assets and value
- Prior sales of stock of the company
- Prices of stock in companies engaged in the same or similar line of business
Valuation Approaches and Methods

Three approaches to value

1. Market Approach
2. Income Approach
3. Asset-Based (Cost) Approach

Methods within those that we will address

- Market Approach
  - Guideline Public Company
  - Merger & Acquisition (Transaction)

- Income Approach
  - Capitalization of Earnings
  - Discounted Cash Flow
Valuation Approaches and Methods

- Income Approach – those elements today
  - What is a reasonable forecast?
    - Timing of revenue changes
    - Effect on profit margins
    - One-time government influx of funds
  - Equity discount rate
    - Risk-free rate subject to Federal Reserve actions
      - Lowering this rate, even though perceived risk is greater
    - Equity risk premium, industry risk, and size risk are all long-term measures
    - Specific company risk
    - The current shock to the market and increased perceived risk not captured in any of these
  - Cost of debt??
  - Capital structure
    - As value of equity declines, debt will temporarily be higher portion
Valuation Considerations

Historical income may not be a proxy for future earnings, at least not in the short-term

- Unknowns
  - Duration of shut-down
  - Speed of recovery
  - Degree of rebound
- Recovery is industry specific
- Experience losses during downturn period, which could create future tax benefits
- Various crisis-related remedies utilized and the impact on cash flow
- Incur debt during downturn period, some of which is forgivable
- Sentiment is varied on how long it will take for normalcy to be restored, or whether normalcy will be redefined
Bench Marks for Recovery

► Prior Pandemics

► Past Market Crises
  ► 1987 Crash;
  ► 2000 Dot-Com Bust;
  ► 2001 Terrorist Attacks;
  ► 2008/2009 Financial Crisis

► Subject Company prior experience
Valuation Considerations in Uncertain Times

► Valuation Date: What was known or knowable, and when?

► Valuation Considerations:
  ► Effect on business: good, bad or neutral?
  ► Rebound and recovery
  ► Mitigation through capital infusion, forgivable loans, expense-cutting, etc.
  ► Normalization Adjustments
    ► How are forgivable (or unforgivable) loans treated?
    ► How did company (if in existence) survive/handle prior crises (crash of 1987, 2008 recession, 9/11, etc.)

► Valuation Approaches
  ► Valuation variables: income and market approaches
  ► What is the new norm for expected future cash flow?
  ► Public and private markets
Mitigation Efforts

- Government stimulus programs
- 90 day loan deferral
- Extended terms with vendors
- Rent concessions
- Reduce workforce
- Eliminate Unprofitable business lines
# Passive Accretion

## Client vs Client
My Very Own LLC

### Development of Capitalization Rate and Valuation

<table>
<thead>
<tr>
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<th>January 31, 2020</th>
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<tbody>
<tr>
<td>Risk free rate (^1, ^{1A})</td>
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</tr>
<tr>
<td>Equity risk premium (^2)</td>
<td>+</td>
</tr>
<tr>
<td>Size premium (^3)</td>
<td>+</td>
</tr>
<tr>
<td>Specific-company risk premium (^4)</td>
<td>+</td>
</tr>
<tr>
<td>After-tax discount rate</td>
<td>=</td>
</tr>
<tr>
<td>Perpetual growth rate (^5)</td>
<td>--</td>
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<tr>
<td>Capitalization rate</td>
<td>12.20%</td>
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<tr>
<td>Weighted average earnings after taxes and adjustments</td>
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<tr>
<td>Estimated value (rounded)</td>
<td>7,104,098</td>
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</tbody>
</table>
### Passive Accretion

**Client vs Client**

My Very Own LLC

Development of Capitalization Rate and Valuation

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<th>January 31, 2020</th>
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<td>Risk free rate (^1, 1^A)</td>
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<td>Equity risk premium (^2)</td>
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<tr>
<td>Size premium (^3)</td>
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<td>Specific-company risk premium (^4)</td>
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<td>After-tax discount rate</td>
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<td>Perpetual growth rate (^5)</td>
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<td>Capitalization rate</td>
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<td>Weighted average after tax earnings &amp; adjustments</td>
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<td>866,700</td>
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<td>Estimated value (rounded)</td>
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<td>Accretion Attributable to Change in Risk Free Rate</td>
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Specific Company Risk (SCR)

- Businesses are faced with many levels and types of risks in their day to day operations. While many of these risks are factored into the size premium, quite often the specific risk attributes of the company differ from, or are more pronounced than those risks inherent in those companies used to establish the equity risk and size premiums.

