MERCER CAPITAL

BUSINESS VALUATION & FINANCIAL ADVISORY SERVICES

Value Matters™

Issue No. 2, 2022

Bear Market Silver Lining? An Estate Planning Opportunity

Your Company Has a Dividend Policy

Breaking Up Is(n't) Hard to Do

The Importance of Quantitative Methods to Derive Marketability Discounts
Nelson v. Commissioner

Bear Market Silver Lining? An Estate Planning Opportunity

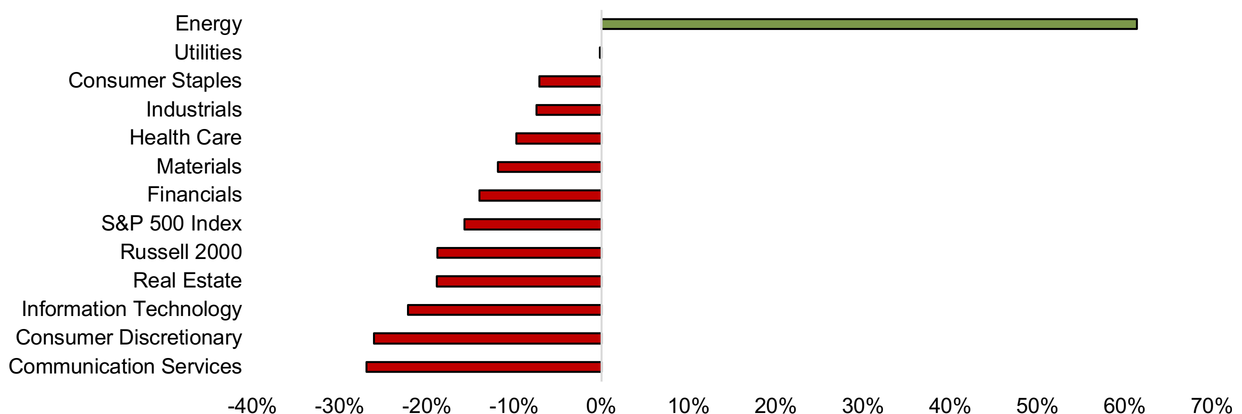
Excerpted from Mercer Capital's *Family Business Director* Blog

As we **highlighted previously** in the *Family Business Director* blog, companies are beginning to batten down the hatches and prepare for stormy weather. The risk of a recession continues to escalate, and **inflation printed a new four-decade** high in May 2022. Former Fed Chair and current Treasury Secretary, Janet Yellen, appeared before Congress to answer questions regarding inflation, which she sees as **staying elevated for an extended period**. Gas prices hit a **nationwide average of $5 a gallon** for the first time ever in the United States, and little relief is on the horizon.

The Fed expects to **continue raising rates** to battle inflation, and a new law was passed unanimously in the House and Senate to ban the word "transitory," which awaits President Biden's signature. Well, maybe the last one was just floated in committee.

All to say, companies and consumers alike are feeling the squeeze, and markets are reflecting less-than-rosy expectations. At the time of this writing, the S&P 500 was down almost 16% year-to-date, while the Russell 2000 was down almost 19%. Outside the energy sector, stocks are bleeding red in 2022 (see Figure 1). Lower broad market pricing translates to lower valuations for family businesses.

Figure 1 :: Year-to-Date Stock Performance Across Sectors



Source: Fidelity Sectors and Industries - Performance as of June 10, 2022

© 2022 Mercer Capital // www.mercercapital.com

So what? Well, for family businesses undertaking long-term intrafamily transfers and gifting plans, a market downturn represents an opportunity to reduce estate and gift tax exposure by considerable margins. How? We explain below.

Fair Market Value

If you are reading this article, you are likely familiar with the gift and estate tax process in the valuation of private company stock. To consummate an intrafamily transfer (via gift or sale) companies generally must retain a business appraiser to determine the fair market value of shares. Appraisers use a two-step process:

1. Appraisers estimate the value of the business as if the shares were publicly traded. In other words, they consider how public market investors would view the shares if they had the opportunity to purchase them in the stock market.
2. Appraisers consider an appropriate discount, or reduction in value, to account for the fact that the shares in the family business are privately held, rather than publicly traded. All else equal, investors prefer to have liquidity. In order to accept the illiquidity inherent in private company shares, investors require a marketability discount. The size of the marketability discount depends on several factors, including the expected holding period, yield, capital appreciation, and incremental risks associated with illiquidity.

