Florida's Proposed Change to Goodwill Could Set a Precedent

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The Family Law Section of the Florida Bar is proposing legislation to clarify the value of goodwill in the marital interest of closely held businesses. We envision that this proposal could set a precedent for future family law matters throughout the United States. In this proposal, which would be an update to Florida Statute 61.075, the marital interest in a business shall be valued subject to the following guidelines:

I. The standard of value of a closely held business is a fair market value defined as the price at which property would change hands between a willing and able buyer and a willing and able seller, with neither party under compulsion to buy or sell, and when both parties have a reasonable knowledge of the relevant facts (Rev. Ruling 59-60).
II. The court shall determine the total value of the closely held business interest. If there is goodwill, separate and distinct from the owner spouse's continued presence and reputation, that goodwill is a marital asset the court will value.
III. While the court shall consider evidence that, upon a sale, a covenant not to compete (or similar restrictive covenant) may be required, this shall not preclude the court from finding enterprise goodwill.

To understand the context and impact of the proposed change, a discussion of case law and the treatment of goodwill is helpful. Although this article is particular to family law in Florida, the proposed change in the state's law could have an impact on future family law matters in other states.

Background. In business valuation, practitioners determine two types of goodwill for legal proceedings and tax court filings: (1) personal goodwill (also known as "professional goodwill"), which attaches to the presence or reputation of the owner spouse; and (2) enterprise goodwill (or "business goodwill"), which exists regardless of the ownership of the company.

Twenty-eight states now regard enterprise goodwill as part of the marital estate in dissolution but not personal goodwill. One state, Louisiana, has even passed a statute to that effect. The number of states allowing both enterprise and personal goodwill as part of the marital estate has dwindled to 14. Four states say neither form of goodwill is marital, and four states have not yet taken a stand on the issue.

Closely related to personal goodwill is the matter of covenants not to compete (CNC). Most, but not all, states have categorized CNCs as personal assets, not subject to distribution.1

In Florida, the foundational case on this topic is *Thompson,* in which the existence of personal goodwill was determined to be nonmarital, which is not a problem in and of itself.2 However, in *Kearney, Thompson's* "red dye theory's" application delivered an unexpectedly strange result, noted in Judge J. Makar's observation (see below), which is driving Florida's proposed legislative update.3

Business Valuation Resources, LLC (BVR) offers a free, 14-page reference guide and a map showing each state's required analysis ranging from "no decision," in Alabama; "it's complicated," in Indiana, Tennessee, Iowa, South Dakota, Idaho, and California; "neither enterprise nor personal goodwill is marital," in Mississippi; and "[e]nterprise goodwill is marital property, personal goodwill is not," in a majority of the remaining states including Florida where this article originates.4

Florida's *Thompson* case. In Florida, the state Supreme Court's instruction in *Thompson* to the business valuation analyst was to seek out and evaluate the various goodwill attributes of Thompson's law firm and determine (or opine on) whether personal or enterprise goodwill attributes impacted the firm's cash flows and to what extent. The court said:

> We, therefore, answer the certified question with a qualified affirmative: If a law practice has monetary value over and above its tangible assets and cases in progress which is separate and distinct from the presence and reputation of the individual attorney, then a court should consider the goodwill accumulated during the marriage as a marital asset. *The determination of the existence and value of goodwill is a question of fact and should be made on a case-by-case basis with the assistance of expert testimony.* (emphasis added)

The court added that goodwill "is property which attaches to and is dependent upon an existing business entity." *Thompson v. Thompson,* 576 So.2d 267, 269 (Fla.1991). In a professional setting, goodwill is the "value of the practice which exceeds its tangible assets and which is the tendency of clients/patients to return to and recommend the practice irrespective of the reputation of the individual practitioner." Id. There are two types of goodwill: enterprise (or institutional) and personal. Enterprise goodwill "exists separate and apart from the reputation or continued presence" of a particular individual. Id.

The problem? Most practitioners interpreted *Thompson* to mean, "if there is any professional or personal goodwill, the asset approach is the only appropriate method of valuing the business." In other words, for the last two decades, most valuation practitioners in Florida have been valuing only the cash accounts receivable, furniture, and equipment, minus debt, for family law matters. They paid no mind to the cash-flow source and whether those cash flows might generate value beyond personal goodwill. This logic, of course, makes sense when you're valuing a small law practice where a single proprietor is generating the cash flows. But it makes no sense when you apply this same logic to a $500 million company with over 400 employees, which happened in the *Kearney* case. We refer to this misstep as Florida's "red dye theory," similar to a drop of dye diffusing throughout a glass of water, making it impossible to separate
the dye.

