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Certified Public Accountants

Rising Stars



Open to See More of the Best and Brightest



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Rising Stars



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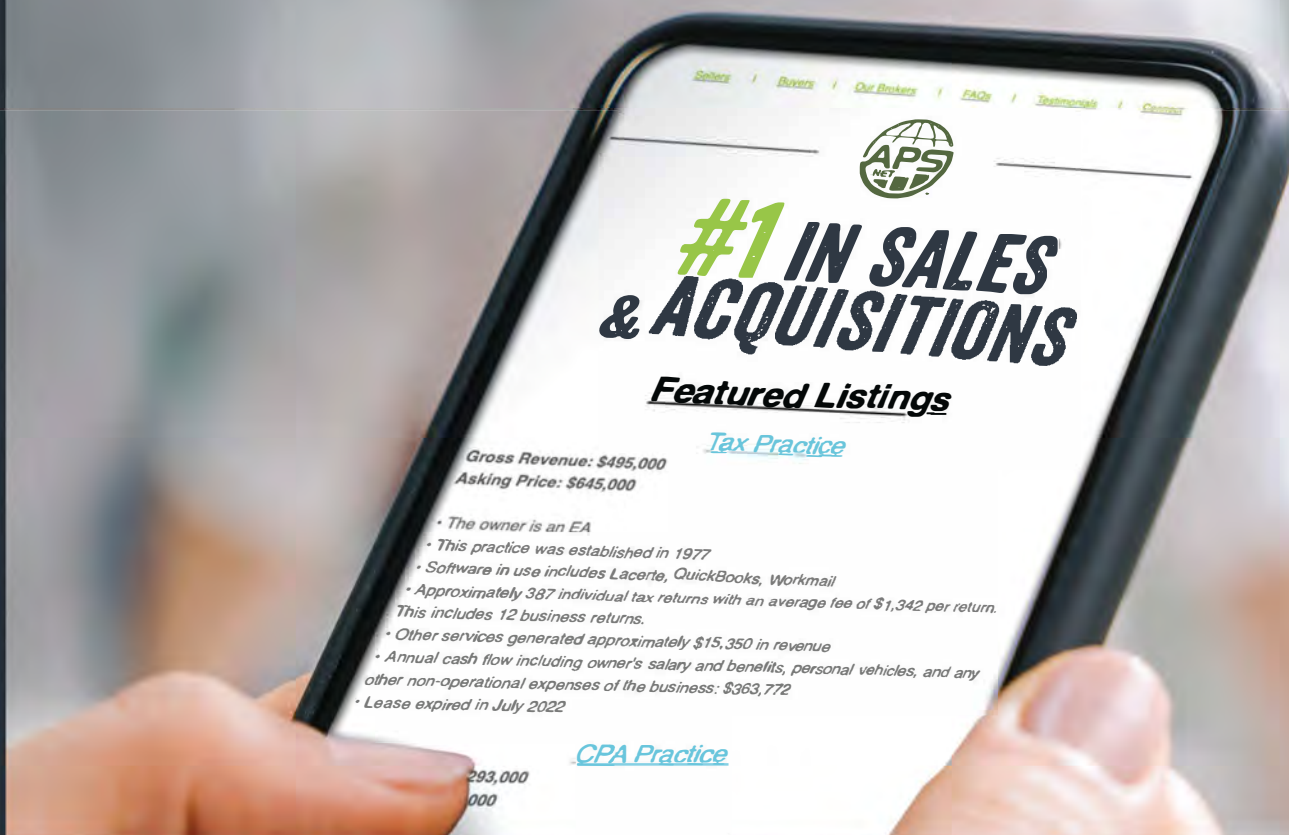
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A New and Improved *Today's CPA* Experience

Welcome to the November/December issue of *Today's CPA*! Our Rising Stars on the cover aren't the only thing that makes this issue shine. You may notice an updated layout and design, giving a publication that's been around for more than 100 years a modern fresh look and feel.

“These Rising Stars are the future of our profession and the future of TXCPA, and we couldn't be in better hands!

In this issue and those to come, you'll find new features highlighting those in our community, like Happenings From Around Texas, as well as updates to our traditional content that highlight key details in articles and provide options to find more online and direct you to more information on a topic that can be found in other TXCPA resources and programs.

The November/December issue is the best issue to launch a more modern *Today's CPA*! We're highlighting 30 amazing young CPA members in our cover story. I hope you enjoy reading about each of their accomplishments and take the time to recognize and celebrate those you know, while reaching out to connect with those you haven't met yet. These Rising Stars are the future of our profession and the future

of TXCPA, and we couldn't be in better hands! Enjoy the enhancements and please drop us a note with feedback so we can continue to provide you with the content, updates and community connections that make your membership so valuable (email membership@tx.cpa or chair@tx.cpa).

Thank you for your time and membership!

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CPA-Dallas, CFE

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Special-Purpose Acquisition Companies Growing More Popular **But Present Unique Accounting Issues**

The use of special-purpose acquisition companies (SPACs), also known as blank check companies, has increased exponentially over the past few years. They allow investors to take companies public without the costs and delays associated with traditional IPOs. A SPAC is created to pool investor funds to accomplish a merger or acquisition within a specified period of time. At creation, the acquisition target is generally not known to the investors. Since 2020, more than half of U.S. IPOs have utilized the SPAC structure.

Before we discuss the typical SPAC structure, let's examine the advantages it offers over the traditional IPO. The SPAC is registered with the SEC and is a publicly traded company. As such, the public can buy its shares; hence the nickname "poor man's private equity fund." The SPAC can typically go public in just a few months, shortening the time typically required for a conventional IPO of six months to more

than a year. However, it lacks an active business since the acquisition of a target has not been completed.

Given the simplicity of the SPAC balance sheet, preparation for going public is both quicker and less expensive. This is not to say that the costs associated with taking the target company public are avoided fully. Financial information of the target is generally required to be presented to the SPAC investors to receive final approval of the transaction and the target must be

"public ready" upon completion of the merger.

A SPAC transaction generally follows a well-established path:

Units comprised of Class A shares and some fraction of a warrant are sold to investors for \$10 upon the SPAC going public. This will generally compose about 80% of the share capital.

The sponsors are awarded founder shares and warrants for a nominal investment to make up the remaining 20% of the share capital.

The proceeds are held in trust to be used for the acquisition of a target within a limited time frame; usually less than 24 months.

If the acquisition is not completed within the window, the investors' shares are redeemed (plus interest) from the funds in trust. However, the sponsors can generally induce the investors to extend the acquisition deadline by making a contribution to the trust fund.

Investors can sell their shares and/or warrants on the secondary market at any time. Sponsors are generally



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KEY TERMS:

SPECIAL-PURPOSE ACQUISITION COMPANIES (SPACS)

WARRANT ACCOUNTING

“FIXED-FOR-FIXED” CALCULATION

“A SPAC is created to pool investor funds to accomplish a merger or acquisition within a specified period of time. At creation, the acquisition target is generally not known to the investors.

required to retain their shares and warrants.

Once a target is identified and the merger is pending, investors can opt out by demanding redemption of their shares. They can retain the warrants even if the shares are redeemed. For those who participate on the initial offering of the SPAC shares, they are therefore guaranteed the return of their initial investment. Investors buying the shares on the secondary market receive no warrants and pay market price.

The warrants (typically with a strike price of \$11.50) generally have a term of five years from the date of the acquisition. The SPAC may call the warrants if their trading price for a period of days (usually 20 -30) exceeds a stated price, which is generally \$18. This call feature basically forces holders to exercise the warrants. Sponsor warrants do not include the call feature. The public warrants can only be exercised for cash while the sponsor warrants may be for cash or shares.

Investors should be aware that their shares will typically be diluted. The sponsor shares are awarded without cash investment, which results in dilution of the investor shares of up to 20%. Redemption of Class A shares from investors who opt out prior to the merger can typically run as high as 40 – 50%. Therefore, at merger, only 40% of the share capital may actually be fully cash funded. If the price of the shares rises, the warrants are then likely to be exercised at the \$11.50 strike price, further diluting the return of the initial investors.

Recent SEC scrutiny of the warrant accounting has resulted in restatements by several SPACs. Many SPACs had concluded that the warrants should

be classified as equity. However, to be classified as equity, the company must evaluate the instrument under a two-step process: (1) the contingent exercise provisions and (2) the settlement options. And it is the latter that has prompted the SEC to disagree with the conclusions of the reporting entities.

To qualify as equity, the settlement must be a “fixed-for-fixed” calculation with the exception that any adjustments are based on standard inputs used to determine the value of “fixed-for-fixed” equity forwards or options. The sponsor options are not redeemable and therefore fail the exception since “type of holder” is not a standard input.

The public warrants often fail the exceptions since the SPAC fails to control the ability to settle with shares. This failure is based on the provision in most SPAC warrant agreements that allows the holders to elect to receive cash in the event of a tender or exchange of the underlying shares in the context of a change of control.

SPACs failing the exceptions have been required to restate their financials classifying the warrants as derivatives in the liability section of the balance sheet, which requires revaluation at every report date. By the time a restatement is identified, the acquisition of the target has likely been completed, making the restatement an event of note to the investors.

Recently, there has been an increase in the number of SPACs opting to liquidate rather than close acquisitions. Given the complexities of the unique structures of SPACs and the SEC’s accounting treatment evaluation, only time will tell if they remain popular acquisition vehicles.

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TXCPA Advocacy Successes Continue

During the 2023 legislative session, TXCPA successfully advocated for issues that were important in addressing the CPA pipeline. From the passage of Senate Bill 159 – allowing student candidates to begin sitting for the CPA Exam after 120 semester hours – to the passage of House Bill 2217 – expanding the State Board’s scholarship program to more eligible students – TXCPA’s advocacy work was instrumental in helping students and candidates be in a good position to become licensed CPAs.

Following is a summary. We thank our members for their advocacy efforts in advancing these important issues.

Continued on page 8



■ GOVERNMENT AFFAIRS UPDATE

TXCPA's advocacy work has continued post-session to include significant work with educators, the TSBPA board and TSBPA committees to ensure that rules relating to SB 159 and other national pipeline initiatives work effectively. TXCPA has raised the issue of the composition of courses, including accounting research, which will make up the 21 hours of upper-level accounting needed for a student to begin taking the CPA Exam after completing 120 semester hours of education.

TXCPA has advocated for a broad approach to course composition to provide students the best opportunity to become licensed CPAs. TXCPA's advocacy will also enable accounting education programs to better understand the education path to licensure. These efforts are vital to the CPA pipeline.

TXCPA pipeline advocacy efforts also stretch to addressing the expiration of CPA Exam sections credits. In Spring 2023, NASBA issued an exposure draft recommending changing the Uniform Accountancy Act so that the window to complete Exam sections and avoid expiration would be extended from 18 months to 24 months. TXCPA submitted comments to NASBA and the TSBPA pushing for an extension of credit to 30 months. As a result, TSBPA has amended credit extension rules, effective January 1, 2024, to provide for a 30-month window.

