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Perlmutter Law and Valuation, Inc.
Dba: Valuation and Litigation Group
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Professional Focus

- Valuation Consulting
- Valuation related Expert Witness
- Valuation Appraisal Report Preparation and Review

Types of Assets Valued

- Business Entities (operating and holding)
- Intellectual Property Assets (copyrights, trademarks, patents, name and likeness)
- Partial Interests in Business, Real Property and Intellectual property assets

Valuation Purpose

- Tax
- Financial (internal or buy/sell)
- Divorce

Professional Credentials

- 27-year career with Internal Revenue Service as Estate Tax Attorney and Revenue Agent
- Licenses: California attorney and CPA
- Designations: Certified Valuation Analyst (CVA) and Accredited in Business Appraisal Review (ABAR) from the National Association of Certified Valuators and Analysts
- Founding Partner of *Valuation and Litigation Group*, a unique firm that combines the talent and expertise of a partner with 45 years of entertainment industry business and valuation experience, with another having over 20 years' of technical and valuation experience.

Valuation Experience

- At the IRS, reviewed, critiqued and analyzed thousands of valuation appraisals of all types of assets, including real estate, operating and holding companies and intellectual property assets
- At the IRS, wrote valuation related training materials, taught valuation topics, prepared and presented legal and valuation related topics on live nationwide telecasts to IRS attorneys, presented at AICPA and ASA valuation industry seminars and testified in front of IRS Appeals.
- Prepared formal professional appraisals

Litigation Experience

- In 2017, *Estate of Michael J. Jackson v. Commissioner*, Docket #17152-13, assisting both the IRS litigation and valuation teams for a United States Tax Court trial, including producing and critiquing expert valuation reports, in preparing trial briefs relating to legal as well as valuation related issues, in preparing depositions, and in preparing direct and cross examination questions directed at valuation and legal experts. Trial issues included the valuation of name and likeness rights, the royalty income stream from music copyrights, a music catalog business, "tax affecting" and discounts.
- In 2017, *Estate of Whitney E. Houston v. Commissioner*, Docket #012098-16
- In 2019, was retained and provided expert witness testimony in a tax and valuation matter

Consultation, Appraisal Reports and Review

- Provide valuation advice on valuation related issues involving business, real property and intellectual property assets.
- Review appraisals for errors, omissions and inconsistencies so as to determine the appraisal's credibility, reasonableness and defensibility. Evaluations made of the methodologies applied, assumptions used, calculations made, the adequacy of supporting documentation, appropriateness of the discount applied and the reasonableness of the concluded value.
- Identify appraisal possible IRS audit red flags and financial exposure risks.

Professional Experience

2019 – Current: Partner, Valuation and Litigation Group

- Partnered with an established valuation firm with a partner having over 45 years business and valuation experience and another a “rocket scientist” with over 20 years’ of technical and valuation related experience, and with an A-List of past and current clients. Focus is on intellectual property and business assets valuations, consultations and expert witness services.

2018 – Current: Owner, Perlmutter Law and Valuation, Inc.

- Provided legal, tax and valuation consulting to large estates and high profile deceased musicians. Assets consisted of intellectual property (music copyright royalties and name and likeness rights), business interests, commercial real estate, residential real estate and personal property
- Identified appraisal errors, omissions and inconsistencies along with incorrect assumptions that had resulted in significant overvaluation of the subject assets
- Prepared a valuation appraisal of a partnership and of a partial interest (with discounts) in that partnership which held income real property
- Served as expert witness for valuation related issues