The *Schmidt* case. In *Schmidt v. Schmidt*, the 4th District Court of Appeal reversed the trial court's valuation of the subject business and remanded for the trial court to ascertain the personal goodwill remaining in the marital portion of the business, which can be determined by analyzing what the value of the business would be if the business owner did not sign a covenant not to compete.

The trial court in *Schmidt,* when pressing the valuation expert to quantify the business value with and without a CNC, would have benefited from the expert's reference to *Thompson v. Commissioner*, T.C. Memo 1996-468 (1996), where the Tax Court lists the following 11 factors to determine the economic reality of a CNC: grantor's business expertise, grantor's intent to compete, grantor's economic resources, potential damage to the grantee, grantor's network, duration and geographic scope of the CNC (limited to seven years in Florida), enforceability by state law, age and health of grantor, payment terms, payment duration, and fairness of negotiations. Considering these factors, the analyst could opine on the likelihood and degree of the seller's moral turpitude and the weight of countervailing actions from the buyer.

The trial court's decision on remand remains unknown as of this date. In practice, however, most valuation analysts in Florida stayed with *Thompson's* "red dye theory," stating, "[I]f there is any professional or personal goodwill, the asset approach is the only appropriate method of valuing the business." However, the 4th District Court of Appeal's remand instructed the trial court to consider the CNC and its impact on personal and enterprise goodwill on the company value.

The *Kearney* case. In Florida's *Kearney v Kearney* family law matter, the District Court followed the logic of the *Thompson* case and awarded the entire value of the company, $500 million, to the husband, which was not well received by Florida's legal community.

Concurring in part, and dissenting in part, Judge Makar, J. stated:

> Millions of dollars are at stake in this complicated divorce case, one involving a large IBM computer distribution company, Mainline Information Systems, Inc., whose valuation is in dispute. The former husband and wife purchased the company in 1989, shortly after they were married, and built it into a highly successful international enterprise.
>
> While I concur with Judge Benton's opinion generally, I write separately to express disagreement with the astonishing conclusion reached at trial that Mainline—a company with over a half-billion in annual sales, over 600 employees, numerous high-level managers, and over 800 professional certifications among its workers—has not a thimbleful of "institutional goodwill" to its name; instead, to the extent Mainline has goodwill, it has been deemed entirely "personal" to the former husband, and thereby not distributable to the former wife as a co-owner.
>
> Part of the problem is that Mainline's valuation was done with the rudimentary analytical guidelines from the seminal professional services case, *Thompson,* which dealt with valuing a former husband's law firm in which he was the sole shareholder. No reported appellate cases have applied *Thompson* outside of that type of professional association context or to a massive international corporate enterprise like Mainline. While *Thompson* may be workable for small or moderately-sized professional associations, it is a poor fit for valuing the goodwill of a complex and uniquely structured international corporation that is itself controlled by one of the largest corporations in United States history.

The *King* case. In this case, the Appellate Court reversed the trial court's approval of an appraisement of a noncompetition agreement.5 Furthermore, the court found that the husband met his burden to prove that much of the company's pass-through income was retained for the corporate purpose of paying debt or
liabilities.

The *Stephanos* case (convicted felon). In the *Stephanos* matter, the wife demonstrated that there was enough credible evidence to allocate all goodwill to the enterprise despite the husband’s sole ownership in a privately held family business. The wife’s expert pointed to the husband’s felony conviction and a consensus among employees that the husband had a limited role, if any, in managing the company and maintaining relationships with its customers and affiliates. In the end, the court awarded ownership of the business to the husband while also agreeing with the wife’s expert testimony that, of the business’s $5.3 million valuation, all $2.2 million of its goodwill was enterprise goodwill subject to equitable distribution in divorce.6

Going forward, how should the goodwill issues be addressed in response to the proposed update to legislation in Florida?

When valuing a company, the owner will often say how important he or she is to the company’s cash flows without realizing his or her statement’s negative impact on company value. The business owner may overlook that his or her goodwill cannot be sold to another company or person without a noncompetition agreement, employment agreement, or earnout, which affects the fair market value. For example, a poultry processing plant owner may have a key relationship with Tyson, which would disappear if the relationship soured. This type of thinking was appropriate in the *Thompson* case, addressed in part by *Schmidt*, and became fully exposed in the *Kearney* matter.