Texas now joins the vast majority of other states to move to 180 days for Notice to Sit for the CPA Exam. Limited testing sites has made it difficult for students to plan and secure testing locations. TXCPA has long advocated for a longer notice to sit.

The State Board, with input from TXCPA, is considering a credit relief initiative that will allow students who have lost Exam credit between January 2020 and January 2024 to have their Exam credit restored and have an additional 18 months to complete the Exam. There is a potential pool of 1,900 CPA candidates in Texas, out of over 18,000 nationally, who have lost credit during the tumultuous last three years and this NASBA-initiated effort will help students get back into the CPA pipeline.

Nationally, TXCPA is continuing to work closely with the Texas congressional delegation in pushing for STEM legislation to include accounting within the technology and math tracks. Legislation has been introduced in both the House and Senate and lobbying efforts continue. TXCPA has also been advocating for expansion of 529 plans to allow 529 funds to be used to cover the cost of certain workforce training, credentialing programs, certification exams, and maintenance of certification credentials. Both of these issues have wide bi-partisan support and TXCPA will continue to work for passage.



BY KENNETH BESSERMAN,
Director of Government Affairs and
Special Counsel



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Lindsey Kennimer**



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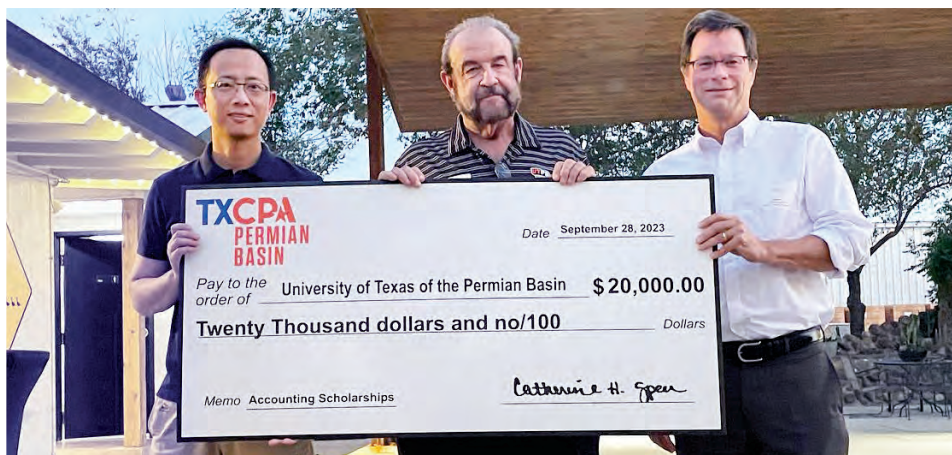
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In What's Happening Around Texas, we give you highlights of events and activities happening around the state in the TXCPA chapters.



TXCPA Permian Basin's 36th Annual Shrimp Boil

TXCPA Permian Basin held the 36th Annual Shrimp Boil on September 28! More than 120 local CPAs, students and guests were there as the chapter presented UTPB with a check for \$20,000 for scholarships for accounting students. The chapter also recognized Howard College, Midland College and Odessa College, and TXCPA Chair-elect Mohan Kuruvilla joined in on the festivities!



Dahlia Garcia

2023 TXCPA Rising Star Award Recipient



Congratulations to Dahlia Garcia,
for receiving the esteemed Texas CPA
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November is Accounting Opportunities Month and TXCPA Month of Service!

Your personal career story can help fuel the CPA pipeline during [Accounting Opportunities Month](#). In partnership with AICPA and more than 30 state CPA societies, this initiative is shining a spotlight on the many opportunities in accounting careers.

Share your story on social media – Use the hashtag #CPAMonth to share your story, words of wisdom or message of gratitude. You can also follow us on [Facebook](#), [Instagram](#), [Twitter](#) and [LinkedIn](#) to share our posts. [Click here](#) for more inspiration on showcasing your CPA journey through social media.

Questions about Accounting Opportunities Month or any of our student recruitment efforts can be directed to cpapipeline@tx.cpa.

Also in November, TXCPA is hosting our annual Month of Service! Our members and their firms and companies play vital roles in supporting their local communities, and this month they are giving back with food drives, financial literacy programs, money-minded holiday toy collections, and more! Use the hashtag #TXCPAService to share ways you're giving back in November.

Looking for ways you can participate in Month of Service? Contact the membership team by email at membership@tx.cpa or give us a call at 800-428-0272.

TXCPA Midyear Meeting, January 25-26, 2024

The sparkling city by the sea, Corpus Christi, is the location for our Midyear Meeting. Make plans to join us at the Omni Corpus Christi Hotel for valuable updates on the profession and how TXCPA is advocating for our members, opportunities to connect with leaders from across Texas, and some amazing views of the Corpus

Christi Bay. Meeting registration will open soon, and the room block is open for early booking. Reduced room rates are available until January 2, 2024, or until the block is full, whichever comes first.

Find more details in your member communications and in the Leadership Meetings section of www.tx.cpa.

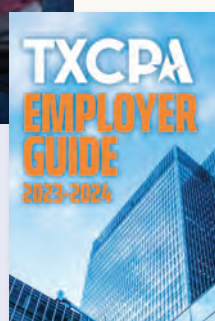
Growing the CPA Pipeline: TXCPA's 2023-2024 Employer Guide

TXCPA is dedicated to growing and supporting the pipeline of students and candidates pursuing the CPA license.

One new resource we offer is the Employer Guide. The guide also gives employers extra visibility with candidates in a time when staffing is a critical issue.

The 2023-2024 Employer Guide is available for download at www.tx.cpa. Printed

copies can be requested by emailing cpapipeline@tx.cpa. Special thanks to the organizations that participated in this year's issue!



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Not your year for ethics? Don't miss the other free CPE included with your membership! Visit the Free CPE for Members page in the Education section of www.tx.cpa.

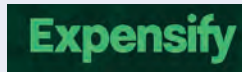
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TXCPA's 2023 *Rising Stars*

By DeLynn Deakins, MBA, *Today's CPA* Managing Editor,
and Jarrod Fitch, MBA, TXCPA Marketing and Communications Manager

Through the Rising Stars Program, TXCPA recognizes CPA members 40 years old and younger who have demonstrated significant leadership qualities and active involvement in TXCPA, the accounting profession and/or their communities. A TXCPA selection committee named the following 30 up and comers based on their contributions to the accounting profession and their communities. We now introduce you to the members, in alphabetical order, who are the Rising Stars honorees for 2023.

Phillip Arvanetakis, CPA

Senior Associate, Capital Markets & Accounting Advisory
Alvarez & Marsal
Houston Chapter

Phillip Arvanetakis became involved with TXCPA Houston in 2014 as a student and swiftly progressed in his roles. After obtaining his CPA license in 2019, he dedicated himself to the organization's committees and activities, notably chairing the Young Professionals Committee for two years. His leadership abilities were clear during his tenure, where he not only supported the committee but also actively encouraged its members to expand their networks and career perspectives.

Phillip's involvement extended to representing TXCPA Houston on the TXCPA Leadership Council and participating in various local committees. His remarkable contributions were acknowledged when he received the 2020-2021 Outstanding Young CPA of the Year award. Impressively, he displayed a rapid learning curve on governance and industry issues by seeking guidance from experienced leaders. In sum, Phillip is a shining example of a Rising Star, showcasing his leadership in fostering growth and connections among young professionals and more experienced CPAs in the accounting profession.

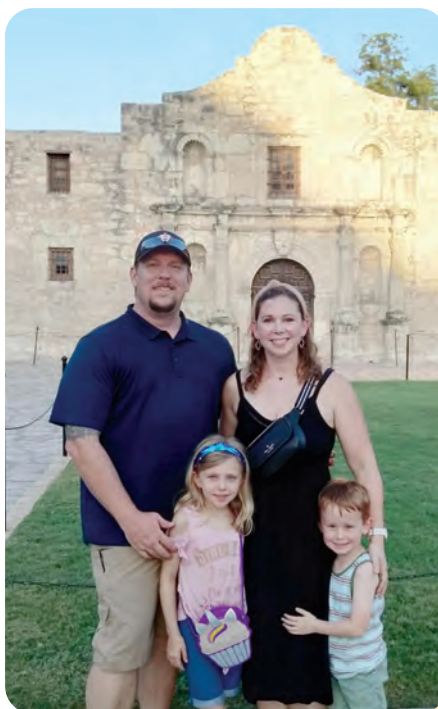


Melanie Bledsoe, CPA

Search Consultant
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Dallas Chapter

After switching careers from practitioner to recruiter in 2021, Melanie Bledsoe has been an active volunteer in the community. She is a member of the National Association of Black Accountants (NABA), where she supports the next generation of minority accounting students. She is also a member of the TXCPA Dallas Young Professionals Committee to help plan social and continuing professional education (CPE) events for younger members.

Melanie dedicates her spare time to volunteering at the SPCA of Texas and at Feed the City events by Tango Tab, making lunches for those in need. Looking ahead, she also aims to direct her volunteer efforts toward fostering high school and early college students' interest in accounting. Described as a "CPA with the heart of a teacher," Melanie aspires to work within the school system to strengthen the pipeline of new CPAs. Her passion for education and mentorship shines through in her commitment to making a lasting impact for future generations.



Amanda Bobeck, CPA

Managing Director, Crowe LLP
Houston Chapter

Mandy Bobeck's recognition as TXCPA Houston's Outstanding Young CPA of 2021-2022 highlights her remarkable contributions. Her involvement with the chapter began as a student. Mandy's notable involvement in the Accelerate Committee showcases her resourcefulness, often taking the lead on projects for events like the Scholarship Extravaganza. Her commitment to the chapter and profession also extended to the CFO/Controller Conference Planning Committee and her efforts to promote accounting careers through local school presentations.

At Crowe LLP, Mandy specializes in ERISA plan audits and is a leader within the firm's Benefit Plan Services niche, with technical experience in defined contribution plans and 11-K filings. She has obtained the AICPA Advanced Defined Contribution Plans Audit certificate. In the firm, she mentors colleagues and provides training and support during annual level trainings. Her community involvement includes memberships in The Humane Society of the U.S. and the Houston Livestock Show and Rodeo. In essence, Mandy exemplifies a strong focus on professional growth, volunteerism and community engagement.

Drew Chumley, CPA

Partner, Seamless
Fort Worth Chapter

Drew Chumley is an influential member of TXCPA and TXCPA Fort Worth. He completed the chapter's leadership development program and has been a driving force behind fostering a welcoming and inclusive atmosphere in the chapter. Drew's leadership extends to chairing the TXCPA Young and Emerging Professionals Committee and actively participating in TXCPA Fort Worth's committee. He's also deeply engaged in local initiatives, including delivering accounting career presentations to students and conducting financial literacy outreach with teens through the #Adulting program.