- In those circumstances, a determination must be made as to what additional risk or specific company risk is warranted. The applicable types of additional specific risks must be identified and factored into the development of the appropriate discount rate.
Specific Company Risk (SCR)

Many of the characteristics that are often cited as factors considered in determining the specific company risk adjustment encompasses the very attributes that generally define small companies. This must be carefully considered to ensure that the SCR does not double count the risks that are already embodied in the size premium adjustment.

The risk attributes of the company being valued will differ from, or may be more pronounced than those risks inherent in those companies used to establish the equity and industry risk as well as the size premium. A determination must then be made in order to ascertain what level of additional risk, or rather what level of SCR is warranted under these circumstances.
Specific Company Risk (SCR)

- There is no empirical supporting data to employ in the determination of the appropriate SCR. As a consequence SCR entails one of the major subjective components of business valuations;

- Often certain the risks cited by analysts as components of the SCR utilized in their valuations are already embedded in the size premium;

- Factors commonly cited include limited distribution (i.e. local distribution vs. regional, national or international), lack of capital (limited resources), depth of management, etc.
Specific Company Risk (SCR)

The factors considered in our determination of the appropriate level of SCR included, but was not limited to, the following:

- Age/health of key individual(s);
- Customer concentration;
- Supplier concentration, lack of alternative sources for materials/individuals needed to generate of revenues;
- Pricing leverage of the company’s suppliers;
- Pricing leverage for the company’s products/services;
- Current competition;
- Barriers to entry/new competition;
Specific Company Risk

► The dependency on one or few products to generate revenues;
► Life cycle of products, i.e. built in obsolescence, expiration of patents, etc.;
► Limitations on distribution;
► Governmental regulations;
► Industry trends and regulations;
► Condition of fixed assets – deferred maintenance, replacement, obsolescence;
► Law suits/litigation;
► Currency risks;
► Technology challenges, systemic changes – Uber and taxi industry, internet vs retail stores, etc.;
► Location – car dealerships in Newark, NJ vs Miami, Florida.
Subsequent Events

The impact of subsequent events is generally not given consideration in business valuations. The often cited IRS Rev. Rul. 59-60 clearly states that ‘Valuation of securities is, in essence, a prophesy as to the future and must be based on facts available at the required date of appraisal.

The American Institute of Certified Public Accountants’ (AICPA) statement on Standards for Valuation Services (SSVS-1) states: “Generally, the valuation analyst should consider only circumstances existing at the valuation date. An event that could affect the value may occur subsequent to the valuation date; such an occurrence is referred to as a subsequent event. Subsequent events are indicative of conditions that were not known or knowable at the valuation date, including conditions that arose subsequent to the valuation date. The valuation would not be updated to reflect those events or conditions.
Moreover, the valuation would typically not include a discussion of those events or conditions because a valuation is performed at a point in time — the valuation date — and the events described in this subparagraph, occurring subsequent to that date, are not relevant to the value determined as of that date. In situations in which a valuation is meaningful to the intended user beyond the valuation date, the events may be of such nature and significance as to warrant disclosure in a separate section of the report in order to keep users informed.”

Although the COVID-19 virus occurred subsequent to the valuation date, it is considered to be of such nature and significance that it warrants disclosure in that it would be meaningful to the intended users of the valuation.
Subsequent Events (continued)

- The valuation of the company does not take the impact of the COVID-19 virus into consideration. Although the virus is significantly impacting national as well as international economic conditions, its short and long term impact on the company and its operations is not determinable at this time. Accordingly, this valuation considers only those conditions that were known or knowable as of December 31, 2019.

- A crisis that is not yet fully understood as there is presently no cure, no semblance of the duration of the pandemic and what will be “normal” once we all return to work.

- Years from now, when we look back, will we consider this to have been a non-recurring event?
Transformation of the Economy

- Changes in consumer behavior as a result of COVID-19 will drive the market, causing businesses’ to change their strategy and operations potentially driving different outcomes in terms of growth, revenues and profits.
- All of these elements will impact business valuation.
- Some of these changes will not full be realized for years.
Old Way vs New Way

► There will also be pent-up demand as consumers break free of cabin fever. Before the virus, people were eager to spend on experiences — think travel, SoulCycle or concerts and theater.

► During the lockdown, many have been forced to recreate some of that at home, but people didn’t just go to the gym for fitness, but also socialization — and they will want to go out and gather again.

► However, they may not do it in the same way. Going to the gym or shopping may require reservations, as people did for restaurants. We could become an appointment society.

► Consumers’ willingness to spend may also depend on demographics, their experience with the coronavirus and risk tolerance for becoming ill and how they feel about privacy as temperature checks and contact tracing possibly become more regular features of going out.