Step No. 1—admit there is a problem dealing with total value. Nobody likes to admit he or she has a problem unless he or she has a solution for it. The proposed legislation admits and deals with overcoming the issues identified in *Thompson, Schmidt,* and *Kearney,* and other states will likely be considering this approach to family law with its passing. Goodwill, both personal and enterprise, will be quantified in the conclusion of value.

Step No. 2—who is running the show? In this step, the appraisal expert determines whether personal goodwill exists and to what extent it makes a difference in cash flows. When analyzing personal and enterprise goodwill, the authors prefer the simplified multiattribute utility model (MUM) method, a binary approach (based on the tool developed by David Wood).

When analyzing a company, particularly when the company is small and growing, determining how much impact the owner has on its cash flows is critical. The following attributes are considered and quantified on a binary table to accomplish this task:

1. Ability, skills, and judgment;
2. Age and health of owner;
3. Proximity of contact;
4. Comparative professional success;
5. Marketing, branding of person;
6. Personal referrals;
7. Personal reputation among peers;
8. Personalized staff;
9. Personalized business name; and
10. Work habits.

It may seem counterintuitive to realize that, to enhance their company’s fair market value, the owner(s) must relinquish control and decision-making authority to the CEO, CFO, and the board of directors. In other words, if the owner(s) of the company can stay home or stay at the beach while the cash flows are coming in, their company is much more valuable in the marketplace than if they were required to be there daily, generating cash flows. The owner’s effort may significantly impact cash flows as the company grows to midlevel in size or becomes large enough for an initial public offering (IPO). In other words, the owners may be doing little or nothing to affect the company’s cash flows daily, which is why the valuation expert must research the facts and understand who is doing what to affect cash flows.

Step No. 3—the company runs itself. When analyzing a company’s enterprise goodwill, how much strength the company has in the marketplace, how much strength it has internally, and whether the company can generate cash flows in the absence of the owner or ownership group must be determined. In other words, is the company strong and growing, or is it susceptible to competition and internal weaknesses? When estimating a company’s value, the valuation expert often performs a site visit and interviews management to determine its level of strength and weakness. Examples of business attributes considered are shown here:

1. Assemblage of assets;
2. Barriers to entry;
3. Good location;
4. Multiple locations;
5. Business name;
6. Business reputation;
7. Client list;
8. Recurring revenue streams;
9. Systems and organization; and
10. Workforce in place.

Step No. 4—identify the total value. Due to the impact of the recent case decisions, the proposed legislation will require the valuation expert to pay attention, particularly as applied to family law, to the total value of the closely held business, accounting for goodwill in the intangible assets, noncompetition agreements, and the possibility of a *Daubert* challenge, which are discussed below.

Intangible assets. Intangible assets have value, but they are not physically manifested. Examples are name-brand value, customer lists, trade secrets, patents, royalty rights, goodwill, and noncompetition agreements. Many of these assets can be readily sold, and historical transaction prices can be found for some in various databases.

Most smaller businesses have no significant entries for intangible assets on their books. However, larger companies, which are subject to GAAP public reporting standards, must have these entries. Determining these assets’ value for reporting is considered a business valuation practice since a business interest is valued, even though the subject interest is not a stand-alone business enterprise.

Intangible assets may be considered when developing an asset-based valuation approach. Typically, the tangible assets of a business enterprise are less than the value of a profitable concern. According to theory, the reason for this is the existence of intangible assets in the enterprise. An older version for accounting for intangible value within a business is the venerable excess earnings approach. One problem with valuing intangible assets is that their values can fluctuate wildly within a short period

Noncompetition agreements. The most common form of a noncompetition agreement is a contract that an employee is required to sign in consideration of employment that states the employee agrees not to engage in certain competitive behaviors for a specified period, including a period after the employee ceases employment. These types of agreements have become common among professional firms.

It is important to note that a legal opinion should be obtained about these agreements' enforceability. Several court jurisdictions have refused to uphold noncompetition agreements on the criteria they are a restraint of common law trade. If valuing a noncompetition agreement is a facet of a valuation engagement, this should be addressed in appraisal assumptions. Internet searches concerning the state of California suggest that noncompetition agreements have been legally prohibited in that jurisdiction. Be sure to check your state law! Moreover, certain professions may have rules concerning client retention standards.