Drew's community involvement has included serving as the treasurer for Dallas Services, which encompasses the Dallas Day School and the Center for Vision Health, organizations dedicated to empowering individuals with disabilities and special needs. Additionally, Drew sits on the Board of the Dean's Leadership Council at UT Arlington's College of Business. Colleagues regard him as an outstanding representative of the CPA profession, and his willingness to share his experiences and lend support makes him a valuable asset to his peers.



Mackenzie Craft, CPA

Audit Senior Manager. Weaver and Tidwell LLP
Permian Basin Chapter

Mackenzie Craft is a highly dedicated member of TXCPA Permian Basin, where she has been actively engaged in committee service and events for many years. Her significant contributions extend to her role on the TXCPA Permian Basin Board of Directors and her involvement in various chapter committees. One notable achievement is Mackenzie's participation in the chapter's inaugural Pipeline Committee, reflecting her passion for helping students attain their CPA licenses. As a recent licensee, she is an ardent advocate for the accounting profession, encouraging students to pursue CPA licensure and careers in public accounting.

Beyond her professional commitments, Mackenzie also engages in several community organizations, showcasing her desire to give back. Her volunteerism began during her time at UT Permian Basin, where she was active in the Accounting Association. Mackenzie's professional involvement and community service work exemplify her diligent and sharing spirit, making her an invaluable asset to both the accounting profession and the community at large.



Miranda Curtis, CPA

CPA. Crowe LLP
Dallas Chapter

Miranda Curtis is a CPA and real estate agent seeking to strengthen her profession and community. Her overarching mission is to empower her community through financial literacy and access to homeownership. Miranda serves as 1st Vice President for the Dallas Chapter of National Association of Black Accountants (NABA). Through NABA, she champions African American students in pursuing careers in accounting. Miranda actively engages with Junior Achievement of Dallas, nurturing financial literacy and global economy skills in young individuals.

At Crowe LLP, Miranda is both an Auditor In-Charge and co-chairs the Dallas African American Business Resource Group, exemplifying her dedication to fostering workplace diversity and inclusivity. She also serves as a career coach with Christian Young Professionals (CYP), instructs children at Upperroom (UR) Dallas and provides real estate solutions. Miranda became a member of TXCPA in 2022 after two years as a licensed New York CPA. She is looking forward to making a positive difference in Dallas and in the State of Texas.



DMyrian Frederick, CPA

Financial Analyst Sr. - Financial Reporting - Remote
Lamb Weston
Dallas Chapter

DMyrian Frederick stands out as an impressive individual in the field of accounting. With over a decade of experience spanning various industries and roles, his journey has been marked by increasing responsibilities. He brings a wealth of knowledge and expertise to the table and his influence extends well beyond his own career. He actively mentors students and plays an important role in the National Society of Black CPAs (NSBCPA) CPA Review, showcasing his commitment to fostering the next generation of CPAs.

DMyrian's strength lies in his adept critical thinking and problem-solving skills. What truly sets him apart is his eagerness to innovate and bring fresh ideas to the table. His mentorship and forward-thinking approach inspire others, contributing significantly to the growth and success of the accounting profession. He is a guiding light for aspiring CPAs, embodying the values of dedication, passion and forward-thinking that are crucial in a field that is constantly evolving.



Dahlia Garcia, CPA

Audit Partner. Beasley, Mitchell & Co.
El Paso Chapter

Dahlia Garcia has been an active member of TXCPA at the local and state level since 2011 and has served on the Board as a Director-at-Large. She has also played vital roles in the local Young CPAs Committee over the years and previously served as president of the committee, contributing significantly to the group's success. Her career trajectory has been impressive. She has over 12 years of experience and is the leading Audit Partner at Beasley, Mitchell & Co. with offices in El Paso, Las Cruces, Albuquerque and Tucson.

Dahlia is also extremely busy in the community, serving in several leadership positions in the Junior League of El Paso and she is the Treasurer/Secretary for the Center of Hope, an Anti-Human Trafficking agency. She is a strong advocate for those in need and is incredibly generous with her time and resources. Given her accomplishments and contributions, it is clear that Dahlia is a worthy and deserving recipient of the Rising Stars Award.



Alexandra Holder, CPA

Senior Accountant
FMW CPAs
Southeast Texas Chapter

Alexandra Holder is highly involved in community service activities, showcasing her expertise in a variety of roles and responsibilities. At Friendship Baptist Church in Beaumont, she actively engages in the worship ministry, where she selects and arranges worship



songs and sings lead vocals during services. In addition to her musical contributions, she plays an essential role in the children and youth ministry, providing support to the young members of the congregation. Alexandra is also a valued member of the audio/visual team, stepping in to operate the sound system when needed and she runs the PowerPoint for worship every Sunday.

During her time at Ouachita Baptist University, she was actively involved in the Chi Mu Women's Social Club. She also served on the leadership team of the International Club and the Hickingbotham School of Business Student Advisory Board. Alexandra's extensive community service involvement reflects her diligent and altruistic nature, driven by a strong desire to share the benefits of community engagement with others.

RIISING STAR NOMINATIONS NOW OPEN!

If you have a friend or colleague who has shown innovative leadership qualities within the accounting profession, their local community or TXCPA, we want to hear from you! Anyone can nominate a rising star, but the nominees must be TXCPA members. Watch your TXCPA communications for details on submitting your nominations.

Adam Hallmark, CPA, CFE

Accountant
Chilton Wilcox & Fortenberry
San Angelo Chapter

Adam Hallmark has had a profound impact on the San Angelo community since his arrival from Houston five years ago. He has served as the TXCPA San Angelo Chapter President and was chosen as one of only 30 members of Leadership San Angelo for 2022-2023. Adam is deeply involved with the United Way of the Concho Valley, where he has volunteered as his firm's loan executive for two years and served as the Chair for the Loaned Executive Program. He is also on the local United Way Board of Directors.

In addition to his United Way work, Adam was nominated to serve on the Concho Valley Workforce Development Board. He was involved in establishing a Becker Review course aimed at assisting aspiring CPAs in successfully passing the CPA Exam, helping address the shortage of CPAs. As a member of his church choir, he continues to enrich the lives of those around him. Adam is the true definition of a Rising Star.

Chris Hes, CPA

Assurance Senior Manager
RSM US LLP
Dallas Chapter

Chris Hes has been an active member of TXCPA since 2009. He has served on the TXCPA Leadership Council and Pipeline Task Force, demonstrating his commitment to shaping the profession's future and strategic planning.

In addition to his involvement at the state level, Chris plays a significant role in TXCPA Dallas. He has served seven years on the TXCPA Dallas Scholarship Committee and has been an influential participant in the Young Professionals Group and Partners in Education and Vision committees. His two-year chairmanship of the Partners in Education committee and his role as TXCPA Dallas Board Liaison illustrate his leadership skills within the organization. He has also served as a Director on the TXCPA Dallas Board. In recognition of his contributions, Chris was named the chapter's Young CPA of the Year in 2019-20, highlighting his dedication to TXCPA Dallas across all age groups to make a positive difference in the accounting profession.



James Jones, CPA

Assurance Partner
Weaver and Tidwell LLP
Permian Basin Chapter



James Jones is a highly respected partner and a key member of his firm's energy niche team. He has helped to create firm standard workpapers to be used across the practice and has been named the Midland Office Culture Ambassador. In addition, James is known for delivering exemplary client service and for his talent in developing and mentoring his staff. He is a passionate advocate for the growth and development of the teams he collaborates with, consistently leading by example. His strong work ethic is evident in his habit of being one of the first to arrive at the office and one of the last to leave.

James was an active member of the TXCPA Permian Basin committee responsible for planning and hosting the chapter's first Leadership Day for young CPAs. He also serves on the board for SHARE and the Boy Scouts of America. His multifaceted contributions make him a standout CPA and leader.



Lindsey Kennimer, CPA

Partner
Snow Garrett Williams
Fort Worth Chapter

Lindsey Kennimer is a CPA with experience serving governmental entities, specifically school districts. She is an active leader and participant in TXCPA Fort Worth. She has chaired the Young Professionals Committee, supported the chapter's financial literacy initiatives, encouraged member engagement, and is a frequent speaker for events.

As a young partner in her firm, Lindsey has been proactive in professional advancement and active engagement in the community. These values are mirrored in the support she shows for her employees' involvement in TXCPA Fort Worth and commitment to community relations. She has served in an advocacy role as a member of AICPA's Government Audit Quality Center Executive Committee, TXCPA's Professional Standards Committee and TXCPA's Texas School District Accounting & Auditing Conference Planning Committee. She also performs peer reviews of other CPA firms throughout Texas through AICPA's peer review program. She is regarded as a diligent contributor who is ready to make a positive impact on her profession and community.

Katherine Kirk, CPA

Partner
Whitley Penn, LLC
Permian Basin Chapter

Katherine Kirk has more than 17 years of tax experience as a third-generation tax CPA. As a Partner with Whitley Penn, she is not only excelling in her career but also passionately lighting the path for others. Her dedication to mentorship is evident, as she consistently seeks opportunities to guide and support new staff members, fostering a culture of growth and development within the firm.

Beyond the office, Katherine's service in the community shines brightly. She generously volunteers her time with the Midland Odessa Business & Estate Council, making a meaningful impact on local businesses and organizations. One of Katherine's most notable passions is her work with students, where she actively engages in conversations with local high school and college students about careers in accounting and promotes financial literacy. Her outreach to the younger generation inspires them to pursue their dreams in finance while equipping them with essential financial knowledge.



Kevan Kirksey, CPA

Officer
Henry Peters, PC
East Texas Chapter

Kevan Kirksey, an Officer at Henry & Peters, PC, has a passion for both numbers and community service. His journey with the firm began in 2009 after completing an internship. Kevan's expertise encompasses audit, review and compilation services, as well as tax planning and compliance for diverse clients, including individuals, partnerships, corporations, trusts, and estates.

Beyond his professional prowess, Kevan is an active community member. He's a devoted member of Grace Community Church and has contributed to organizations like Leadership Tyler, Smith County Historical Society, Meals on Wheels East Texas, Miracle League of Tyler, and the City of Tyler Traffic Safety Advisory Board. Currently, he serves on the Board of Directors for TXCPA East Texas. His outstanding commitment is exemplified through his role on the TXCPA East Texas golf tournament committee. His efforts have attracted new sponsors and ensured fundraising goals are met, contributing to the tournament's recent success. Kevan continues to shine in both his career and community engagement.

Art Lopez, CPA

Tax Manager
Burton, McCumber & Longoria, LLP
Rio Grande Valley Chapter

Art Lopez is a Tax Manager at Burton, McCumber & Longoria, LLP. He is actively involved in community service projects and has served as a board member and as treasurer of Keep McAllen Beautiful. He contributes his time and energy to the organization's city cleanups, Arbor Day Celebrations, tree planting initiatives and various other community projects. Additionally, he volunteers on the Rio Grande Valley United Way's annual grant audit committee, supporting the region's many charitable causes.