Based on the downturn in the market, the fair market value of minority shares in family businesses is likely lower today than it was just a couple of months ago. It does not matter if your family has no intention of selling the family business at a reduced value; the fact is that – if you were to sell an illiquid minority interest now – the value would reflect current market conditions. The IRS itself makes this clear in Revenue Ruling 59-60:

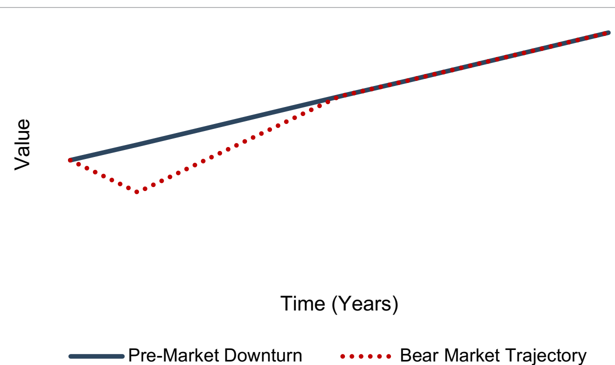
> *The fair market value of specific shares of stock will vary as general economic conditions change from 'normal' to 'boom' to 'depression,' that is, according to the degree of optimism or pessimism with which the investing public regards the future at the required date of appraisal. Uncertainty as to the stability or continuity of the future income from a property decreases its value by increasing the risk of loss of earnings and value in the future.*

The potential silver lining to the cloud of depressed market values is that it provides an opportunity for more tax-efficient transfers of family wealth for estate planning purposes.

Long-Term Mindsets and Estate Planning

Factors leading stocks lower are real and are affecting public and private companies alike: continued supply chain bottlenecks, rising input prices and limited ability to pass along to consumers, distressed margins, and low consumer confidence all will cause pain in the short term. However, private family businesses have the benefit of time, and a resilient family business should return to form once issues plaguing markets subside. Figure 2 depicts the expected value trajectory for a family business, including a bear market downturn.

Figure 2 :: Impact of Bear Market on Family Business Value Over Time



The immediate impact is straightforward: the magnitude of the dollar gift for the same amount of ownership or stock is reduced relative to prior periods. Figure 3 shows a simple example of the current market downturn on transfers of private company stock.

Figure 3 :: Bear Market Gifting Impact

	Pre-Market Downturn	Bear Market
Valuation	$25,000,000	$20,000,000
Ownership	25%	25%
Gift/Transfer	$6,250,000	$5,000,000

© 2022 Mercer Capital // www.mercercapital.com

How does this benefit private companies engaged in estate planning?

1. If the transfer is a gift, the debit against the lifetime estate and gift tax exemption of the gifting party is reduced, leaving more room to make future gifts (both estate and gift) tax-free. Since the ownership percentage transferred remains the same, the receiver's resulting ownership percentage is unchanged.
2. If the transfer is a sale, the buyer (likely a younger generation) can buy into the business at a more favorable price.
3. Both of these strategies reduce the transferer's total estate by a larger amount, assuming measurement of the estate (ie, death) comes later once the company's valuation has recovered.

Final Thoughts – Keep an Eye on Rates and the Calendar

A couple of final thoughts you should also keep in mind related to estate planning in the current environment.

- Private Loan Rates: The IRS publishes monthly tables identifying what is known as the applicable federal rate or AFR. The AFR is significant for estate planning because it establishes the threshold interest rate for private loans. While rates have ticked up, rates are still well below commercially available rates. The Federal Reserve is, however, planning to aggressively continue hiking rates to battle inflation, making these "on-sale" prices unlikely to last.

Figure 4 :: Applicable Federal Rates (AFR)

AFR (Annual)	June 2019	June 2021	June 2022	June 2023
Short-Term	2.37%	0.13%	2.21%	?
Mid-Term	2.38%	1.02%	2.93%	?
Long-Term	2.76%	2.08%	3.11%	?

Source: IRS - https://www.irs.gov/applicable-federal-rates

- For family businesses and estate planners, while the transfer exemptions remain at current levels, they are still set to drop by 50% on January 1, 2026. The Treasury Department has confirmed the additional transfer tax exemption under current law is a "use it or lose it" benefit. If a taxpayer uses the "extra" exemption before it expires (by making lifetime gifts), it will not be "clawed back" to cause additional tax if the taxpayer dies after the exemption is reduced. The window to capture the current exemption is undoubtedly closing, and family businesses will likely only get so many more bites at this apple before it turns sour.