It should be noted that employee agreements are not the only forms of noncompetition agreements. They are very common in the instance of the sale of a business enterprise. It is very reasonable to require a business enterprise's seller not to open a competing business within a certain period after a transaction, particularly within a nearby geographic vicinity. After an acquisition transaction, the absence of such an agreement might affect a purchased business's risk assessment and potentially impair its value. Also, contractual agreements protecting rights to intellectual property the firm owns should be considered.

Employee noncompetition agreements are frequently a facet of intangible goodwill determination if the party in question is an equity holder in the business. Essentially, personal goodwill is value contributed to a business by a specific individual who can capitalize on that value upon departure. For example, a physician's clients might follow should he or she should leave his or her current practice. Enterprise goodwill is simply the value of a business, and it is not tied to an individual. Thus, if an employee-owner cannot compete with his or her prior practice, personal goodwill's value is arguably diminished. Revenues from former clients might be diminished, but perhaps not to the same degree as if the departing party actively solicits his or her former clientele. Note that a noncompetition agreement binding a nonowner employee would probably *not* be a facet of personal goodwill, at least in the context of a business equity division.

Can noncompetition agreements be bought and sold? Probably not, which makes their valuation subjective, at least when being valued as discrete assets.

Noncompetition limits. Effective July 1, 2019, Florida law now prohibits noncompete agreements between a physician and an entity that employs or contracts with, either directly or indirectly, all physicians who practice the specialty within the same county.

Daubert challenge. When addressing the above issues arising from the proposed legislation, the valuation expert should expect a possible *Daubert* challenge. A *Daubert* challenge occurs when the validity of an expert's testimony is challenged because of faults in the underlying reasoning and methodology used to form his or her opinion.

Under the *Frye* standard, established in *Frye v. the United States*, 293 F. 1013 (D.C. Cir. 1923), a court must determine whether experts generally accepted the method by which that evidence was obtained in the particular field in which it belongs. Many states and federal courts have abandoned the *Frye* standard in favor of the *Daubert* standard.

In Florida, we no longer use the "general acceptance" test under *Frye*. Instead, we follow Rule 702 of the Federal Code, which is meant to be flexible and broader than the *Frye* standard. In 2000, Fed. R. Evid. 702 was amended to codify the elements from *Daubert* Rule 702, which reads:

A witness who is qualified as an expert by knowledge, skill, experience, training, or education may testify in the form of an opinion or otherwise if:

1. The expert's scientific, technical, or other specialized knowledge will help the trier understand the evidence or determine a fact in issue.
2. The testimony is based on sufficient facts or data.
3. The testimony is the product of reliable principles and methods.
4. The expert has reliably applied the principles and methods to the facts of the case.

Note: A person does not need a professional license to be qualified as an expert witness.

Appraiser's viewpoint. When considering a potential *Daubert* challenge, it is important to consider the report's audience, how knowledgeable it is in business valuation, and whether it meets the audience's requirements and expectations. For example, in the Florida family law setting, the *Thompson* "red dye theory" is commonly used where the mere indication of a noncompetition agreement taints the enterprise value, leaving the "out spouse" truly without a share of the business. It is good to see the legislature moving to higher ground on this issue.

What is personal goodwill? The analysis of personal goodwill stems from the "key person" discount described in Shannon Pratt's book on discounts and premiums, where the term "key person" is mentioned 170 times.7

For a more thorough understanding of this issue, the appraiser should review the treatise by Robert Cimasi, in which the author talks extensively about the four pillars driving economic value in healthcare appraisal (i.e., reimbursement, regulatory, competition, and technology) and extensively about the need for appraisers to distinguish personal goodwill from enterprise value.8 Whether your subject company is in the healthcare sector makes little difference to the profundity of Cimasi's work.

Personal goodwill attributes. Historically, appraisers consider the key person(s) impact on cash flows, articulate an opinion, and quantify their findings in the form of a capitalization rate adjustment or a discount from the subject company's value. In particular, we analyze the key person in the following ways:

- Relationships with suppliers;
- Relationships with customers;
- Employee loyalty to the key person;
- Unique marketing vision, insight, and ability;
- Unique technological or product innovation capability;
- Extraordinary management and leadership skill; and
- Financial strength (ability to obtain debt or equity capital, personal guarantees).

Quantification of goodwill. As the expert in evaluating the enterprise and personal attributes for quantification, the following questions should be asked to arrive at the relevant importance of the value, respectively, of the closely held business:

- How important are these attributes, and how do they affect cash flows?
- What is the value of the noncompetition agreement? Is there a legal opinion on its enforceability?
- What is the value if the noncompetition agreements don't exist (or are unenforceable), and the employee or owner can compete in the business's proximity?