Within the accounting profession, Art's leadership shines through brightly. He served as a board member and Vice President for TXCPA Rio Grande Valley, showcasing his growing influence in the field. His commitment to personal growth and community betterment was further demonstrated by his graduation from Leadership McAllen Class 38 in 2019. Art is a rising star in tax management, distinguished by his impressive community leadership and dedication, leaving a lasting impact on both fronts.





Oscar Loy, Jr., CPA

Audit Manager
SBNG, PC
El Paso Chapter

Oscar Loy, Jr. is a standout professional and community advocate. Beginning as an impressive intern in 2014, he is currently a Senior Manager for SBNG's audit team. His experience consists of audit engagements of real estate companies, joint ventures, construction companies, service companies, employee benefit plans, and non-profit organizations, as well as attestation services such as financial statement reviews, compilations and due diligence procedures. His busy weeks include work, mentoring and community engagement.

Oscar is formerly a board member and treasurer for Project Amistad and provides vital support to the local TXCPA El Paso Chapter President. He's also a graduate of Leadership El Paso, Class 41. His passion for El Paso and his alma mater, the University of Texas at El Paso, led him to join the UTEP Athletics Fan Council for a three-year term. His passion for his profession and community serves as an inspiration to those around him.

Alexandra MacMartin, CPA

Audit Senior. Sutton Frost Cary, LLP
Fort Worth Chapter

Alexandra MacMartin is a dedicated CPA and community leader. Her commitment to TXCPA Fort Worth is exemplary, marked by her enthusiasm and generous volunteer spirit. She is a natural leader, known for her unwavering integrity, strong work ethic and passionate advocacy for local non-profit organizations. She plays an active role in TXCPA Fort Worth, having served on two committees and as the 2022 Leadership Development Co-Chair.

Beyond her professional contributions, Alexandra is deeply involved in the community. She holds various roles with the United Way of Tarrant County, contributes to the North Texas Community Foundation Child Welfare Committee and participates in the Fairmont Trash Pirates initiative. She was named by The Greater Arlington Chamber of Commerce as a member of their inaugural 40 Under 40 class. In both her career and community involvement, Alexandra embodies the essence of a rising star, leaving an impressive and lasting impact through her commitment and leadership.



Stacey Mahajan, CPA, CGMA

Assistant Controller. Ambiq Micro
Austin Chapter

Stacey Mahajan is an Assistant Controller at Ambiq Micro. She is a passionate advocate for inspiring future CPAs. Transitioning to accounting as a second career, she believes in the limitless career opportunities the profession offers. She is also actively involved in her community, serving as a role model in the accounting profession at state and national levels. At the state level, she has contributed significantly as a member of the TXCPA Branding and Community Outreach Committee, a mentor in the TXCPA Austin Mentor Program and a member of the TXCPA Austin LEAP Group. She frequently works and engages with students, conducting webinars and assisting with resume preparation.

Stacey's impact extends nationally. She was chair of the AICPA Student Recruitment Committee and serves on the AICPA Americas Region Advisory Panel for the CGMA designation. Her dedication is evident in her numerous presentations, webinars and efforts to promote accounting as a career.

Kayla Marsh, CPA

Assurance Director
Forvis
Dallas Chapter

Kayla Marsh is an experienced Audit Director at Forvis. She has more than 10 years of experience auditing and assisting health care providers. Her expertise includes working with private equity backed health care entities with complex U.S. GAAP accounting issues from initial transaction through exit, as well as governmental and not-for-profit health care systems. Through her exceptional and detailed technical knowledge, she works on auditing and assisting with complex corporate structures, acquisitions and mergers, and reimbursement complexities faced by privately held and governmental health care companies.

Within Forvis, Kayla is known for her leadership in client management and staff development. Beyond her professional achievements, she is deeply committed to the Dallas business community through various organizations and her impact is far-reaching throughout the region. She embodies the qualities of a true rising star, leading by example and helping guide clients and colleagues through her outstanding professional achievements and community involvement.



Bimpe McMillon, CPA

Senior Manager, Government Audit & Accounting
AICPA
Dallas Chapter

As a Senior Manager, Government Audit & Accounting, Bimpe McMillon is a valued member of the AICPA team. Prior to working at AICPA, she was a Technical Reviewer with TXCPA's peer review department. She previously obtained extensive assurance experience in a wide variety of industries working at Weaver LLP in Dallas.

Beyond her professional duties, Bimpe is an active volunteer with AICPA and TXCPA. She has served on multiple TXCPA committees, including Diversity + Inclusion, Membership, Business and Industry Issues Subcommittee, Governmental Accounting and Auditing Conference, and Texas School District Accounting and Auditing Conference. She is also dedicated to inspiring the next generation. She took over AICPA's Instagram for a Day-in-the-Life feature, shared insights on the This Way to CPA website, visited classrooms to engage with students, and served as a panelist for TXCPA's CPA Roadmap event. Bimpe is passionate about sharing her story and journey to becoming a CPA, making her a strong advocate for the accounting profession's future.



Kyle Pacheco, CPA

Partner, Lane Gorman Trubitt, LLC
Dallas Chapter

Kyle Pacheco is a Partner at Lane Gorman Trubitt, LLC. He has spent a decade dedicated to serving the profession and making a difference. Early in his career, Kyle assumed key positions in organizations like the Young Risk Managers Association, including Secretary, Treasurer, Vice-Chair, Chair, and Past Chair. In addition, he contributed significantly to the TEXO Young Contractors Council, opening doors to further opportunities.

Within Lane Gorman Trubitt, LLC, Kyle's trajectory has been one of continuous growth. In January 2023, he became a partner. He actively participates in the firm's Young Professionals group, mentors colleagues to encourage cross-departmental collaboration, leads community outreach programs like the Hope Supply Co. backpack drive, and volunteers at the North Texas Food Bank. Kyle's expertise also extends to professional development. He co-taught a session on FASB updates at TXCPA's EXPO Conference. His journey is a testament to his staunch commitment to both his profession and the community.

Kyle Ratliff, CPA, CMA

Director, Corporate Accounting
Tenet Health
Dallas Chapter

Kyle Ratliff serves as a Corporate Accounting Director at Tenet Healthcare Corporation, a leading diversified healthcare services company headquartered in Dallas. Kyle has held this role since the spring of 2021. Prior to joining Tenet, Kyle gained extensive experience in audit and advisory positions at multiple Big 4 firms.

A committed member of TXCPA, Kyle has been actively contributing to the organization's mission since 2019 when he initially joined the TXCPA Dallas Young Professionals Committee and he still actively engages with this group. Kyle further serves the chapter as a member of their Finance Committee and Chair of the Business & Industry Committee. His dedication to career growth and eagerness to advance as a leader in the accounting profession are also evident through his completion of the TXCPA Dallas Leadership Development Academy. His passionate dedication and valuable contributions have positioned him as a true asset not only to his field, but also to the TXCPA community at large.



Rachel Rhea, CPA

Tax Manager, Calvetti Ferguson
Fort Worth Chapter

Rachel Rhea is a Tax Manager at Calvetti Ferguson and is recognized as a leader who actively drives internal initiatives and fosters growth. She has over 20 years of experience in accounting services in industry and over six years of public accounting experience in federal and state tax compliance. Her current focus is assisting family groups and entrepreneurs with tax planning and compliance needs and improving efficiencies whenever she can.

Rachel's dedication extends to TXCPA, where she plays a pivotal role on the ACE committee and volunteers for Santaaccountants, embodying the spirit of giving during the holiday season. She also leads the Santaaccountants gift drive at Calvetti Ferguson, spreading joy and goodwill. In addition to her professional and TXCPA involvement, Rachel dedicates her time to supporting programs at her children's schools in Arlington ISD, underscoring her commitment to education. Her well-rounded contributions in tax management and community service merit her recognition as a TXCPA Rising Star.



A.J. Taylor, CPA
 Partner
 Thompson Derrig & Craig, PC
 Brazos Valley Chapter

A.J. Taylor is a Partner at Thompson Derrig & Craig, PC. He joined the firm in 2013 and became an owner in July 2021. He works primarily with business owners and has experience in real estate, professional services and estate planning. He has been an advocate for TXCPA and the profession since he became a member in 2014. He has a passion for the profession's improvement for the next generation. Over the years, he has dedicated his time and experience to serving on both local and state TXCPA boards.

A.J.'s contributions also extend beyond the profession, as he actively participates in non-profit organizations, including serving on the Board of Directors for BCS Together and the BCS Chamber of Commerce. He embodies the core values of an Aggie: Loyalty, Integrity, Excellence, Leadership, Selfless Service, and Respect. He is a deserving recipient of the TXCPA Rising Star award for his work with the chapter and his tireless efforts to advance the field of accounting.



Amber Rourke, CPA
 Controller
 Britt Rice Electric, LP
 Brazos Valley Chapter

As Controller at Britt Rice Electric LP, Amber Rourke has made her mark in both the accounting field and her community since arriving in College Station three years ago. She is an active member of TXCPA's Editorial Board. She has also served on TXCPA's legislative and state taxation committees, as well as a Board Member and newsletter contributor for TXCPA Brazos Valley. Her work on the chapter's newsletter helped transform it, making the newsletter more engaging and informative for readers.

Amber's community involvement is equally impressive. She has chaired the BCS Chamber of Commerce State Regulation/Taxation sub-committee and actively participated in important legislative advocacy roles for the organization. Her position at Britt Rice Electric LP as Controller has been instrumental in successful audits, solidifying her proficiency. Her mentorship to her colleagues highlights her strong commitment to excellence. Her contributions and valued expertise help shape both the accounting profession and the community.



Jessica Traw, CPA
 Chief Financial Officer
 Work Services Corporation
 Wichita Falls Chapter

With over a decade of experience in non-profit finance, Jessica Traw is a driving force in the accounting profession. Her leadership extends beyond

her role as Chief Financial Officer at Work Services Corporation. She is a member of the United Way Finance Committee and the Wichita Falls Parks Board. Her commitment to community service shines through her involvement with organizations like the League of Women Voters of Wichita Falls, Impact100 - Wichita Falls, and mentoring young finance and accounting professionals through the Wichita Falls Chamber of Commerce.

Jessica's remarkable contributions earned her the title of the 2020 Wichita Falls Chamber of Commerce Young Professional of the Year. Her curriculum development for Impact100 grant reviewers and the establishment of the ICARE Fund 501c3 showcase her desire to empower and educate others. Her meticulous overhaul of her company's 401k plan to better support employees with disabilities reflects her commitment to inclusion. She is an impressive and visionary leader.

