# Table of Contents

**INTRODUCTION** .......................................................... vii  
*By Stuart Weiss, CPA/ABV, CVA, ABAR, PFS*

**Chapter 1. The Art of Dental Practice Appraisal** ........................................... 1  
*By Stanley L. Pollock, BS, DMD, MS, PHD, JD, MCBA, MCMEA, ABAR*
  - Normalization .......................................................... 5
  - Normalizing the Balance Sheet .................................. 5
  - Normalizing Operating Expenses .................................. 6
  - Fixed Asset Appraisal ............................................... 7
  - Normalizing Income & Expenses .................................. 10
  - Trend Analysis .......................................................... 13
  - Ratios ......................................................................... 14
  - Income Approach: Capitalization of Income Method ......... 16
  - Income Approach: Discounted Future Cash Flow Method ... 17
  - Asset Approach: Adjusted Net Asset Value Method .......... 18
  - Excess Earnings Method .............................................. 19
  - Market Approach .......................................................... 19
  - Direct Market Data Method (DMDM) .......................... 20
  - Outline of the DMDM Method ....................................... 20
  - Price To Earnings (P/E) ................................................ 21
  - Price/Revenues (P/R, P/REV) ......................................... 22
  - Revenue Multiplier Method .......................................... 22
  - Summary of Values ...................................................... 24
  - Buy-Sell Method .......................................................... 24
  - Weighting of Values ..................................................... 26
  - Justification of Valuation ............................................ 27
  - Discounts & Premiums .................................................. 28
  - Summary ...................................................................... 30

**Chapter 2. The Value of a Dental Practice** ...................................................... 31  
*By L. Norton Hindley III, ASA*
  - Valuation Disparity ....................................................... 31
  - Fair Market Value ........................................................ 32
  - Market ................................................................. 32
  - Compulsion .............................................................. 33
  - Reasonable Knowledge ............................................... 34
  - “Present Value” and the Determination of Fair Market Value . 36
  - Essential Analysis and Adjustments ............................... 39
  - Capitalized Excess Earnings ......................................... 41
Chapter 3. Dental Practice Valuations: Beyond the Numbers
By Sarah K. Lynch, Managing Partner, Jim Kasper Associates, LLC
The Pediatric Dental Practice

Chapter 4. The Orthodontic Practice Appraisal
By Thomas F. Ziegler, DDS, MS, JD
Valuing an Orthodontic Practice
Tax Allocation of the Sale Price

Chapter 5. Valuing Goodwill In Dental Practices
By Robert James Cimasi, MHA, ASA, MCBA, AVA, CM&AA
Introduction
Identification and Classification of Intangible Assets
Goodwill and Patient-Related Intangible Assets
Accounting v. Appraisal Definition of Goodwill
Goodwill in Divorce Proceedings
Conclusion

Chapter 6. Recent Cases on Dental Valuation
Rhodes v. Rhodes
In re Marriage of Bruns.
Banchefsky v. Banchefsky
McReath v. McReath
McKee v. McKee
Howard v. United States
In re Marriage of Theurer
Schneider v. Schneider
Daniela David v. Dr. Aurel David
In re the Marriage of Davis
Chapter 7. The Art of the Appraisal .......................... 109
   By Timothy A. Brown, President & CEO, ROI Corporation
   The Process ........................................... 110
   Current Users of Appraisals ............................ 110
   Seven Uses of Professional Appraisal ................. 111
   Additional Notes ...................................... 112

Appendix A: Appraisal of a Dental Practice—Sample Valuation Report  . . . . 115

Appendix B: Valuation of a Sole Proprietor Dental Practice: Sample Report 235

Appendix C: Valuing Dental Practices: A BVR Teleconference .................. 353
   Presenters: Jim Anderson, Ron Seigneur, Stephen Persichetti
   Business Valuation Resources, May 14, 2009/10:00 a.m. PDT
Welcome to *BVR’s Guide to Valuing Dental Practices*. This reference includes overviews of the dental practice valuation process by two leading practitioners, an essay on the qualitative factors that go into valuation—complete with checklist—a chapter focusing on the special requirements of orthodontic valuations, a chapter on goodwill from a leading healthcare valuation practitioner, and a summary of recent legal cases involving dental practice valuations, as well as two full dental practice valuation reports.

Our first overview was written by Dr. Stanley Pollock, a dentist and oral surgeon based in Pittsburgh, Pennsylvania, who also holds degrees in hospital administration, law, and business, as well as credentials in business valuation. His perspective is followed by another author, L. Norton Hindley, ASA, who has been a business appraiser for 40 years with a specialty in healthcare. His approach is somewhat different from Dr. Pollock’s, but that’s what makes this field interesting.