- What about mitigating factors? See *Beaver Bolt v Commissioner* for an economic reality test for guidance.

The next section of this article illustrates a quantification of goodwill using a binary analysis.

Simplified multiattribute utility model. In Exhibit 1, you can see where the appraiser analyzed each of the enterprise and personal attributes and made a subjective decision about how important they were—in other words, whether the attributes rise to the level of materiality by making a difference to the cash flows of the company.

Exhibit 1. Enterprise and Personal Goodwill Binary Analysis

Enterprise Attributes	Add to Scale (0,1)	Personal Attributes	Add to Scale (0,1)
Ancillary services	1	Ability, skills, judgment	0
Assemblage of assets	1	Age and health of owner	0
Barriers to entry	1	Closeness of contact	0
Business locations	1	Comparative professional success	0
Business name	1	**Key relations with suppliers or revenue**	1
Business reputation	1	Marketing, branding of person	0
Marketing, branding of company	1	Personal referrals	0
Repeating revenue stream	1	Personal reputation among peers	0
Systems and organization	1	Personalized business name	0
Workforce in place	1	Personalized staff recruiting	0
Total enterprise attributes	10	Total personal attributes	1
Ratio of enterprise	**91%**	**Ratio of personal**	**9%**

Note: Business Valuation Resources published the simplified MUM procedures twice, first in February 2016 and again in its Business Valuation in Divorce, Case Law Compendium, *4th edition, 2019. This method prevailed on appeal in Illinois, in the family law matter of* Preston v Preston, *2018 IL App (2d) 170656-U.*

The following section will show how the appraiser applied the 9% ratio of personal goodwill as a discount of $7.4 million to the company’s value.

Valuation discount (where to find it). A discount for personal goodwill and the assessment of noncompetition value can be reflected in one of two ways: in company-specific risk (Exhibit 2) or as a discount from final value (Exhibit 3).

Exhibit 2. Option No. 1 (Company-Specific Risk)

Company-Specific Risks:	
Advertising	0.00%
Barriers to entry	0.00%
Board of directors (insiders only)	0.00%
Branding	0.00%
Capital access is limited	0.00%
Competition	0.00%
Customer relationships	0.00%
Declining revenue	0.00%
Employee noncompetes	1.00%
Intellectual property	0.00%
New–startup	0.00%
Operating profits	0.00%
Supplier's bargaining power	0.00%
Working capital deficiency	0.00%
Sum of company-specific risks	**1.00%**

Equity Cash Flow Risk Rate:	
20-year Treasury	1.43%
Equity premium (1928-2018)	6.97%
10th decile size premium	7.64%
Industry risk (healthcare support services)	1.18%
COVID-19 risk to industry	0.00%
Company-specific risk	1.00%
Equity discount rate (rounded)	**18.22%**
Less growth rate (Livingston survey)	2.00%
After-tax CF tax rate for next year	**16.22%**

Exhibit 3. Option No. 2 (Discount From Final Value)			
Sample Health as of Nov. 30, 2020			
Approach/Method	Result	Weight	Allocation
Equity value by income approach–DCF method	$69,671,239	50.00%	$34,835,619
Equity value by market approach	$94,437,904	50.00%	$47,218,952
Equity value by asset approach–excess earnings	$79,542,500	0.00%	$0
Equity value of controlling interest		**100%**	**$82,054,571**
Key person discount (owner)	9%		-$7,459,506
Subtotal			$74,595,065
Minority discount for lack of control	32.9%		-$24,557,292
Subtotal			$50,037,773
Marketability/liquidity discount	35.0%		-$17,513,220
Value of noncontrolling interest			$32,524,552
Equity value of minority interest	**1.00%**		**$325,246**

Complementary models. The appraiser may want to review the 2014 article titled "Personal Goodwill: Does the Nonpropertied Spouse Really Lose the Battle," written by Gary Trugman and Linda Trugman.9 This 75-page article includes:

- Scenario 1: The appraised value of a noncompetition agreement in a with-and-without setting; and
- Scenario 2: The appraiser identifies the value of unique cash flows attributable to specific intangible assets, the trademark, patient records, and two noncompetition agreements.

(Refer to *King v. King,* Fla: Dist. Court of Appeals, 1st Dist. 2021, showing the appraisal of a noncompetition agreement by Trugman.)