The example in this article is simple and perhaps obvious, and our reminders may be old news. However, we understand it is hard to have a long-term mindset when things take a sudden downward turn. Being opportunistic in stormy weather makes for better sunny days ahead.

Atticus L. Frank, CFA, ABV
(941) 244-1020 | franka@mercercapital.com

Your Company Has a Dividend Policy

Excerpted from Chris Mercer's Blog

Dividend policy has been the topic of a number of posts on Mercer Capital's ***Family Business Director*** blog. Here are a couple of recent examples.

- **Dividend Policy in 30 Minutes**
- **Five Things to Keep in Mind When Evaluating the Dividend Policy of Your Family Business**

Dividend policy is an important tool for managing the wealth created in closely held and family businesses.

Every Company Has a Dividend Policy

A not-so-obvious declaration: *Every company, whether public or private, has a dividend policy.* In many private companies, the dividend (or distribution) policy may not be articulated or even discussed. However, rest assured, every company has a dividend policy.

This causes me to ask two questions for business owners and their advisers:

1. Is your company's (or your client's company's) policy a good one that is meeting the needs of your shareholders for current income and capital appreciation?
2. If you have not articulated your dividend policy, are you working on developing a policy that meets the needs of your shareholders?

"Economic Dividends"

Tax pass-through entities almost always make distributions to owners to pay their pass-through tax liabilities. For C corporations, those taxes are paid directly by the corporations themselves, because, as taxable entities, they are responsible for their corporate taxes. The dividends we are talking about today are what I call "economic dividends." Economic dividends are those received by owners of businesses after federal and state income taxes have been paid, whether by the corporation directly or indirectly, after passing through distributions to owners to pay pass-through taxes. So let's see what we mean when we say that every company has a dividend policy.

Net Operating Cash Flow and Economic Dividends

Every company, whether publicly-owned or privately-owned, generates what we will call "Net Operating Cash Flow," or "NOCF." If we add back taxes and interest, we will have EBITDA, the subject of several posts on this blog. There are five uses for a company's NOCF, as can be seen in the figure on the next page.

The figure on the next page is conceptual in nature and makes no distinction regarding life cycles or maturities of businesses.

Net Operating Cash Flow (NOCF) (After Interest and Taxes)				
1	2	3	4	5
Repay Principal on Debt	Invest in Working Capital	Capital Expenditures for Replacement	Capital Expenditures for Growth	Owner Dividends, Distributions and Share Repurchases
Capital Appreciation			+	Economic Dividends (Current Returns to Owners)
= Total Return to Shareholders/Owners				

From a company's net operating cash flow, five things can happen that are good for shareholders.

1. **Repay principal on debt.** Bankers and other lenders really want their loans made to businesses to be repaid, both in terms of principal and interest, on a timely and/or scheduled basis. A portion of NOCF may be used to repay principal on debt.

2. **Invest in working capital.** Growing companies need working capital to finance inventories and receivables and to be able to pay all expenses on a timely basis. A portion of NOCF may be invested in working capital to fund a company's growth.

3. **Replace existing capital assets.** All companies make investments, even if minimal for some, in capital assets. To maintain sales and operations, depreciating plant equipment and computer assets must occasionally be replaced. So, a portion of NOCF may be used to replace existing capital assets.

4. **Invest in new capital assets for growth.** We make a distinction between replacement capital expenditures and growth expenditures to be sure that we always focus on a company's realistic growth opportunities. For example, mature businesses with few growth opportunities may focus on replacement capital expenditures and investment in growth capital assets may be minimal. A portion of NOCF may be invested in new capital assets to take advantage of growth opportunities.

5. **Owner dividends / distributions / repurchases.** Any remaining net operating cash flow after the first four uses may be used to make economic distributions to owners. We include share repurchases in this last use of operating cash flow because they represent, just like economic dividends, current returns to owners. The difference between dividends and repurchases is that all owners receive their pro rata share of dividends, and only selling owners receive current returns from company repurchases. Remaining owners benefit from repurchases, but their benefits are generally realized in future periods.