1998 – 2018: Senior Estate Tax Attorney for Internal Revenue Service

- Examined some of the largest and most complex estate and gift tax returns in the country, which included many well know celebrities and public figures
- Valued diverse types of asset categories, including intellectual property rights (copyrights, trademarks, celebrity name and likeness), real property, businesses (both operational and passive holding a portfolio investment assets), partial interests in businesses (valuation discounts when appropriate), fractional interests in real estate and other miscellaneous assets (promissory notes)
- Unique combination of professional certification as a California Attorney, California CPA, Certified Valuation Analyst (NACVA) and Accredited in Business Appraisal Review (IBA), plus 27 years of Internal Revenue Service experience
- Leadership experience as on-the-job Instructor, classroom Instructor, presenter at IRS live nationwide Continuing Professional Education courses and participation in group audits and task forces
- Lead auditor on a number of tax cases concerning significant Intellectual Property valuation issues with potential national significance
- Provided field litigation expertise to litigation counsel on a significant tax court case with multiple legal and valuation issues
- Wrote, presented and instructed tax and valuation theory to both IRS and non-IRS audiences, including the AICPA and ASA. Participated in determining IRS policy relating to S-Corporation tax affecting valuation
- Negotiated agreed audit and valuation related resolutions with top tax professionals. Engaged valuation experts in complex high level valuation theory discussions
- Involved in high profile cases, such as *Estate of Michael J. Jackson v. Commissioner*, Docket #17152-13 and *Estate of Whitney E. Houston v. Commissioner*, Docket #012098-16

1991–1998: Revenue Agent for Internal Revenue Service

- Conducted independent examinations as well as related investigations of complex tax returns filed by large businesses, corporations and partnerships
- Applied tax and case law in resolving audit issues with highly experienced tax professionals
- Recognized indicators of fraudulent activity, developed fraud cases and made appropriate referrals

Academic & Professional Credentials & Achievements

- Expert Witness testimony in Deposition and Arbitration proceeding – valuation related – 2019
- Albert Gallatin Award, Department of Treasury – 2018
- Tax Court – Provided consultation services to Senior IRS Counsel in legal and valuation capacities in a high profile, large dollar case – 2017
- IRS Appeals – Presented IRS position involving legal and valuation issues in high profile, large dollar cases – 2014, 2016, 2017
- Certified Instructor, Internal Revenue Service – 2010
- Accredited in Business Appraisal Review (ABAR), Institute of Business Appraisers – 2010
- Certified Valuation Analyst (CVA), National Assoc. of Certified Valuators and Analysts - 2009
- Certified Public Accountant (CPA), University of California at Los Angeles Extension - 2005
- Outstanding Performance Award, Internal Revenue Service – 2003
- Special Act Award, Internal Revenue Service – 2000
- Certified Public Accountant (CPA) (currently inactive), State of Maryland – 1998
- American Bar Association member – since 1998
- Attorney and Counselor of US Court of Appeals for Ninth Circuit – 1998
- Attorney and Counselor of District Court Central District of California – 1997
- Juris Doctor, Whittier School of Law – 1997
- Performance Award, Internal Revenue Service – annual recipient 1994 – 2017
- Manager's Award, Internal Revenue Service – various years
- Bachelors of Arts (BA), University of California at Los Angeles – 1983

Presentations, Instruction & Writings

- Presenter – American Society of Appraisers (ASA), *Valuation in the Entertainment Industry* – 2019
- Presenter – All Cities Network, *Valuation Issues From the Perspective of a Former IRS ETA* – 2019
- Presenter – Divorce Transition Professionals, *Valuation Issues in the Divorce Context* – 2019
- Presenter – La Jolla State Bar Association, *Intellectual Property Valuation Audit Red Flags* – 2019
- Presenter – Hawaii Tax Institute, *Intellectual Property Valuations Issues* – 2018
- Presenter – Venable, LLC, *Intellectual Property Valuation Issues* – 2018
- Presenter – California Probate Referee Association Spring Educational Conference – 2018
- Instructor/Mentor – *IRS Valuation Training for Estate Tax Attorneys* – 2009, 2010, 2017
- Presentations to IRS Appeals (name and likeness rights, music and film royalty stream and business valuation) – 2014, 2015, 2017
- Author – *IRS Valuation Training Materials* – 2011, 2017
- Acknowledgement - *Right of Publicity, Analysis, Valuation and The Law*, Wes Anson – 2016
- Presenter – IRS Training “How to Select an Outside Fee Appraiser” – 2014
- Presenter – American Society of Appraisers (ASA) – *Tax Laws and Valuation* – 2014
- Presenter – IRS National Telecast CPE – *Valuation, Appraisal “Red Flags”* – 2012, 2014, 2015
- Presenter – IRS National CPE – *Appraisal “Red Flags”* – 2010
- Presenter – AICPA Presentation – *Tax Laws and Valuation* – 2008
- Member of Cadre – *IRS S-Corporation Valuation Job Aid* – 2009