Residual method. Harold G. Martin Jr. (Keiter, Stephens, Hurst, Gary & Shreaves PC) said his firm has used this method in divorce cases. The residual method is analogous to a purchase price allocation for tax purposes or the acquisition method for financial reporting purposes. After determining the business enterprise value, you allocate value to the tangible assets and then specifically identifiable intangibles such as trade names, customer lists, employment contracts, trade secrets, etc. While the assembled workforce is not separately reportable as an intangible, the value must also be allocated to this asset to determine contributory charges.

After allocating the tangible and specifically identifiable intangible assets, the resulting residual value equals the value of total goodwill. You then allocate value to personal goodwill based on an analysis of the facts and circumstances. For example, one of the key characteristics in determining personal goodwill is whether a professional's customers would follow him or her if the professional were to leave the business.

Another key consideration is whether a noncompete agreement exists. If such an agreement exists, it would effectively transfer personal goodwill to the entity. After allocating value to personal goodwill, any remaining value equals the value of entity goodwill.10

Assisted analysis. For an assisted analysis, the appraiser can use the multiattribute utility model tool developed by David Wood and available for purchase at ValuSource.11

Business valuation expert witness. Relevant questions for the business valuation expert in family law and other litigated cases include:

- What is the effect on cash flows and ultimately on the enterprise value from your goodwill analysis?
- What are the governing standards in this case?
- Is your jurisdiction using *Daubert* or *Frye*?
- Is your report in line with family law statutes in your practice area?

Relevant case law. Here are two lists of cases that deserve reading:

Noncompetition agreements:

- 1944—*MacDonald*, 3 T.C. 720;
- 1970—*Allison*, No. 9633 (E.D. Cal.);
- 1991—*Schilbach*, T.C. Memo. 1991-556;
- 1995—*Beaver Bolt v. Commissioner;*
- 1997—*Thompson v Commissioner;*
- 1998—*Martin Ice Cream,* 110 T.C. 189;
- 1998—*Norwalk,* T.C. Memo (1998-279); and
- 2014—*Bross Trucking* T.C. Memo 2014-107.

Florida family law/business valuation:

- 1991—*Thompson*, 576 So. 2d 267 (Fla. 1991);
- 1992—*Young*, 600 So.2d at 1140 (Fla. 5th DCA);
- 1994—*Weinstock*, 634 So 2d at 775 (Fla. 5th DCA);
- 2013—*Schmidt v. Schmidt*, 4D11-3379 (Fla. 4th DCA); and
- 2014—*Kearney v Kearney*, 129 So.3d 381, 390 (Fla. 1st DCA).

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1 See *Family Lawyer Magazine*; article by Shannon Pratt and Alina V. Niculita; Feb. 20, 2020. On Jan. 8, 2021, the authors presented this topic at the Florida Institute of Certified Public Accountant's Valuation Forensic Accounting and Litigation Services Conference.

2 *Thompson v. Thompson*, 576 So. 2d 267 (Fla. 1991).

3 *Kearney v Kearney*, 129 So. 3d 381, 390 (Fla. 1st DCA (2014.)

4 Search the internet for "Charting Goodwill Jurisprudence" at sub.bvresources.com/FreeDownloads/ChartingGoodwill.pdf for BVR's 2021 updated and well-researched report.

5 *King v. King*, Fla: Dist. Court of Appeals, 1st Dist. 2021.

6 *Stephanos v. Stephanos (In re Marriage of Stephanos),* Case No. 502013DR007061XXXXSB, Circuit Court of the 15th Judicial Circuit, Palm Beach County, Florida, J. Samantha Schosberg Feuer, Final Judgment (Dec. 28, 2018). Source: Sandra Perez, CPA/ABV/CFF, CFE, director of the Family Law Forensics practice with Berkowitz Pollack Brant.

7 Shannon Pratt, *Business Valuation Discounts and Premiums,* 2nd Edition, 2009, Wiley; available at bvresources.com/products/business-valuation-discounts-premiums.

8 *Healthcare Valuation, The Financial Appraisal of Enterprises, Assets, and Services,* 2014, Wiley.

9 trugmanvaluation.com/wp-content/uploads/2018/12/Florida-Personal-Goodwill_2014.pdf.

10 Source: *Business Valuation in Divorce Case Law Compendium,* 4th Edition, 2019; bvresources.com/products/business-valuation-in-divorce-case-law-compendium-fourth-edition.

11 valusource.com/products/business-appraiser-databases/multi-attribute-utility-model-mum.

Please let us know if you have any comments about this article or enhancements you would like to see.