Joshua Wagner, CPA
 Associate, Your Part-Time Controller
 San Antonio Chapter

Joshua Wagner is a CPA with 10 years of experience in public accounting, technical accounting consulting, internal audit, and professional education. His previous experience was with financial institutions ranging in size from \$500 million to \$3.5 billion in total assets. He now works primarily with nonprofits providing accounting and reporting assistance. He has made a lasting impact through his leadership and commitment to education within the accounting profession.

As a board member and officer of TXCPA San Antonio, Joshua has devoted many years to his role. His dedication is most evident in his leadership of the Financial Literacy Committee, which he faithfully led for several years in organizing the chapter's Jr. Duel competition. In this capacity, his participation was pivotal in developing a pipeline of students who aspire to join the accounting profession and become CPAs. Joshua's interest also lies in teaching and mentoring opportunities at the college and university level. His contributions have left a mark on the future of accounting.





Austin Waugh, CPA

Senior Director of Accounting & Legacy Planning
First Liberty Institute
Dallas Chapter

As the Senior Director of Accounting & Legacy Planning, Austin Waugh brings extensive experience in FP&A, consulting, tax compliance/strategy, and full-cycle accounting to his role at First Liberty Institute. In past roles, he excelled in developing economic models and financial analysis tools, particularly in the oil and gas industry. Beyond his technical skills, Austin's proactive attitude, exceptional organizational and time management skills, and capacity to quickly grasp new concepts and software make him a valuable asset in dynamic team environments.

Austin has been a dedicated TXCPA member since 2016. He serves as a TXCPA Dallas chapter representative on the TXCPA Leadership Council. In addition, his involvement in the chapter's Legislative Affairs and Finance Committees, along with his active role in the Leadership Development Academy (LDA), set him apart. As chairman of LDA, Austin and his committee revitalized the program after COVID-19 disruptions and introduced impressive changes. His dedication and innovation make him one of the chapter's most promising members.

Christine Wells, CPA

Technical Reviewer
TXCPA
Central Texas Chapter

Christine Wells is a Technical Reviewer in the peer review department at TXCPA. She was previously an Audit Partner at Brockway, Gersbach, Franklin & Niemeier, P.C., becoming the firm's youngest Partner in 2020. Her expertise in audit and assurance services spanned diverse industries, including construction, manufacturing, non-profits, water supply corporations, for-profits, and governmental entities. A graduate of Texas A&M University, her accounting career began at PricewaterhouseCoopers in Dallas.

Christine's community involvement is impressive. She has served as the secretary on the TXCPA Central Texas Board and organized events like the Temple CPE lunch, where she discussed the CPA Pipeline. Her leadership also extends to the Heart of Texas Chapter of the Construction Financial Management Association (CFMA), where she served as President and organized informative monthly meetings. Her active role in the Temple business community and Chamber of Commerce further solidify her standing as a community leader. She embodies the professional qualities and high standards of an exceptional CPA.



2023 EXPO

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Dec. 14-15, 2023

Webcast: Professional Development Track
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Find session details and register online at www.tx.cpa

CANNABIS BUSINESS

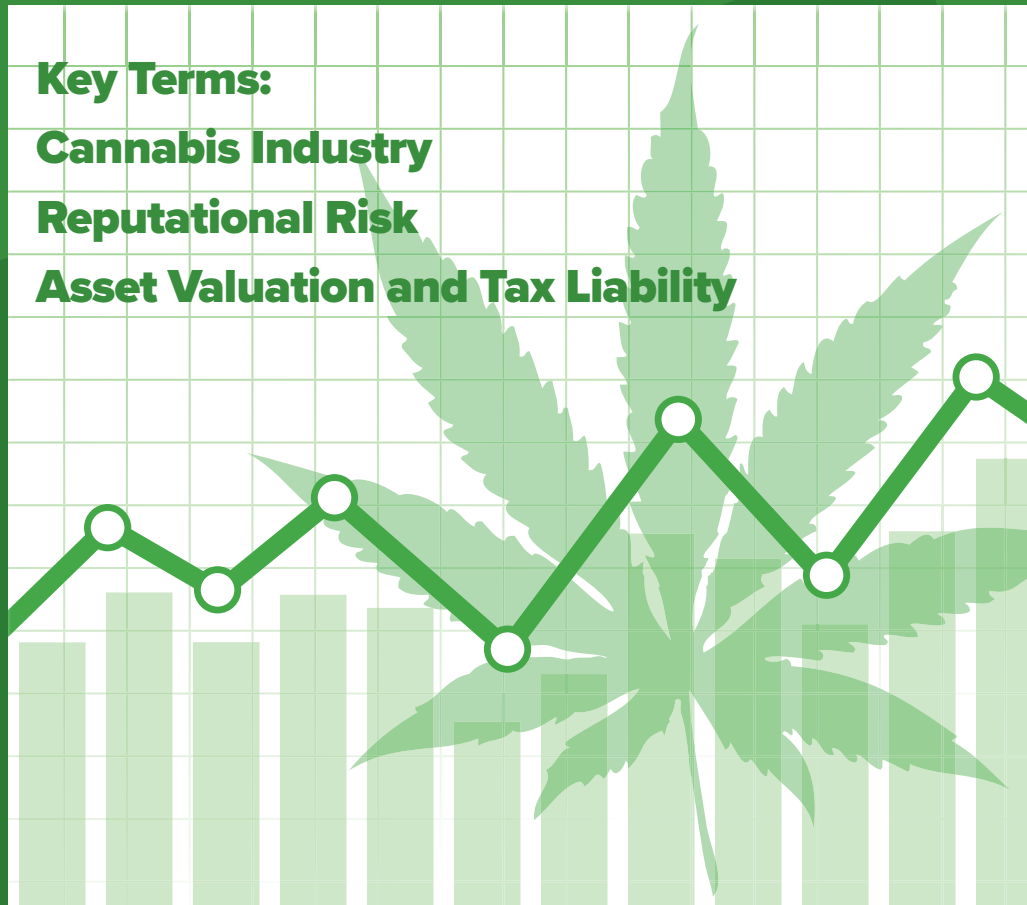
Risks and Mitigating Actions for CPAs

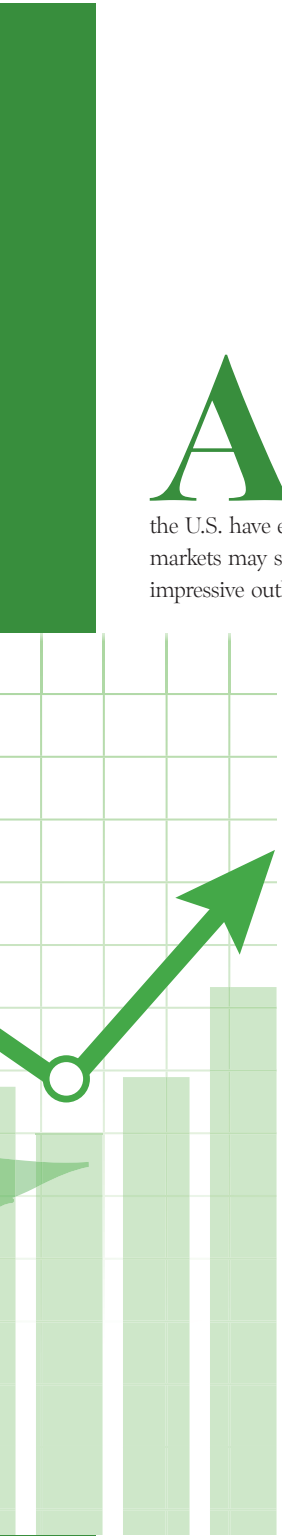
Key Terms:

Cannabis Industry

Reputational Risk

Asset Valuation and Tax Liability





According to BDSA Analytics, a research agency in the cannabis (aka marijuana) industry, the U.S. cannabinoid market is projected to grow to \$42.2 billion by 2026, which represents an 11% growth rate. Many mature markets in the U.S. have experienced accelerated growth rates and more markets may soon become available. Still, even with such an impressive outlook, not many CPAs provide services to this industry. This article discusses the risks practitioners may face and what actions can be taken as they explore this industry.

The Controlled Substances Act (CSA) regulates the manufacture, importation, possession, use, and distribution of controlled substances. Depending on certain factors, such as potential for drug abuse or dependency, drugs are classified into five categories, with marijuana falling into Schedule 1 along with heroin and ecstasy, which represent the highest category for potential abuse (<https://www.dea.gov/drug-information/drug-scheduling>).

Despite this federal restriction, many states have legalized the use of marijuana for medical purposes and even for recreational purposes. Starting with California in 1996, there are now 33 states (and the District of Columbia) that have enacted laws making medical cannabis legal and 11 (plus the District of Columbia) that have legalized its sale for recreational use (Owens-Ott, Snyder, & Ott, 2022). The conflict between federal and state laws regarding the legality of the cannabis business has created significant challenges and risks that practitioners must be aware of before providing services in this industry.

RISK FOR CPAS

First and foremost, the cultivation, distribution and use of cannabis is a federal crime under the Controlled Substances Act. Therefore, CPAs can be prosecuted and accused of promoting and facilitating an illegal federal business. Although no accountant working with state-licensed cannabis businesses has yet been prosecuted by the federal government, practitioners must be aware the risk still exists as they are collecting fees from a “criminal” enterprise according to federal law.

**\$42.2
BILLION**

projected by 2026

**33
STATES
+**

DISTRICT OF COLUMBIA

legalized the use of marijuana for medical purposes

**11
STATES
+**

DISTRICT OF COLUMBIA

legalized marijuana for recreational use

*The conflict between federal and state laws regarding the legality of the cannabis business has created **significant challenges and risks** that practitioners must be aware of before providing services in this industry.*

Furthermore, practitioners must be aware that even though cannabis may be legal in some states, there may be a few municipalities that have not sanctioned this business. As a result, CPAs must know which cities and counties in which the cannabis business has been legalized (Saylor, 2021).

Given the severity of issues that may arise due to the distinctions between federal and state laws, many practitioners may turn to their insurance carriers. However, CPAs cannot fully rely on their professional liability insurance, as most policies do not cover criminal investigations and the related penalties that may be imposed by licensing and legal authorities.



It is exclusively the jurisdiction of state and federal courts to determine if, and when, drug laws are violated.

Even if policies provide protection for claims of negligence, practitioners must be aware of policy restrictions and therefore, terms and conditions must be closely reviewed. For instance, coverage is typically excluded if claims include allegations that the firm or individuals employed by the firm engaged in dishonest, fraudulent or criminal acts. Policy exclusions may include exceptions, which may not apply if a court finds the insured party guilty of the allegation (Sterna and Wolfe, 2017).

In 2015, AICPA issued a white paper, "An Issue Brief on State Marijuana Laws and the CPA Profession," which indicated state boards of accountancy could consider providing services to a cannabis business as an argument to deny an application to grant or renew a CPA license. This could be based on a failure to show good moral character or as justification for disciplinary action. Furthermore, it adds that practitioners who have provided services to a cannabis business may face issues when seeking a reciprocal license in another state where marijuana is illegal. It also claims services to a cannabis business, even if legal within a state, might be considered a discreditable act by a state board due to a violation of federal laws.