The figure above shows that uses #1 – #4 contribute to capital appreciation, which is a long-term benefit for owners. If we add the economic distributions, which are current returns to owners, to capital appreciation for any period, we have the total return to shareholders

Companies that are experiencing significant growth opportunities may consume all operating cash flow in uses #1 – #4 above. They will repay debt on schedule, of course, even if they borrow additional funds to finance their growth. Rapidly

growing companies seldom pay economic distributions to owners. Mature companies with limited growth prospects, on the other hand, likely have no debt and little need to reinvest for future growth. Mature companies often pay substantial economic dividends. Companies in between rapid growth and mature stages will likely reinvest subject to the limits of their growth opportunities and pay a portion of earnings in economic distributions.

The figure on the previous page does not have a slot for a sixth misuse of NOCF – reinvestment in cash and other low or non-earning assets. These investments lower the rate of return for all shareholders and should be avoided absent compelling reasons.

Your Company Has a Dividend Policy

Virtually all public companies have stated dividend policies. They may pay out a certain portion of earnings, say 40%, or target a certain yield on value, say 2%. Others pay a fixed per share amount for a period, and then periodically adjust the dividend (hopefully up). Some private companies have similar stated dividend policies.

Often, private companies do not have a stated dividend policy. When we work with companies, we always ask owners (often the principal managers) about their dividend policies. I have received replies like this on many occasions: "Dividend policy? We do not have one. We have never paid a dividend and don't plan to." I then suggest that their decision not to pay economic dividends to their shareholders is a policy.

Every company generates net operating cash flow (hopefully positive). What a business does with that NOCF reflects its dividend policy, or alternatively, its reinvestment policy. Economic dividends provide a portion of total shareholder returns for each period of operation. Two questions come to mind:

1. If your company is not paying an economic dividend, does your expected (and historic) capital appreciation warrant the absence of a current return to owners?
2. If your company is paying an economic dividend, are your reinvestment decisions providing a reasonable total return to your owners?

The bottom line is this: Your company (or your client's company) has a dividend policy.

If you would like to talk about divildend or distribution policy for your company, or any other valuation-related matter, feel free to contact a professional at Mercer Capital.

Z. Christopher Mercer, FASA, CFA, ABAR
(901) 322-9739 | mercerc@mercercapital.com

Breaking Up Is(n't) Hard to Do

Excerpted from Mercer Capital's *Family Business Director Blog*

Kicking off with the inspired lyrics, "Down dooby doo down down," Neil Sedaka assured legions of teenage girls in 1962 that "Breaking Up Is Hard to Do." Sixty years later, the actions of the Follett family are telling family business directors that maybe breaking up is not so hard after all.

Tracing its **roots** to a Chicago area used bookstore opened by Charles Barnes (who later partnered with Clifford Noble) in 1873, the Follett Corporation has been owned by the Follett family since 1923. Soon thereafter the company began to focus on the educational market, with publishing, wholesaling, and retail operations on college campuses. Continued expansion over the decades culminated in the operation of three business segments:

1. Follett School Solutions, a K-12 software and content company
2. Baker & Taylor, a distributor of physical and digital books and services to public and academic libraries
3. Follett Higher Education, an operator of collegiate retail stores

Starting in 3Q21, the Follett family began to "break up" the family business, selling each of its three operating divisions to a different buyer.

- In September 2021, Follett **announced** the sale of Follett School Solutions to Francisco Partners.
- Two months later, Follett **announced** the divestiture of Baker & Taylor through a management buyout.
- Earlier this month, Follett **announced** the sale of Follett Higher Education to an investor consortium led by a family office, Jefferson River Capital.

We don't know what motivated the decision of the Follett family to exit its legacy businesses. Whatever the cause, the series of transactions over the past six months provides a timely reminder that to thrive, businesses need the right owners. Even though the broad theme of books and education would seem to have provided better "glue" for the three business units than many conglomerates we see, the businesses were sold to three different buyers. Although no financial terms were disclosed for any of the transactions, we can only assume that selling the divisions to different owners generated greater net proceeds to the Follett family than a selling to a single buyer would have.

What are some possible explanations for that? Why do different businesses sometimes need different owners?

Risk Profiles

Some businesses are inherently riskier than others. All else equal, selling large-ticket discretionary items that consumers can easily defer or substitute is riskier than selling staple items that consumers need regardless of economic conditions. That is why the beta (a general measure of risk for public companies) of General Motors is 1.20x while that of General Mills is 0.50x. Return follows risk, and some shareholders are better equipped than others to stomach greater risks in hopes of earning greater returns. That is why some

investors own General Motors while others own General Mills. Owning a General Motors-type business while having General Mills-type family shareholders is not a sustainable situation. Both the business and the family are likely to suffer.

