



2012 CONGRESS ON FAIR VALUE— MEASUREMENTS AND RECOGNITION: SHARED SPACE

FEBRUARY 27-28, 2012 SEATTLE, WA USA

SESSION TITLE: **Valuation of Compensation Awards using Binomial and Monte Carlo Modeling** in conjunction with WARA—What is it good for? Working with Audit Firms on Fair Value

SESSION DATE: Tuesday, February 28, 2012

SESSION TIME: **Part 1**—10:10 a.m.–11:00 a.m. pacific standard time / 1:10 p.m.–2:00 p.m. eastern standard time

Session Summary: The presenters will demonstrate how to value a complex compensation award using Binomial and Monte Carlo modeling. They will discuss the structure of the compensation and based on that, discuss the approaches using Binomial and Monte Carlo modeling. They will discuss the methods and their differences, and the weaknesses and merits of each approach. After attending this session you will be able to explain the difference between Binomial and Monte Carlo modeling, explain the merits of Binomial and Monte Carlo modeling, identify the procedures to create a Binomial model, and able to identify the procedures to create a Monte Carlo model.

CPE Hours /
Fields of Study: 1 Hr Finance (FN)

Presenter(s) Bio: Vincent Covrig, PhD, CFA, ASA and Daniel L. McConaughy, PhD, ASA



Vincent is an Associate Professor of Finance at California State University, Northridge, where his area of expertise is financial derivatives, quantitative finance and business valuation; Dr. Covrig is also consulting with Crowe's Valuation Services practice where he specializes in the valuation of complex securities. He has published more than a dozen papers in top academic journals such as Journal of Finance and Journal of Accounting Research, he also published in practitioner oriented publications such as Business Valuation Review.

Daniel is a Professor of Finance at California State University, Northridge, where his area of expertise is business valuation and corporate finance; Dr. McConaughy is also a director with Crowe's Valuation Services practice. He has published more than a twenty papers in academic and industry journals and has more than twelve years of business valuation experience.



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SESSION TITLE: **WARA—What is it good for? Working with Audit Firms on Fair Value**
in conjunction with Valuation of Compensation Awards using Binomial and
Monte Carlo Modeling

SESSION DATE: Tuesday, February 28, 2012

SESSION TIME: **Part 2**—11:05 a.m.–11:55 a.m. pacific standard time / 2:05 p.m.–2:55 p.m.
eastern standard time

Session Summary: The session will cover the key areas that will need to be addressed when submitting a fair
value report to your audit firm, including 1) WARA analysis, 2) Separate intangible
assets, including customer assets and calculating contributory charges for items such as
assembled workforce and 3) Tax considerations and their impact on fair value.

CPE Hours /
Fields of Study: 1 Hr Specialized Knowledge and Applications (SK&A)

Presenter(s) Bio: Kent Pummel, CPA/ABV, CVA



Chair of Clark, Schaefer, Hackett & Company's Business Valuation and Litigation Support
Committee. Clark, Schaefer, Hackett & Company is a top-100 public accounting firm with offices
in Central and Southwest Ohio. Presented at the NACVA/IBA 2010 Annual Consultant's
Conference. Frequent presenter on business valuation to local bar associations and other
professional groups. Member of NACVA's Valuation Exam & Grading Committee and is
AICPA ABV Champion for Ohio. Currently serves on Executive Board for the Ohio Society of
CPA's.

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