Lack of good moral character can constitute grounds to lose a CPA license. As this "good moral character" requirement is not consistently defined, Jerry Hill, General Counsel for the Texas State Board of Public Accountancy, was contacted to obtain the State Board's position. In response to this issue, Jerry asserted:

"It is exclusively the jurisdiction of state and federal courts to determine if, and when, drug laws are violated. In the absence of such a determination by the courts,

Practitioners serving the cannabis business will encounter several risks that are unique to this industry. First, few banks provide services as they may also face the risk of prosecution.

the Texas State Board of Public Accountancy will not pursue independent disciplinary action against a Texas CPA or CPA firm operating within the boundaries of Texas or federal law.

In line with the above statement, there would be no violation of this agency's rules for a Texas CPA to provide accounting services to a provider of marijuana in a state where the sale of marijuana is lawful. Laws and enforcement policies can change, however, and a licensee must be diligent in knowing applicable laws and policies."

While the above statement may seem a relief for many practitioners, it can be noted it acknowledges that a determination is subject to state and federal courts. Since cannabis is illegal under federal law, the controversy continues.

The accounting profession delivers services that are often driven by relationships. As cannabis businesses are not only illegal but perceived with some stigma, practitioners may have their professional reputation suffer as some stakeholders (e.g., prospective clients) in their communities do not support this activity.

In their research, Owens-Ott, Snyder & Ott (2022) found reputational risk a common theme listed as another potential risk. CPAs must continue to be aware that a "guilt by association" can destroy their reputation (Werner & Will, 2019). Practitioners must also assess their level of comfort regarding moral and ethical values when providing services to a cannabis business.

Practitioners serving the cannabis business will encounter several risks that are unique to this industry. First, few banks provide services as they may also face the risk of prosecution. This is true as financial institutions must exercise a higher level of scrutiny to comply with the Anti-Money Laundering (AML) and Bank Secrecy Act (BSA). Therefore, many cannabis businesses work on a cash-basis resulting in a high volume of cash transactions, which in turn may result in higher risk of theft and fraud. As a result, cash reconciliation and review should be performed (Saylor, 2021).

Secondly, given the nature of the inventory, businesses will be highly susceptible to thefts. More importantly, how can accountants obtain some level of assurance

of the quality and value of the product being produced? As many cannabis businesses rely on a fair value model, asset valuation based on current market values could become complicated as practitioners will need to determine the value of the plant while it is growing, before it can be sold. Numerous factors, such as weather conditions, insects or other pathogens, could ultimately impact the value of the cannabis business (Silverstone & Wickersham, 2020).

Because marijuana is classified as a Schedule 1 controlled substance under federal law, cannabis businesses are subject to Section 280E of the Internal Revenue Code. Taxpayers are then faced with a major dichotomy as all income, regardless of whether it was obtained legally or illegally, must be reported. However, Section 280E disallows expenses related to an illegal enterprise. In other words, “ordinary and necessary” business expenses are disallowed and instead, only expenses related to “return of capital” (e.g., the cost of seeds, seedlings and growing lights) can be deducted.

Effectively, the federal income tax liability is calculated based on gross income rather than net income (Hopkins, 2022). Compliance with Section 280E results in a greater level of complexity that requires practitioners to be well-educated regarding the proper accounting procedures and implementation of adequate internal controls to safeguard assets, including cash and inventory.

The complexity created by Section 280E may also result in a higher likelihood of being audited by the IRS. The high volume of cash transactions previously mentioned along with the lack of an adequate paper trail creates the perfect environment for tax evasion (Owens-Ott, 2020).

Due to the issues listed above, Dempsey & Cacanando (2022) argue a cannabis business may have a difficult time obtaining funding in the absence of adequate internal controls around processes, such as cash and inventory management. A going concern risk emerges as these issues compound, which impact the business’s ability to operate successfully, navigating both federal and state laws. CPAs must evaluate management’s plans and include any concerns in their reports.

There are further complexities that practitioners must be ready to assess if serving this industry. Please see the online edition of this *Today’s CPA* issue to learn more.

HOW TO MITIGATE THE RISK

Given the high level of risk inherent in the cannabis business, practitioners are strongly advised to conduct comprehensive due diligence, including:

- **Meet principals of prospective clients face-to-face to assess their character and level of integrity. Also, conduct background checks on all workers.**
- **Require clients to maintain ongoing legal representation. Obtain their consent to meet periodically with their lawyers to ensure a full understanding of current federal, state and local laws impacting the cannabis business.**
- **Retain annual written engagement letters with detailed descriptions of the scope of the services, including provisions where clients assert their business is operating legally under applicable state laws, indemnification clauses in case of management misrepresentation, and copies of their current business licenses.**
- **Reach out to insurance carriers to understand what services can be performed and determine best-in-class risk management for the cannabis industry.**
- **Maintain strong quality control procedures when accepting clients so any business with deficient cash and inventory management processes can be identified promptly. By doing so, risk can be timely assessed and, if needed, additional training on business controls and fraud prevention procedures can be proactively launched.**
- **Keep current with the education and work experience requirements by taking the necessary training and staying alert to the positions of the various state boards of accountancy and IRS rulings. Also, gain a broad understanding of the cannabis industry by a.) subscribing to industry publications, b.) attending events from trade associations and local chambers of commerce, and c.) monitoring social media sites to identify players and current issues impacting the industry.**

DUE DILIGENCE AND CLIENT ACCEPTANCE

More states will likely continue to legalize and regulate use of cannabis and if regulated, the State of Texas would represent the second largest addressable market in terms of population (Stahura, 2022). With the projected growth rates, practitioners should pay attention to expanding their practices into this emerging industry. Before doing so, however, practitioners must be ready to conduct comprehensive due diligence and client acceptance and retention procedures to minimize the risks associated with this industry.



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Please see the online edition of this *Today’s CPA* for the References used in this article.

CURRICULUM:

Accounting and Auditing

LEVEL:

Basic

DESIGNED FOR:

CPAs in public practice

PREREQUISITES:

None

ADVANCED PREPARATION:

None

OBJECTIVES:

To provide information CPAs need to know to review fair value measurements (FVMs), identify the typical errors and omissions that CPAs should look for in any consideration of an FVM, and summarize best practices for CPAs who are developing and reporting FVMs.

KEY TOPICS:

First principles, when FVMs apply, related term definitions, differences between fair value measurements and fair market value valuations, and top 10 best practices for developing and reporting a fair value measurement

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What CPAs Need to Know About Fair Value Measurements

By Robert F. Reilly, CPA



CPA valuation analysts are often asked to develop and report on a fair value measurement (FVM) for financial accounting purposes. For purposes of this discussion, an FVM is a valuation analyses prepared in compliance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) topic 820, *Fair Value Measurement*. This discussion focuses on FVMs developed to comply with ASC topic 805, *Business Combinations*. However, as explained below, FVMs may be developed for many financial accounting purposes.

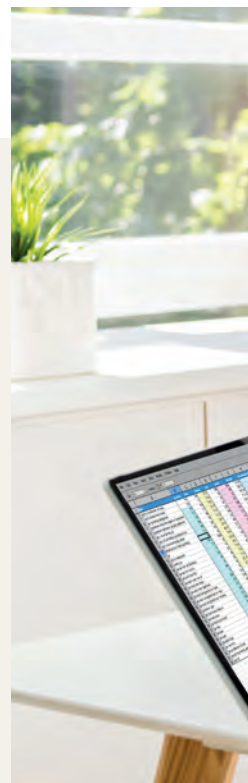
CPA valuation analysts are sometimes asked to review FVMs prepared by other analysts – whether those other analysts are CPAs or not. To borrow a term from the Uniform Standards of Professional Appraisal Practice (USPAP), these analyses are sometimes called review appraisals. These review appraisals are sometimes developed as part of the financial statement audit process. But these review appraisals may also be developed for financing purposes, forensic analysis purposes and other purposes.

CPA auditors often have to review and rely on FVMs as part of the financial statement audit process. Some larger public accounting firms may have valuation analysts on staff to assist the auditor. But, often, the auditor has to perform the audit examination of the FVM.

CPA controllers and chief financial officers (CFOs) may have to select, retain and rely on CPA valuation analysts to develop the FVM. Such controllers and CFOs should have sufficient expertise to allow them to accept the FVM and incorporate the FVM conclusions into their company's financial statements.

The scope of this article does not include a comprehensive explanation of FVM approaches, methods and procedures. Rather, the article does provide the minimum the CPAs need to know to review FVMs. In particular, this discussion identifies the typical errors and omissions that CPAs should look for in any consideration of an FVM.

First, this article reviews what CPAs should know about the first principles related to FVMs developed for U.S. generally accepted accounting principles





FVM is a valuation analyses prepared in compliance with the **Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) topic 820, Fair Value Measurement.**

(GAAP) compliance purposes. Second, this article summarizes best practices for CPAs who are developing and reporting fair value measurements. In particular, this article recommends best practices for avoiding the top 10 most typical FVM errors and omissions. Third, this article recommends best practices for handling other (but still common) FVM issues. Finally, this article presents CPA caveats and recommends reporting best practices related to valuation analyses prepared for various financial accounting purposes.

This article focuses on best practices related to an FVM developed with regard to the allocation of a business combination transaction purchase price. However, many of the best practices recommended also apply to an FVM developed for other financial accounting purposes.

FAIR VALUE MEASUREMENT FIRST PRINCIPLES

ASC topic 820, *Fair Value Measurement*, defines the term fair value as follows: “The price that would be received to sell an asset or paid to transfer a liability in

an orderly transaction between market participants at the measurement date. “This ASC topic 820 fair value definition includes several important considerations with regard to the hypothetical fair value transaction. The requirements for such a fair value transaction include the following:

- An orderly transaction;
- A transaction between market participants;
- A transaction in the principal or the most advantageous market; and
- A transaction value indicating an exit price.

ASC topic 820 provides rules-based guidance to both CPA valuation analysts and auditors with regard to the following FVM considerations:

- Valuation principles and methodologies;
- Valuation techniques; and
- A hierarchy of valuation analysis inputs

When Do Fair Value Measurements Apply?

The following ASC topics provide professional guidance with regard to

transactions and/or events in which an FVM applies:

- ASC 718 – share-based payments
- ASC 410 and 440 – asset retirement obligations
- ASC 805 – business combinations
- ASC 460 – guaranties
- ASC 845 and 605 – nonmonetary transactions
- ASC 420 – restructuring obligations
- ASC 852 – reorganization “fresh start accounting”
- ASC 350 – goodwill impairment
- ASC 360 – long-lived asset impairment
- ASC 320 – investments – debt and equity securities
- ASC 321 – investments – equity securities

This article focuses on an FVM developed and reported with regard to ASC topic 805, *Business Combinations*. That is, these best practices relate to an FVM developed for allocation of purchase price purposes within the context of a business combination. Nonetheless, many of the best practices recommended in this discussion also apply to an FVM developed for other financial accounting purposes.

