

# CHES

CONSULTING LLC

*When the right move matters*



## Business Valuation

### DISPUTES AND INVESTIGATIONS

#### **Why Chess Consulting**

Chess's experts consult and testify on the value and reliability of financial impacts of commercial dealings in courtroom and boardroom settings. We convey highly technical and complex concepts in plain language. We apply our problem solving skills and industry knowledge to convey highly technical and complex concepts in plain language in civil and criminal disputes, regulatory proceedings, and other decision-making forums.



#### **Business Valuation Consulting**

Our business valuation consultants assist organizations and individuals who need to understand the potential value of a business or an ownership interest in a business. We help clients understand generally accepted valuation methods and the reasonableness of each alternative method based on the facts and circumstances surrounding the valuation, and we identify the variables that are the most sensitive drivers on the estimate of value.

Our professionals hold certifications in business valuation, financial forensics, public accounting, and fraud examination. They are adept at analyzing financial positions, preparing cash flow projections, and conducting business valuations in both transactional and dispute settings.

## Examples in a Transaction Setting

- Assisted a government contracting firm in vetting an offer for the possible sale of one of its divisions to another government contracting firm.
- Valued a 50% share of a joint venture that sold office products to state and local governments, per a contractual buy-out provision. Examined the predictive value of pro forma forecasts based on past projection accuracy, the lifecycle of its product offerings and its ability to generate new products to replenish/enhance the revenue stream.
- Reviewed and critiqued, on behalf of a potential buyer, a valuation of a professional services firm prepared by the seller. Identified conceptual and data issues with the valuation that rendered its conclusions of value unsupported and overstated.

## Examples In A Dispute Setting

- A franchisor sold three restaurants to an investor without disclosing environmental contamination issues, resulting in closure of the lead location. We valued the restaurants on an unimpaired basis to facilitate a sell-back to the franchisor.
- Critiqued a valuation of a firm that operated duty free shops in an eastern European country. Examined the transition of the country's economy, growth in air travel, and the country's pending membership in the EU.
- Prepared rebuttal testimony in a dealer termination case involving the sale and rental of light-duty construction equipment. Corrected the valuation of the contract to account for the dealer's complete scope of operations, allocated overhead, competition and private ownership.
- In a post-acquisition dispute involving the sale of an Internet services provider, critiqued a guideline company valuation that claimed lost value associated with alleged breaches and identified flaws in the selection of guideline companies by the plaintiff's expert.
- In a theft of trade secrets case, valued the IP under a hypothetical negotiation in which a onetime perpetual license would be paid based on the value of the division of the company that created the infringed product.
- Reviewed accounting work papers and public filings to evaluate valuations used to book goodwill impairment related to the divestiture of an energy company's non-regulated operations. Inappropriately transferred assets and fraudulently reported earnings prior to the divestiture claimed to cause the spin-off's subsequent bankruptcy.
- In a post-acquisition dispute between two government contractors, assessed the valuation impact of misleading information conveyed by seller related to key contracts.

### SERVICE LINE CONTACTS:

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