Return Preferences

Shareholder returns come in two forms: current income and capital appreciation. Some investors seek current income, while others desire capital appreciation. Some businesses are better positioned to provide current income, while others more naturally provide capital appreciation. As with risk profile, if the return attributes of your family business don't "fit" with the return preferences of your family shareholders, there is likely trouble ahead.

Capital Needs

Businesses are either in **"planting" or "harvesting" mode.** Businesses with a strategy for tackling a large market opportunity often require more investment capital than the operations of the business can provide. As a result, they need to seek out external sources of capital, whether debt or equity. For many families, owning these businesses can be challenging if there is a reluctance to undertake significant borrowings or to admit non-family investors into the shareholder group.

On the other hand, some families are flush with capital that needs to be put to work and can grow restless with mature businesses that are perpetually in "harvest" mode. Pushing incremental capital into a business that cannot use it effectively can also breed serious problems for enterprising families.

Portfolio Composition

Finally, some businesses may be worth more to a particular investor because of the composition of the rest of that investor's portfolio. The traditional "strategic" acquirer scenario is the most obvious case, but not the only one. Even what are typically classified as "financial" acquirers often seek out certain types of companies, as illustrated by Francisco Partners, the acquirer of Follett School Solutions. The press release for that transaction notes that "FSS will join Francisco Partners' growing portfolio of K-12 education-focused businesses and technologies, including Renaissance Learning, Discovery Education, Freckle, myON and Mystery Science."

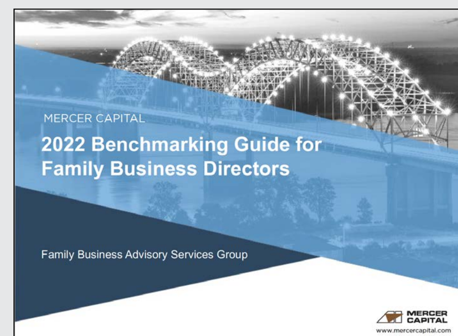
A legacy operating business often demands – and receives – the lion's share of the family's attention, but it is important for family business leaders to occasionally step back and take a broader portfolio view of the family's wealth. Taking an inventory of the overall wealth of the family can help leaders to assess what businesses make sense for the family to own and which businesses might make more sense for someone else to own.

2022 Benchmarking Guide for Family Business Directors

Family business directors need the best information available when making strategic financial decisions that will help set the course of their business for years to come.

This Benchmarking Guide is the resource directors need!

Going beyond the basics of revenue growth, profit margins, and balance sheet composition data, this Benchmarking Guide equips family business directors with the information needed to make informed decisions regarding capital budgeting, capital structure, and dividend policy.



DOWNLOAD

Conclusion: Getting Back to Why

Why is your family in business together? From an **economic perspective,** what does your family business mean to your family? Breaking up may be hard to do, but for some family businesses it may be the right thing to do. Selling a family business – or a piece of the family business – does not mean that the broader family enterprise is failing. There are plenty of other businesses to be acquired and/or philanthropic objectives to be pursued. The Follett family illustrates this point well, as described in the press release for the Follett Higher Education sale: "The Follett family and its Board of Directors have enjoyed being part of improving the world by inspiring learning and shaping education for the past 150 years and the Follett family will continue to drive education through advocacy with future projects. The next steps for the Follett Family legacy will be to enhance its effects with future family business education and the Follett Educational Foundation."

Do your family businesses have the right owners? Does a careful analysis of risk profile, return preferences, capital needs, and portfolio composition reveal a good "fit" between your family shareholders and the various businesses your family owns? If not, do you have a strategy for moving toward a better fit? Your enterprising family's long-term sustainability may depend on it.

Travis W. Harms, CFA, CPA/ABV
(901) 322-9760 | harmst@mercercapital.com

The Importance of Quantitative Methods to Derive Marketability Discounts | *Nelson v. Commissioner*

Modern estate planning and investment practices have resulted in complex ownership structures, typically involving multi-tiered entity organizations and businesses with complicated ownership structures and governance. Quantitative methods are useful in estimating appropriate marketability discounts for such entities. In ***Nelson v. Commissioner,*** the Tax Court concluded that the quantitative method used by one of the appraisers resulted in a more thorough estimation of the appropriate marketability discount.