When Do Fair Market Value Valuations Apply?

To better understand an FVM, it may be helpful to contrast an FVM with a fair market value (FMV) valuation. A fair market value (FMV) valuation may be developed for numerous nonfinancial accounting purposes, including the following:

- Federal income tax compliance;
- Federal gift and estate tax compliance;
- Bankruptcy;
- Financings;
- Transaction structurings;
- Commercial contracts; and Other

FMV valuations are typically developed when the purpose of the analysis is to emulate the negotiation considerations of a willing buyer and a willing seller.

Differences Between Fair Value Measurements and Fair Market Value Valuations

An FVM (developed for financial accounting compliance purposes) and an FMV valuation (developed for other purposes) have numerous conceptual and practical differences. Both CPA valuation analysts and auditors should be aware of these differences.

An FVM is a rules-based analysis, with the analysis rules provided primarily by ASC topic 820. An FVM applies in many financial accounting compliance situations. In contrast, an FMV valuation is a judgment-based analysis. Applying

independent professional judgement regarding valuation approaches, methods and procedures, an independent appraiser attempts to emulate a market transaction in the development of the FMV valuation. FMV valuations often apply in transactional situations – but they do not typically apply in financial accounting compliance situations.

DISCUSSION DEFINITIONS

This discussion applies the definitions presented as follows. The term “analyst” means any valuation specialist in any property appraisal discipline (including business, real estate, tangible personal property, and intangible personal property). The term “principal analyst” is the individual with overall responsibility for the allocation of purchase price FVM engagement team. The term “best practices” represents the general consensus regarding current valuation profession practices and procedures. That is, the term “best practices” does not imply either valuation professional standards generally or allocation of purchase price engagement requirements specifically.



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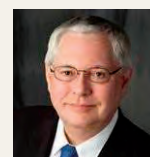
TOP 10

Best Practices for Developing and Reporting a Fair Value Measurement

This section presents 10 recommendations for analysts who are developing an FVM for financial accounting purposes. For the most part, these best practices assume an FVM developed for ASC topic 805 compliance purposes. However, most of these best practices would also apply to an FVM developed for other financial accounting purpose.

1. Review the Transaction Documents
2. Consider That At-Market Contracts May Have Intangible Asset Value
3. Value the Acquired Liabilities – Not Just the Acquired Assets
4. Apply the CEEM or MEEM at Least Once
5. Analyze the Economic Obsolescence Measurement
6. Document and Disclose the Useful Economic Life Assumption
7. Ensure WACC = WARA = IRR
8. Develop a Goodwill Valuation
9. Develop an Assembled Workforce Valuation
10. Consider the Tax Amortization Benefit Adjustment in Certain Intangible Asset Valuations

Go to www.tx.cpa/resources/today's-cpa for more information on these practices, as well as best practices for other fair value measurement issues and to take the CPE Quiz.



ROBERT F. REILLY, CPA, is a managing director of Willamette Management Associates. His practice includes business valuation, forensic analysis, and financial opinion services. Contact him at rfreilly@willamette.com.



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\$161,000 gross. Conroe area CPA firm. Service nicely mixed with tax (65%), accounting (34%) and other (1%). Turn-key operation with great cash flow and solid reputation. Buyer has option to lease building or buy it. TXS1323

\$497,000 gross. South Texas area CPA firm. Owner assisted transition. Balanced services between tax and accounting. Tenured staff in place and ready to aid in smooth transition. Excellent cash flow and reputation in community. TXS1324

\$119,000 gross. Austin based remote practice. Carved out of clients from single owner CPA practice. Clients for sale are 77% of revenue, mostly in Austin area. 100% tax prep. Owner assisted transition. TXC1085

\$410,000 gross. Brownwood, TX CPA practice. High-quality client base made up of large businesses, providing room for growth. Balanced revenues of tax work (66%), accounting (14%) and other services (14%). TXN1638

\$840,000 gross. Denton, TX CPA practice. Strong fee structure and quality client base of mostly businesses and business owners. Desirable mix of services with tax work (48%), accounting (36%) and payroll services (16%). TXN1636

\$352,000 gross. Established, successful firm with two locations. Desirable balance of revenues with bookkeeping (25%), payroll (32%) and tax work (43%). Strong fee structure and almost 60% cash flow to owner. Great opportunity for existing firm or individual. TXN1639

\$472,000 gross. Fort Worth CPA practice. Loyal client base. 70% tax work and 30% accounting services. Rapid, consistent growth combined with an experienced staff make this an exceptional opportunity. TXN1626

\$840,000 gross. East Texas (near I20) CPA practice for sale. First rate client base of mostly businesses, business owners and high-net worth individuals. Exceptional cash flow to owner of 70%. Lots of room for expansion and flexible owner willing to aid in transition. TXN1630

\$889,000 gross. West Houston CPA practice. Service mix includes tax (76%), accounting (11%) and other (13%). Year-round cash flow from excellent fee structure and tenured staff in place. TXS1322

\$354,500 gross. Corpus Christi area tax practice. Highly reputable firm with continued growth expected. 100% income from tax work, both individual and business. Staff and owner willing to transition sale of firm. TXS1318

\$697,000 gross. SE of Houston CPA firm. Revenues comprised of individual and business tax (79%), accounting/write-up (16%) and other (5%) services. 2023 revenues expected to be \$750,000. Tenured staff and owner assisted transition. TXS1320.

\$330,000 gross. SE of Houston CPA firm. Great cash flow with knowledgeable staff in place ready to support buyer. Year-round service mix includes tax (88%), accounting (11%), and other (1%). Owner assisted transition. TXS1319.

\$486,000 gross. Amarillo CPA practice. Single owner CPA in vibrant community. Desirably made up of 67% tax preparation and 33% bookkeeping for year-round income. Cash flow is over 61% gross revenues and has knowledgeable staff ready to assist in transition. TXW1302

\$1,130,000 gross. Houston Beltway CPA firm. Motivated seller willing to assist in transition. Revenues 43% tax, 32% accounting, 25% other for year-round income. Knowledgeable staff in place ready to support. TXS1307

\$202,000 gross. Plano, TX CPA practice. Located in a desirable community. Nice mix of revenues for year-round cash flow. 80% tax prep, 10% accounting services, 10% consulting/payroll/other services. Seller assisted transition. TXN1624

\$162,000 gross. Allen, TX EA practice. Strong cash flow to owner of around 80%. Loyal client base with 93% tax work. No lease and minimal overhead make an exceptional opportunity for growth with referrals and expanding services. TXN1621

\$215,000 gross. North Texas business appraisal firm. Full-service business valuation and consulting firm. Strong fee structure and minimal overhead yield almost 90% cash flow to owner. Reliable referral sources and a great reputation in the community make this a fantastic opportunity. TXN1618

\$135,000 gross. Greater Killeen area CPA practice. Loyal client base made up of 82% tax preparation and 18% bookkeeping for year-round income. Over 67% cash flow. Owner assist transition available. TXC1083

\$506,000 gross. Northern San Antonio Metro CPA. 59% tax preparation (30% individual, 59% business, 11% other), 29% bookkeeping, 8% consulting, 4% Texas franchise returns. TXC1083

\$190,000 gross. Virtual NE Houston CPA firm. Year-round revenue and excellent cash flow. Services composed of tax (57%), accounting (12%) and other (31%). TXS1304

\$292,000 gross. Brazoria County CPA firm. Reputable practice with growth opportunities due to referrals from loyal clients. Owner transition available. Service mix tax (62%), accounting (29%) and other (9%). TXS1293

\$1,285,000 gross. Allen, Texas CPA practice. Rapidly growing revenues and loyal client base. Services composed of tax (75%), accounting (17%) and tax planning services 8%. Strong staff in place ready for a smooth transition. TXN1614

\$1,119,000 gross. Heart of Texas CPA practice. Tax prep is 85-90% of revenue yearly. 2/3 individuals. Business and trust make up remainder. Bookkeeping 10-15%. Tenured staff. TXC1077

\$447,000 gross. Heart of Texas CPA firm. 80% tax, (78% inv., 13% bus., 9% other), 11% bkpgng, 9% audits/reviews, cash flow around 43%, staff in place, owner available to stay on as employee after sale if needed. TXC1078

\$510,000 gross. NW of Dallas CPA firm. Tax 72%, accounting 28%, strong fees, solid cash flow, experienced staff in place, turn-key location in desirable DFW community. TXN1526

\$307,000 gross. North Texas CPA practice. Tax 65%, accounting 35%, solid fee structure, experienced staff, and the perfect size starter or add-on practice. TXN1558

\$730,000 gross. Northeast Texas CPA firm. Tax 55% and 45% accounting, solid fee structure, experienced staff, and exceptional client base. Lots of room for growth, 80% total revenues from businesses. TXN1587

\$480,000 gross. Fort Worth CPA tax practice. Strong cash flow to owner 55%, quality clientele, year-round income, and amazing expansion ability with individual and business referrals. TXN1588

\$1,125,000 gross. W. Houston CPA firm. 66% tax, 22% audit/review, 12% bookkeeping. Excellent cash flow to owner, premium clientele and experienced staff in place. TXN1246

\$283,000 gross. Southeast Texas CPA firm. 60% tax and 40% bookkeeping. Building available for lease or purchase. Friendly and loyal clients, growth opportunities, and owner assisted transition available. TXS1232.