► Every form of interaction may be viewed as a risk/reward scenario.
What Will Retail Look Like in the Future? Consumer Behavior Will Be Our Guide

► The economy will never be the same in the post-coronavirus world we will be living in.

► The pandemic has changed the behavior of consumers, companies and the government with long lasting effects.

► More Technology
  • As companies reassess their investments, technology is one area that should continue to be prioritized.
  • Cosmetics retailers like Ulta Beauty (ULTA) and Sephora are looking at technology to let customers virtually try on makeup, rather than touch lipsticks or blush in their stores while others retailers are looking at contactless payment.
  • Retailers will begin to look for a way to simultaneously be virtual and social to draw consumers.
Thank You!
Kenneth J. Pia, Jr., CPA, ABV, ASA, MCBA
Partner, Advisory Services

Kenneth J. Pia, Jr. is a partner in the Business Valuation Services group. With more than 25 years of professional business valuation and litigation support experience, Mr. Pia has developed a national reputation working on a wide range of complex valuation engagements. He has performed valuations of businesses and partial business interests for a variety of purposes including, but not limited to, family law matters, employee stock ownership plans, business damages, buy-sell agreements, shareholder litigation, estate and gift tax matters, and buying and selling businesses.

Mr. Pia is heavily involved with the American Society of Appraisers (ASA). He is the chairperson of the ASA’s Business Valuation Committee, is a member of the National Business Valuation Education Committee, and teaches nationally for the ASA’s accreditation program. Mr. Pia is also a charter member of the American Academy of Matrimonial Lawyers Foundation’s Forensic & Business Valuation Division and was recently named to the American Academy for Certified Financial Litigators Advisory Board for New York and Connecticut.

Mr. Pia is a frequent speaker on business valuation topics on the national and local levels for numerous professional organizations, including the American Bar Association, American Institute of Certified Public Accountants, American Academy of Matrimonial Lawyers, and National Center for Employee Ownership. In addition to teaching for the ASA’s accreditation program, he previously instructed for the American Institute of Certified Public Accountants’ Certificate of Educational Achievement (CEA) program in business valuation. He is also an Adjunct Professor at Quinnipiac University. Mr. Pia has technically reviewed publications on divorce finance and taxation for the American Bar Association, as well as several books on business valuation. In 2007, he was appointed as one of two appraisers to the State of Connecticut’s Eminent Domain Task Force, established to determine the methodologies to be used in the calculating lost intangible economic value of businesses due to the state exercising domain rights.

Mr. Pia has been qualified as an expert witness in Federal District Court and the State Courts of Connecticut and New York, as well as various arbitration proceedings. He has also rendered extensive services relating to court testimony. Mr. Pia is on the State of New York Courts’ list to receive court appointments in the following counties: New York, Kings, Richmond, Queens, Nassau, Suffolk, and Westchester. He has received court appointments in New York and Connecticut.

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Ilan E. Hirschfeld, CPA, ABV, CFF, MBA
Partner, Advisory Services

Ilan Hirschfeld is a Partner-in-Charge of the Firm’s New Jersey offices and serves as the National Leader for its Marital Dissolution Practice group. He has more than 35 years experience in both public and private accounting. As a key member of the Firm’s Forensics Practice group, Mr. Hirschfeld provides creative litigation support strategies for trial and/or settlements throughout New Jersey, New York and Pennsylvania. Mr. Hirschfeld and his group focus on commercial litigation and matrimonial matters as well as other business litigation and valuation related assignments.

A recognized industry expert, Mr. Hirschfeld frequently lectures on topics concerning litigation support accounting, business valuations and matrimonial accounting. He participates on numerous industry conference panels, teaches continuing legal education courses and recently was Adjunct Professor of Accounting at William Paterson University’s graduate school of business. Mr. Hirschfeld has served as a mediator in both matrimonial and commercial litigation matters. Additionally, he is often court appointed on many cases and called upon for expert testimony for litigation matters.

Mr. Hirschfeld joined the Firm’s forerunner in 2003. Previously, he was the Executive Vice President for a national cosmetic surgery and dermatology practice and was the Chief Operating Officer and Chief Financial Officer of a publicly-traded vitamin manufacturing company. Earlier in his career, Mr. Hirschfeld was a Partner at a regional New York accounting practice and began his profession at a “Big 4” firm.

SUBJECT MATTER EXPERTISE
Matrimonial Matters
Commercial Litigation
Mergers & Acquisitions
Business Valuations
Forensic Accounting

EDUCATION
Masters of Business Administration, Finance
The University of Western Ontario

Bachelor of Commerce
Sir George Williams University

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