Background

The ultimate issue in *Nelson* was the fair market values of two transfers of family limited partnership interests in Longspar Partners, Ltd. ("Longspar"). Longspar's primary asset was its 27% ownership interest in Warren Equipment Co. ("Warren Equipment") which accounted for about 99% of total assets. The net asset value of Longspar was about $60 million, and the General Partner interests comprised 1% of the total economic interest of the entity.

Taxpayer Valuation

The taxpayers determined the value of Warren Equipment by separately valuing each underlying wholly owned subsidiary using a combination of the asset, market, and income approaches. The values were then combined and determined to represent the controlling interest basis of value. Next, in order to value Longspar's 27% interest in Warren Equipment, the taxpayers applied a 20% discount for lack of control to develop a value on a marketable minority level of value. The taxpayer estimated the magnitude of the discount for lack of control with reference to studies of lack of control discounts on closed-end fund data. Finally, the taxpayers applied a discount for lack of marketability of 30% to derive an indication of value on a nonmarketable minority basis. The taxpayer estimated the magnitude of the discount for lack of marketability with reference to restricted stock studies.

Using the value of the 27% ownership interest in Warren Equipment, the taxpayers added the other minor assets and liabilities of Longspar to estimate a net asset value of about $57 million. The General Partner's 1% interest was removed, and because the Limited Partners did not possess control over the entity, the taxpayers applied a discount for lack of control of 15%. To account for the lack of active market in the interests of Longspar, the taxpayers applied a 30% discount for lack of marketability.

Figure 1, on the next page, presents the taxpayers' valuations. The combined valuation discount applied to the transferred interests was on the order of 67% for Longspar.

IRS Valuation

The IRS contested that Warren Equipment's common equity level of value represented a noncontrolling marketable minority level (rather than controlling interest). Accordingly, the IRS did not apply a discount for lack of control. The IRS applied the same discount for lack of marketability of 30% to derive an indication of value on a nonmarketable minority basis.

Figure 1 :: Taxpayer Appraisals

	Warren Equipment	Longspar	
	Common Equity	GP	LP
Net Asset Value (Control)	$363,700,000	$573,058	$56,732,779
less: Minority Interest Discount	20.0%		15.0%
Marketable Minority Value	$290,960,000		$48,222,862
less: Marketability Discount	30.0%		30.0%
Nonmarketable Minority Value	$203,672,000		$33,756,003
Value Per Share (Warren)	**$860**		
Value Per 1% LP Interest (Longspar)			**$341,000**

The IRS estimated a net asset value of about $60 million for Longspar. The General Partner's 1% interest was removed, and the IRS applied a discount for lack of control of 3%. The IRS also referenced studies of closed-end funds in their estimation of the discount for lack of control. To account for the lack of active market in the interests of Longspar, the IRS applied a 25% discount for lack of marketability. However, the IRS estimated the magnitude of the discount for lack of marketability with reference to restricted stock studies and "by using quantitative models that looked at the role of liquidity premiums in calculating the value of a forgone put option on the basis of the Black-Scholes model."

The combined valuation discount applied to the transferred interests was on the order of 49% for Longspar.

Tax Court Conclusion

Regarding the value of Warren Equipment, the Tax Court concluded that a discount for lack of control was appropriate but lowered the discount to 15% from the 20% used by the taxpayers. The Tax Court concluded that the discount for lack of marketability of 30% used by both parties was reasonable.

Regarding the valuation of Longspar, the Tax Court concluded that both estimations of the discount for lack of control were flawed and estimated a discount of 5%. The Tax Court stated that "a discount should be applied to reflect the possibility of a lack of control disadvantage for a minority owner of Longspar." The Tax Court went on to say that "the possibility of a lack of control disadvantage for a minority owner is remote."

In the estimation of the discount for lack of marketability, the Tax Court concluded that the IRS "was more thorough" and "considered a larger range of data." However, the Tax Court selected the midpoint of the IRS' range (28%) rather than the IRS' selected discount of 25%.

Figure 2, below, summarizes the discounts applied by the taxpayers and IRS as well as the Tax Court's concluded discounts.