The essay on the qualitative aspects of dental practice appraisal and accompanying checklist was written by Sarah K. Lynch, a managing partner at Jim Kasper Associates LLC in New England, who specializes in appraisals and sales of dental practices. The chapter on orthodontic practice valuations was written by Dr. Thomas Ziegler, who was a practicing orthodontist before attending law school and founding Ziegler Practice Transitions, one of the leading practice transition companies in the nation.

The chapter on goodwill was written by Robert J. Cimasi, president of Health Capital Consultants in St. Louis, a leader in the field of healthcare appraisals. From our own files, BVR shares a series of 10 recent valuation cases involving dental practices—most of them in a divorce context. The abstracts presented here are based on our coverage of the valuation world in *BV Update*.

We present two real dental practice valuations. In Chapter 7, Timothy Brown, a dental appraiser and broker based in Vancouver, B.C., introduces his valuation report, shown in Appendix A. This report has been set up to be used as a valuation template. The second valuation, in Appendix B, was produced by Bill Sipes, who has more than 40 years of experience in business valuation, management consulting, and accounting and tax work. We have changed the names in both reports to protect the confidentiality of the clients.

Finally, Appendix C is a BVU teleconference and accompanying slides on the valuation of dental practices.

*Stuart Weiss, CPA/ABV, CVA, ABAR, PFS*
The appraisal or valuation of dental practices has become increasingly widespread during the past few decades and the number of appraisers involved in professional practice appraisal has increased accordingly. During this time, professional practice appraisal has developed from a rather crude, formula-driven art form into a mature, multi-method process. In the 1970s and '80s, dental practices were valued and sold at 100% of the latest 12 months’ gross revenues. In the 1990s, when large corporations believed they could manage dental practices efficiently—at the very least, better than doctors—practices were valued and sold at inflated numbers.

But then the dental practice bubble began to leak. Dental practices, as a rule, sold at only 65% of collected revenues in the 2000s. As reported in the 2006 and 2007 supplements of Valuing Professional Practices & Licenses, general dental practices sold in arm’s length deals at 57% of the latest annual gross revenues. Gross revenues, of course, were higher than in previous decades and certain pockets across the United States saw prices remain strong while other areas were negatively affected. The same situation holds true today.

What became apparent during those decades was that many appraisers and individuals were still seeking simple guideline formulas while other, more studious ones gathered a great deal of relevant and applicable appraisal information. Organizations began to compile important and much-needed data, most notably the Institute of Business Appraisers (IBA) Market Database, Pratt’s Stats, BIZCOMPS, Done Deals, the Goodwill Registry, the American Dental Association, the Risk Management Association, and trade organizations. Brokers of all types began to market their services and realized the necessity for reliable data and the magnitude of the task of accumulating it. Authors published significant articles and treatises. Seasoned appraisers provided training programs and new and established organizations launched them for enthusiastic, neophyte appraisers.

On April 27, 1987, the Ad Hoc Committee on Uniform Standards of the Appraisal Standards Board (ASB) of The Appraisal Foundation developed and copyrighted the Uniform Standards of Professional Appraisal Practice (USPAP). USPAP, adopted by the major appraisal organizations in North America, represents the generally accepted and recognized standards of appraisal practice in the United States. Today, there are four recognized, legally constituted professional appraisal associations in the United States and one in Canada: the Institute of Business Appraisers (IBA), the American Society of Appraisers (ASA), the Appraisal Institute (AI), and the Canadian Institute of Chartered Business Valuators (CIBV).
Business Appraisers (IBA), the National Association of Certified Valuation Analysts (NACVA), the American Institute of Certified Public Accountants (AICPA), the American Society of Appraisers (ASA), and the Canadian Institute of Chartered Business Valuators (CICBV). The CFA Institute also offers a respected and applicable Chartered Financial Analysts designation (CFA), although the CFA focuses on the analysis of publicly traded companies. At this time, the IBA, NACVA and AICPA have reached accord in the long standards unification process.

Although most dental practices would be considered small businesses under any definition of revenues or earnings, they typically generate profitability rivaling that of almost any industry. In the following 2010 statistics presented by the Virginia-based National Society of Certified Healthcare Business Consultants, profitability ranged from 34% to 52% depending on specialty.

![Figure 1. Profitability of Dental Practices by Specialty](image)

Because of the degree of profitability, dental practices are highly desirable to own. The American Dental Association’s 2008 Survey of New Dentists reports that of new dentists buying practices, 24.5% purchased an existing practice as a partner, 37.7% purchased an existing practice as the sole owner, and 37.7% started a new practice. There was little variation in the amount spent to establish or purchase a practice. Among new dentists who purchased an existing practice as a partner, as a sole owner, and who started a new practice, the average amount spent was $472,390, $471,930 and $457,600, respectively.