\$1,700,000 gross. N. Houston CPA practice. Great service mix to provide year-round revenue with heavier workload during Sept/Oct deadlines. Strong, experienced staff in place. TXS1264

\$116,000 gross. The Woodlands area CPA firm. Operates remotely from anywhere in Houston. Excellent cash flow, high-income clients. TXS1291

\$567,000 gross. NE of Houston CPA firm. Owner looking to semi-retire and will assist buyer as agreed. Great service mix of tax, bookkeeping and payroll/consulting. Turn-key opportunity with experienced staff in place and office available for lease. TXS1283

\$905,000 gross. Semi-virtual Texas based CPA firm. Multiple location firm with possibility to be completely virtual over time. 66% tax work and 27% accounting and 7% payroll. Year-round income with about 55% income derived from businesses. TXN1606

\$255,000 gross. North Dallas CPA tax clients. Loyal clients from a variety of businesses and industries. About 80% of business done by portal, making it an easy acquisition for an existing firm. Option to maintain space for seamless transition. TXN1605

\$3,560,000 gross. North Texas CPA practice. Well established and growing firm that is exceptionally profitable for a firm its size due to fee structure and high realization rate. 50% auditing services and 45% tax work. Complete with long term staff and partners to aid in transition. TXN1597

\$533,000 gross. Highly regarded firm offers bilingual services to businesses and business owners. Revenues 50/50 tax work and accounting services. Strong cash flow over 50% gross income. TXN1601

\$834,000 gross. Irving, Texas tax practice. Well established firm with loyal, quality client base in the community. Revenues are 85% tax work for individuals and business and the remaining 15% are accounting, payroll and misc. Experienced staff in place and seller willing to stay on for smooth transition. TXN1608

\$149,000 gross. North Collin County CPA practice. Growing, boutique CPA practice. Desirable client base made up of businesses and their owners. Structured to provide year-round income with over 70% income derived from monthly maintenance service agreements. Strong cash flow of over 65%. TXN1627

\$228,000 gross. Midlothian, Texas CPA practice. Growing practice in desirable DFW suburb caters to loyal client base composed largely of businesses and business owners. Continued referral and expanding opportunities. Practice has solid fee structure and cash flow is over 50% gross income. TXN1628

\$555,000 gross. Tyler-Longview Metro area CPA practice. Established and reputable firm caters to high quality, loyal clientele. Large business base offers opportunities for expansion. 70% tax work and 30% accounting. Over half of accounting work is derived from businesses and provides year-round income. TXN1629

\$1,013,900 gross. SW Houston CPA firm. Desirable location and cash flow. Well-trained support staff already in place. Services desirably mixed 67% tax, 12% accounting, 15% reviews and 5% audits. Seller assisted transition. TXS1295

\$477,000 gross. NW Houston CPA firm. Revenues made up of accounting 74%, tax 24% and other 2%. Year-round cash flow and knowledgeable staff. Owner willing to assist smooth transition. TXS1300

\$1,040,000 gross. South Texas CPA firm. Nicely mixed revenues 43% accounting, 38% tax and 19% other services. Year-round cash flow and knowledgeable staff. TXS1298

\$354,000 gross. NW Houston CPA firm. Predominately made up of complex tax returns. Nice cash flow and high-income quality clients. Excellent staff ready and able to assist. TXS1296

\$316,000 gross. Galveston County CPA. Service mix includes 67% tax, 14% audit/review, and 6% other. Year-round work provides excellent cash flow. Prime location with loyal clients. TXS1287

\$95,000 gross. Conroe CPA firm. Owner transition available. Service mix 75% tax and 25% other for year-round income. TXS1311

\$296,000 gross. West Houston tax firm. Services mixed 93% tax and 7% other services. Year-round cash flow and knowledgeable bilingual staff in place to support transition. TXS1306

\$115,000 gross. Matagorda County tax and accounting. 60% tax work and 40% accounting. Many referrals for growth. TXS1308

\$172,000 gross. Houston Galleria area tax firm. Owner transition available. 83% tax and 17% accounting. Great reputation and constant referrals. TXS1310

\$150,000 gross. Katy, TX CPA firm. Service mix tax (96%) and other (4%). Loyal, long-term clients with many referrals. Owner transition available. TXS1305

\$650,000 gross. West Houston accounting firm. Service mix 93% accounting and bookkeeping and 7% tax. Nice location for buyer with extra room to bring in additional staff. TXS1297

\$2,201,000 gross. West Texas firm. Highly motivated multi-owner CPA firm. Revenue mix is 14% accounting services, 29% tax preparation (49% individual, 41% business, 10% other) and 57% attest services. Large tenured staff and long assisted transition by owner. TXW1030

\$480,000 gross. Houston CPA practice. Reputable firm with constant referrals provides year-round income made up of 57% tax work, 42% accounting and 1% other. TXS1315

\$250,000 gross. Southwest Houston CPA practice. Wonderful, community centered firm composed of 71% tax work and 29% accounting. Firm has excellent cash flow to the owner and the owner is willing to assist in transition. TXS1314

\$385,000 gross. San Antonio CPA and bookkeeping practice. Year-round income with 41% tax work (77% individual, 20% business, 3% other), 56% bookkeeping, 3% other. Tenured full-time staff and owner assisted transition. TXC1084

\$750,000 gross. West of Houston CPA firm. Primarily tax 88% with desirable year-round income from accounting and other work 12%. Great cash flow and knowledgeable staff ready for an owner assisted transition. TXS1319

\$339,000 gross. Richardson, TX CPA practice. Reputable and established firm in affluent area. Solid fee structure and strong cash flow to owner at approximately 60% of gross. Year-round income with nice services mix of 78% tax preparation and 22% accounting/other services. TXN1635

\$1,200,000 gross. East Texas CPA practice. Loyal client base of individuals and businesses. High referral rate and nice mix of services for year-round income. Strong, tenured staff and owner assisted transition. TXN1633

\$555,000 gross. Tyler-Longview Metro area CPA practice. Quality business clients provide opportunities for expansion. Revenues derived from 70% tax work and 30% accounting, half of which from businesses. TXN1631

\$354,000. South Plains CPA practice. Single owner CPA firm with loyal clients. Revenues derived from 66% tax and 34% bookkeeping. Solid cash flow to owner of almost 60% gross. Full-time staff and leased office space available. TXW1033.

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SPECIAL REPORT

Accounting Firms

Unleashing Partners'
Full Potential Through
Specialized Roles

WILL ALSO INCREASE REVENUES

By Mark Masson and Jay Russell

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...the firm should
look to deploy the
right experts,
**in the right
roles**

Accounting firms are increasingly asked to provide new expertise to their clients in response to phenomena like global crises, volatile economic markets and new working norms. In response, these **firms need to showcase their experts in order to win and retain business.** But these same expert partners also take on any number of duties, including finding and winning new business and converting accounts into institutional-level clients. How should partners be spending their time? Does it make sense to expect them all to fulfill the wide range of a partner's duties as business generators, client relationship managers, employee mentors, leaders and business planners?

At present, when a partner looks at their contribution expectations, job description or performance scorecard, their responsibilities are vast. No single individual can contribute in all dimensions at a high level. But if the partner role was redesigned to allow for some degree of specialization for each, the highest and best use for each partner can be unlocked.

The exact partner roles a firm may want to formalize depends upon its size, service portfolio, markets and strategy. Starting with the work that only partners can do to advance the strategy will shape their roles, which can then be defined to ensure that partner roles have the right delineation and emphasis and that together, the partners in their varied specialized roles will produce a better collective outcome if they hit the prescribed goals. Without clarity about one's expectations and how each role fits together, a large firm may literally lose out on tens of millions of dollars in profitable growth.

Start with the Strategy and Then Connect Roles to It

For a firm to succeed with this sort of partner specialization, it must have [a well-defined, actionable strategy](#) that looks at least three years ahead. Because the strategy and vision provide essential clarity and guidance to help partners understand where to focus their time, no performance and compensation system will succeed without a strategy that partners understand and align around.

A well-defined firm strategy clarifies how different partner roles help the firm accomplish its vision. The “one size fits all” approach is inadequate when a firm's strategy calls on all partners to contribute equally to client growth and delivery, talent strategy, employee experience, business transformation, brand and culture building, and geographic and capability expansion. Individual partners have neither the time nor the skillsets to properly address every aspect of the firm strategy.

Just as companies are looking for expertise from their accounting advisors, the firm should look to deploy the right

experts, in the right roles, and tailor expectations accordingly. For example, those who excel at leadership should focus on that, those who are adept at winning new clients should emphasize business development, client delivery experts should serve clients, and subject matter experts should bring the best innovations.



To be clear, assigning roles is about putting a clear emphasis upon certain responsibilities rather than a singular focus, as partners will inevitably still be asked to contribute in all major categories of the firm's strategy to some degree. Consider these examples:

- A partner in a business development role should be involved with client delivery. Selling the work and then walking away right after the deal is signed sets the delivery team up for failure because the business development partner gains valuable context during the business development process. Getting this balance right keeps client retention high, an important foundation for growth.





- A partner in a technical expert role needs to be involved in people development. Otherwise, the firm will not build capabilities and risks losing valuable expertise if that partner leaves. Sharing and building on this expertise allows the firm to expand service offerings.
- A business development partner should be involved in people development in a way that helps others in the firm develop next-generation leadership relationships and deep knowledge of enterprise clients. It is important that all clients be clients of the firm rather than individual partners to ensure that relationships between the firm and its clients endure and create long-term growth and value.

This approach to identifying what elements should be emphasized in each partner role right-sizes partner contributions. This then will maximize firm growth and enhance collaboration between roles so the firm brings the best roles to each situation.

Enhance Impact Through Collaboration

To maximize the impact of unique, focused partner roles, a firm has to consider how partners will collaborate for client benefit. Firms that bring a collaborative approach will be better able to build advisory relationships, which help to increase margins, retention and growth opportunities. For example, if a partner owns a relationship with a client, they are responsible for growing that client, delivering results, developing their team, and enhancing their individual and team technical expertise. That is a full-time job within the scope of that one client and the type of work that partner does.

But what if the owner of a client relationship was primarily responsible for growing the client, but not the primary partner for delivering results, developing the team, and/or enhancing technical



expertise? They would have more time to engage with the client to understand their needs beyond the current work and find additional experts around the firm to drive collaboration for the client's benefit.

Asking questions about or noticing the additional challenges a client's business might have outside of the task/service at hand is where collaboration starts. Companies see the value when the firm brings in the right expertise to address that identified need.

A common challenge with collaboration is how to measure and reward it. Here it is helpful to remember that the "how" of contribution is often as important as the "what."

A partner is expected to generate business – lots of it. Of course, if a partner does that alone and then delivers with just a few others, the revenue stream or business unit can die (or literally walk away) as quickly as it came alive. So the firm should also care if others were involved in the pursuit, if future partners are involved in closing the deal, and if the engagement looks more like a solution or set of services that extends beyond an individual partner's specific expertise. Looked at in this way, the "how" can be measured by proxy, including who was involved in a pursuit, how many relationships a senior partner has moved over to a new partner's book, and how much of a partner's

revenue comes from multiple service lines.

Encouraging collaboration among otherwise successful partners can be impossible, despite what might seem like obvious upside to the firm and individuals. Changing their behavior is about building trust in the partner performance and compensation system by injecting clarity about the importance to the firm, the impact of “how” they reach certain goals on individual income and consistently staying true to the compensation system designed. Clarity and consistency build trust in the system.

Keep It Simple

An impactful compensation system is less about doing more of what a partner does today and more about each partner doing more of the right things that fit their own talents. The firm’s

strategy is the best place to look at in order to develop an understanding of what those “right things” might be.

The critical contributions and activities should reflect the firm’s strategy, then be “allocated” to the proper roles. Keeping the number of critical contributions expected in a reasonable range and being unequivocally clear about the measures and metrics and how they will be used to determine rewards is crucial to success.

About the Authors: [Mark Masson](#) is lead partner in the Professional Services practice of [Lotis Blue Consulting](#) and [Jay Russell](#) is a principal at the firm. They can be reached respectively at mmasson@lbconsulting.com and jrussell@lbconsulting.com.



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