

VALUATION SERVICES

Summary of Our Services and Representative Engagements

Our Services

Valuations of businesses, ownership interests, securities and assets are performed for a wide range of purposes, including transactions, litigation, compliance or strategic decision-making. An accurate value assessment is critical to navigating these complex situations businesses often encounter. We have the specialized experience, knowledge, and valuation credentials to assist counsel and all types of companies with various valuation, financial analysis and problem-solving assignments. Representative engagements led by our professionals include the following:

Representative Engagements

- ◆ **Consultant in Delaware Court of Chancery Shareholder Class Action**
Engaged by the defendant, a publicly traded financial services company, in a shareholder class action lawsuit alleging improper actions and an inadequate share price related to the sale of the company. Our analysis involved reviewing the company's accounting and financial reporting judgments, the sale negotiation process, the fairness opinions and critiquing the expert report produced by the plaintiffs. Our observations and analysis assisted counsel with deposition preparation and case strategy.
- ◆ **Valuation Expert in Commercial Dispute**
Engaged to issue an expert report regarding a biotech company, which, prior to being acquired, allegedly misrepresented their progress and anticipated costs on a newly developed compound. In response to a complaint filed by the acquirer, we were asked to evaluate and provide an opinion on financial reporting and valuation matters, including the purchase price allocation and an impairment analysis performed by the acquirer. Based on our assessment, we concluded there were no misrepresentations, and that the plaintiff's purported diminution in value was the result of subsequent events, including the low success rate in the drug and compound development industry.
- ◆ **Valuation Expert in Closely-Held Business Dispute**
In connection with an arbitration, we were engaged to perform a valuation of an ownership interest in a closely-held consumer goods company and provide expert testimony for the arbitration hearing. Our valuation analysis included several approaches, and involved a review of the company's historical operating results, related party transactions, the industry, and research of comparable companies, as well as comparable acquisition transactions.
- ◆ **Technology Start-up Valuation**
Appraised the fair market value of a technology start-up in the mobile commerce industry and issued an expert valuation report in support of negotiations related to the exercise of a former executive's put option to sell shares back to the company.

Representative Engagements

- ◆ **Independent Valuation Referee in Partnership Breakup**
Served as an independent valuation and accounting expert in the breakup of a construction business. The analyses involved interviewing owners, evaluating the company's historical performance, industry research, selection of the most appropriate valuation methodologies and an assessment of value.
- ◆ **Valuation and Financial Reporting Expert in Fair Value Litigation**
Engaged by defendants in a class action lawsuit to provide expert opinions and deposition testimony related to the accounting and valuation of a joint venture between a multi-national bank and a large real estate company. The engagement included assessing the fair value of the assets and the consideration exchanged according to professional standards. We also opined on whether the venture was set up in a manner that violated the Real Estate Settlement Procedures Act (RESPA) and the appropriateness of the GAAP accounting treatments used to establish the amounts on the opening balance sheet of the joint venture.
- ◆ **Strategic Advisor in Shareholder Buyout**
Assisted the founder and owner of a closely-held technology company in the potential buyout of another significant shareholder. We advised the client on the relevant valuation considerations and issues, enabling her to strategically assess the risks and opportunities related to various buyout options.
- ◆ **Stock Purchase Warrant Valuation**
Engaged by a technology company to serve as an independent valuation and accounting expert to value common stock purchase warrants for financial reporting purposes. Our analysis included the valuation of both standalone and detachable warrants using an options pricing model, alongside a market-based approach known as the “backsolve method” of determining total equity value. We determined the fair value of the warrants and provided advice regarding the appropriate GAAP accounting treatment under ASC 480, *Distinguishing Liabilities from Equity*, ASC 505-50, *Equity-Based Payments to Non-Employees*, and ASC 718, *Compensation – Stock Compensation*.

ABOUT FLOYD ADVISORY

We work with CEOs, CFOs, counsel, boards of directors, and other stakeholders across a wide variety of industries, providing answers and expert opinions on wide-ranging strategy, finance and accounting, and other financial reporting matters. Areas of expertise include SEC Reporting & Transaction Analysis, Strategy & Valuation, and Litigation Services.

SEC Reporting & Transaction Analysis

- ◇ Financial Reporting Matters
- ◇ Private Equity Services
- ◇ SEC Reporting Problems
- ◇ Fraud Investigations

Strategy & Valuation

- ◇ Business Planning & Analysis
- ◇ Valuation & Financial Analyses
- ◇ Profit Improvement
- ◇ Distressed Company Matters

Litigation Services

- ◇ Business Disputes/ Damages
- ◇ Post-Acquisition Disputes
- ◇ White Collar Defense Matters
- ◇ Intellectual Property Matters

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