

## Business Law Forum 2021: *Valuation Considerations for the Tennessee Business Lawyer*

Virtual CLE Event  
May 20 & 21

**Program Producer:** Ward W. Nelson, Miller & Martin PLLC

**Total Credits:** 5 General 1 Dual

### DAY 1: May 20

9 - 10 a.m. CT

**Basics of Valuation Methodologies**

**1 General**

*This session will be an introduction to the valuation process for business transactions. We will cover the following topics: why business owners seek valuations; methods and approaches of the valuation process; common adjustments made to EBITDA; and how valuations are used by buyers and sellers in various M&A transactions.*

Chris Rowe, FourBridges Capital Advisors  
Ralph Montgomery, FourBridges Capital Advisors  
Moderator: Justin Joy, Lewis Thomason

10 - 11 a.m. CT

**Business Lawyers and Valuation: Application of Valuation Concepts in a General Business Law Practice**

**1 General**

*Though a distinct industry comprised of valuation-focused professional services firms and consultants exists, Tennessee business attorneys are nevertheless often required to provide valuation-related advice and guidance in the context of their general business and corporate practices without the luxury of input from such valuation experts. This session will focus on selected topics, and related best practices, that a Tennessee attorney is likely to encounter when advising clients on typical business valuation issues, including drafting valuation/buy-sell provisions in operating and shareholder agreements, structuring equity grants (such as profits interests) to service providers, and valuing LLC capital contributions.*

Nathan Harris, Frost Brown Todd  
Drew Hill, Frost Brown Todd

11 - 11:15 a.m. CT

**Break**

11:15 a.m. - 12:15 p.m. CT

***Athlon* and the Death of the Delaware Block Method**

**1 General**

*For many years, trial courts around the country (including in Tennessee) relied exclusively or principally on a judicially constructed process for engaging in appraisal valuations under state corporate dissenters' rights statutes. That process is known as the "Delaware Block" (or "weighted average") method. In 1983, the Delaware Supreme Court abandoned the exclusive use of the Delaware Block method for appraisal valuations undertaken under Delaware law, adopting "a more liberal approach" that determines value through the use of "any techniques or methods which are generally considered acceptable in the financial community." Although it took 35 years, the Tennessee Supreme Court also rejected the exclusive use of the Delaware Block method for appraisal valuations in 2018. This panel unpacks the modern history of appraisal valuations in Tennessee from a legal and financial perspective and offers counsel advice on how to navigate appraisal litigation using financial valuation experts.*

Michael Collins, Expert of Counsel  
Paul Davidson, Waller Lansden  
Glenn Perdue, KraftCPAs  
Moderator: Professor Joan Heminway, The University of Tennessee College of Law

## DAY 2: MAY 21

9 - 10 a.m. CT

### **Valuing the General Partnership Share**

#### **1 General**

*Although limited liability entities such as the LLC and LLP have predominated since their emergence in the 1980s and 1990s, there are still numerous general partnerships in Tennessee. Moreover, new general partnerships are formed all the time, either intentionally or by operation of law as entrepreneurs associate and begin business activities. Many of these new general partnerships lack a partnership agreement with an exit provision. Upon dissociation of one or more of the partners, it is often left to the lawyers to devise a strategy for determining the value of the partners' shares. This session will provide an overview of the applicable provisions of the Tennessee Revised Uniform Partnership Act, summarize recent caselaw in Tennessee on the topic, and discuss practical approaches to examining valuation with a general partnership.*

Matthew Lyon, Vice President and Dean, Lincoln Memorial University Duncan School of Law  
Bob Parker, Parker Business Consulting & Accounting

10 - 11 a.m. CT

### **Valuation and the Life-Cycle of the Entity**

#### **1 General**

*The science and art of valuation can vary significantly based on the stage of development of the business firm being valued. The valuation of a start-up with few assets and operations, on the one hand, and a mature public company, on the other hand, can incorporate vastly different types and amounts of information. Seed, angel, and venture capital investments raise especially interesting questions in practice. This panel explores some of the issues that arise in valuing business firms at different stages of those firms' development.*

Rob Laird, Maynard Cooper  
Chase Perry, Nashville Capital Network

11 - 11:15 a.m. CT

### **Break**

11:15 a.m. - 12:15 p.m. CT

### **The Art & Science of Business Valuation: Competence and Other Professional Responsibility Issues**

#### **1 Dual**

*Mike Costello has been providing business valuation services for over 35 years. He will discuss his experiences regarding when to call on an expert for business valuation services. He will also discuss the cost of different valuation reports along with the pros and cons to each one. His experience includes reviewing the work of other business valuation professionals and identifying competency issues. Mike will share some of the more interesting cases he has observed over the years. The discussion, which will be guided by Brian Faughnan, will also cover various ethical considerations for lawyers who are engaging business valuation experts on behalf of their clients, or advising clients through the process of hiring a valuation expert.*

Mike Costello, Elliot Davis  
Moderator: Brian Faughnan, Lewis Thomason