



Meet Robert P. Gray – CPA and Expert Author



TXCPA member Robert P. Gray, CPA, ABV, CFF, CGMA, CFE, is Principal at Gray Schrupp & Associates in Dallas. His practice areas include complex commercial litigation, forensic investigations, stakeholder disputes, matrimonial services, business valuations and other forensic accounting consulting services. He serves clients in the United States and internationally.

He has been actively involved in TXCPA's Business Valuations, Forensic and Litigation Services Committee for a number of years and has chaired the subcommittee for their conference. In addition, he is a member of AICPA and the Kentucky Society of CPAs, and he has served in several leadership roles in the niche forensic and valuation services community at AICPA.

Gray is also an expert author. He has co-written a chapter in the book "Lost Profits Damages: Principles, Methods, and Applications" second edition. *Today's CPA* recently caught up with Gray to learn more about his career, his volunteer service and the new book.

Tell us more about your background and career.

I grew up in the Midwest, but I seemed destined to move to Texas at a young age. In December 1976, I graduated from Southern Illinois University – Edwardsville. During my career, I have been a partner and spent over 17 years with two national CPA and advisory services firms working in their national FLVS practices.

Prior to those roles, I spent approximately 15 years with a Big Four firm providing FLVS, assurance and consulting services in several offices throughout the United States. My firm, Gray Schrupp & Associates PLLC, was established in May 2017.

You are Principal at Gray Schrupp & Associates. What are your primary responsibilities at your firm?

At GSA, we are a small firm. I am one of the two principals/owners, and we do forensic and valuation services (FVS) work on a national/global basis. My role is delivering expert reports/testimony on a number of FVS matters that are generally in litigation.

My roles vary from marketing/selling, prosecuting the work, to taking out the garbage. In addition, my partner(s) over the years have allowed me to be very active with AICPA's FVS Community (committees/task forces, etc.). My partner, Elizabeth Schrupp, CPA, keeps me balanced in the activities I get involved with – she is magical and very insightful.

You've served on the TXCPA Business Valuations, Forensic and Litigation Services Committee for a number of years. Why is volunteering or committee service in TXCPA so important to you?

As part of the AICPA FVS community, I recognized that certain states (e.g., California) had great results in establishing networking, CPE and leadership for the FVS community. When I moved to Dallas (from Houston), I approached TXCPA to see what interest there might be in re-establishing a Business Valuations, Forensic and Litigation Services Conference. I joined the Business Valuations, Forensic and Litigation Services Committee and met Trish Fritsche, CPA, CFF, CGMA, CITP, who was chair of the committee. We approached the TXCPA folks, and they agreed to reinstate the conference if we could

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get our firms to underwrite the cost and also get national/local quality speakers to donate their cost and time.

The committee has also been involved with producing webinars on relevant topics. We realized the need to bring quality speakers/topics to TXCPA so that younger staff would attend, as well as to develop networking and CPE for FVS folks in Texas.

You recently co-authored a new chapter in a book that is an FVS treatise. What led you to co-write the book? What makes it unique?

I am an economics damages fanatic. Lost profits guidance is a big part of what CPA experts provide to their clients. It is not all of the services we perform for economic damages.

I was a contributing editor of the first edition of the book. The editors approached me about doing a chapter on lost profits for new businesses. That topic was not in the first edition. I sought out one of my former partners, Dave Duffus, HKA in Pittsburgh, and also Ira Bowman, Attorney, Godwin, Bowman, Martinez in Dallas, as co-authors for help and assistance.

The book is unique. The second edition would be a wise addition to any business litigator and experts who deal with lost profits (e.g., breach of contract matters or tort-related economic damages claims). It deals with topics and issues not found in other lost profit treatises.

The added chapter in the second edition titled "Lost Profits for New Businesses" really provides some history of how we got to where we are today in the court rooms. At some point, most seasoned financial experts who provide expert witness services for economic damages measurement will encounter matters that deal with the challenges of estimating lost profits for "new business" – that is, a business that has little or no financial history on which to base projections. This chapter addresses how and to what extent a new business can, in appropriate circumstances, credibly claim damages for lost profits for these types of entities.

The book "Lost Profits Damages: Principles, Methods, and Applications" is available on Jim Hitchner's Valuation Products and Services website

Building on the success of the acclaimed first edition, "Lost Profits Damages: Principles, Methods, and Applications," the second edition includes four new chapters, 12 additional expert authors and over 100 pages of further meaningful guidance. It was written by 56 nationally recognized experts in 27 practical, easy-to-use chapters.

Purchase your copy today! TXCPA members receive a 20% discount. The book is available on Jim Hitchner's Valuation Products and Services website at www.valuationproducts.com/lost-profits.

From a financial perspective, there is no prohibitive or hard-and-fast rule of law that precludes a new business from obtaining lost profits or any other commonly accepted measures of economic damages.

The new business rule has essentially been replaced with the recognition that recovery of lost profits can be obtained if evidence establishing lost profits to a reasonable degree of certainty is presented. It is typically more difficult to obtain the sufficient relevant data to credibly support lost profits for a new business than a profitable entity.

What do you find to be the most rewarding aspects of developing this chapter?

It was rewarding to work on a new chapter/topic and start fresh with no preconceived ideas of what we wanted to communicate to the readers.

I enjoyed working with my co-authors and the book's editors – all well respected in the FVS community. In working with them, I get to learn from the best. Our goal with the book is to help/assist financial experts do their job better.

What advice would you give other CPAs who are interested in writing their own book or pursuing this type of work like you did?

Start out small – get involved with the FVS section of TXCPA and AICPA. I recommend volunteering to write and assist, even if its articles or social media.

Be sure to read treatises and cases involving the topics you want to write about so you know your stuff. Also, speak at FVS conferences so you can get recognition (and maybe acceptance).

Editor's Note: Join TXCPA virtually on **August 31** for the **Business Valuation, Forensic and Litigation Services Conference webcast**. You'll hear discussions on timely topics from expert speakers. Go to the Education area of our website at www.tx.cpa to learn more and register.