Figure 2 :: Discount Comparison

	Taxpayer	IRS	Tax Court
Warren Equipment Co.			
Minority Interest Discount	20.0%	0.0%	15.0%
Marketability Discount	30.0%	30.0%	30.0%
Longspar Partners, Ltd.			
Minority Interest Discount	15.0%	3.0%	5.0%
Marketability Discount	30.0%	25.0%	28.0%

Key Takeaways

The Tax Court's conclusions demonstrate another occasion in which discounts for lack of control and marketability are accepted at multiple entity levels when appropriate. Additionally, the Tax Court's reasoning in selecting a discount for lack of marketability at Longspar highlights the importance of utilizing quantitative methods in estimating marketability

discounts. At Mercer Capital, we use the Quantitative Marketability Discount Model ("QMDM") to quantify the discount for lack of marketability. This quantitative model improves upon the restricted stock studies and pre-IPO studies often used to estimate the marketability discount. The QMDM is a shareholder level discounted cash flow model with inputs analogous to those used in traditional enterprise level discounted cash flow models that allows us to value the specific subject nonmarketable minority interest involved in the valuation. The QMDM has been tested in court cases, and criticisms from the Tax Court have been that the appraiser misused the QMDM rather than the model itself. It should also be noted that the QMDM has been used by IRS appraisal experts.

The *Nelson* decision demonstrates to both valuation analysts and estate planners the importance of properly analyzing the subject company's ownership structures as well as the importance of using quantitative methods to estimate marketability discounts.

Mercer Capital has considerable experience providing gift and estate tax services to estate planners including engagements valuing specific subject interests in large, complex, multi-tiered entities. Mercer Capital's substantial experience with complex and multi-tiered entity structures gives us the ability to manage any valuation issues that arise from a complex entity structure.

Daniel P. McLeod, CFA
(901) 322-9716 | mccloedd@mercercapital.com

Mercer Capital

Mercer Capital's ability to understand and determine the value of a company has been the cornerstone of the firm's services and its core expertise since its founding.

Mercer Capital is a national business valuation and financial advisory firm founded in 1982. We offer a broad range of valuation services, including corporate valuation, gift, estate, and income tax valuation, buy-sell agreement valuation, financial reporting valuation, ESOP and ERISA valuation services, and litigation and expert testimony consulting. In addition, Mercer Capital assists with transaction-related needs, including M&A advisory, fairness opinions, solvency opinions, and strategic alternatives assessment.

We have provided thousands of valuation opinions for corporations of all sizes across virtually every industry vertical. Our valuation opinions are well-reasoned and thoroughly documented, providing critical support for any potential engagement. Our work has been reviewed and accepted by the major agencies of the federal government charged with regulating business transactions, as well as the largest accounting and law firms in the nation on behalf of their clients.

Contact Us

Travis W. Harms, CFA, CPA/ABV
901.322.9760
harmst@mercercapital.com

Scott A. Womack, ASA, MAFF
615.345.0234
womacks@mercercapital.com

Nicholas J. Heinz, ASA
901.322.9788
heinzn@mercercapital.com

Timothy R. Lee, ASA
901.322.9740
leet@mercercapital.com

Z. Christopher Mercer, FASA, CFA, ABAR
901.685.2120
mercerc@mercercapital.com

Bryce Erickson, ASA, MRICS
214.468.8400
ericksonb@mercercapital.com

J. David Smith, ASA, CFA
832.432.1011
smithd@mercercapital.com

Matthew R. Crow, ASA, CFA
901.322.9728
crowm@mercercapital.com

MERCER CAPITAL

www.mercercapital.com

VALUE MATTERS™. This newsletter addresses gift & estate tax, ESOP, buy-sell agreement, and transaction advisory topics of interest to estate planners and other professional advisors to business. For other newsletters published by Mercer Capital, visit www.mercercapital.com.

Copyright © 2022 Mercer Capital Management, Inc. All rights reserved. It is illegal under Federal law to reproduce this publication or any portion of its contents without the publisher's permission. Media quotations with source attribution are encouraged. Reporters requesting additional information or editorial comment should contact Barbara Walters Price at 901.685.2120. Mercer Capital's *Value Matters*™ does not constitute legal or financial consulting advice. It is offered as an information service to our clients and friends. Those interested in specific guidance for legal or accounting matters should seek competent professional advice. Inquiries to discuss specific valuation matters are welcomed. To add your name to our mailing list to receive this complimentary publication, visit our website at www.mercercapital.com.