Robert J. Cimasi, CBA, AVA, FCBI, president of Health Capital Consultants, LLC in St. Louis, Mo., clearly outlines pertinent differences between medical, dental, and other professional business valuations. In his publications and presentations, Cimasi lists certain differences which specifically impact dental practice valuations. A few are:

---

4. Statistics, National Society of Certified Healthcare Consultants & Academy of Dental CPAs, Suite 130, 12100 Sunset Hills Road, Reston, VA 20190.
5. 2008 Survey of New Dentists, American Dental Association, 210 East Chicago Avenue, Chicago, IL 60611.
Mississippi is one of only two states that still decline to assign any value to the goodwill of a marital business in divorce. (Kansas is the other; see “Goodwill Hunting,” the free state-by-state summary of valuing goodwill in marital dissolution cases, available at BVResources.com.) Three cases establish the Mississippi precedent:

1. In Singley v. Singley, 846 So.2d 1004 (Miss. 2002), the state Supreme Court considered the value of a solo dental practice and ruled that “goodwill is simply not property; thus it cannot be deemed a divisible marital asset in a divorce.” Fair market appraisals should exclude goodwill, because it leads to inaccurate and unreliable values. Trying to distinguish and determine “enterprise goodwill” from “personal goodwill” is just as objectionable, the court said, because the two concepts “are simply too interwoven.”

2. In Watson v. Watson, 882 So.2d 95 (Miss. 2004), the Supreme Court confirmed and clarified Singley. In precluding goodwill value from the appraisal of a solo veterinary practice, it found that goodwill “is a nebulous term” that depends on the continued presence of the particular professional as a personal asset. In particular:
Chapter 6: Recent Cases on Dental Valuation

In a furniture or appliance business with several owners, it would be difficult to assess the value . . . attributable to one of the owners. Customers go to the business looking for furniture or appliances. However, in the context of a single-owner professional practice, it becomes less difficult. Patients (including pet owners) go there looking for their doctors.

By precluding any goodwill value from the appraisal, courts will avoid the “glaring inequity” that results from using the professional’s income to calculate spousal support and also to calculate the value of the “business,” the court explained.

3. In Yelverton v. Yelverton, 961 So.2d 19 (Miss. 2007), the court revisited the issue in valuing a car dealership. It remanded the case with the instruction to the lower court that “goodwill, whether ‘personal goodwill’ or ‘business enterprise goodwill’ shall not be included in the value” of the dealership. In a footnote, the court expressly found that Watson applied, even though “Watson involved a ‘solo professional practice’ as opposed to [the auto dealership], which involves two shareholders.”

Husband owns 100% of a flooring store. Now come two recent Mississippi cases to muddy the goodwill waters. In the first, which recalls the distinction by the Watson decision between a solo professional practice and a “furniture or appliance business,” the husband was the sole shareholder of his family’s carpet and drapery business. His parents had gifted him (and his brother) equal shares just after the parties’ marriage, in 2003. Just one week later, the husband bought out his brother for cash.

The parties’ marriage started to deteriorate within a year, and at their divorce, the husband argued the business was his separate property. He presented a valuation, prepared by a business valuation expert in connection with the redemption of his brother’s shares, showing the business was worth approximately $1.6 million. The husband claimed the business had not appreciated in the five years since then.

The wife also presented a BV expert, but the husband challenged his report under the state’s analogue to Rule 702 of the Federal Rules of Evidence and Daubert. The expert failed to distinguish the tangible assets of the business from its intangible assets, including goodwill. The analyst had also never appeared as an expert in court, the husband asserted, and had not performed a business valuation “other than what was required for one of his certifications.” The court ultimately precluded the expert on both grounds, finding that he lacked sufficient qualifications and his methodology was unreliable because it considered the goodwill value of the business.

After losing her expert evidence, the wife attempted to show the appreciation of the business during the marriage by way of financial statements, which showed income increasing substantially in 2006. The husband countered by saying that his flooring business received a surge of orders after Hurricane Katrina, due to the many flood-damaged homes in the area, but that its income “plummeted” the following year, due to general market factors. Based on this evidence, the court found that the business value had not appreciated during the “fairly short” marriage and the wife appealed both rulings, the exclusion of her expert and the finding of no increased value.
The Mississippi Court of Appeals first found that the lower court erred by excluding the wife’s expert based on his lack of testifying experience. “We have no qualms with [his] qualification as an expert in business valuation,” it said. The test is whether the expert possesses particular knowledge that will help the trier-of-fact. “Every expert witness has a first time,” one of the justices noted in a concurring opinion. To hold otherwise would establish an insurmountable “Catch-22,” in which “no witness could ever qualify as an expert for the first time because that would require being retained previously as an expert.”

At the same time, the court also found the expert had neither excluded goodwill, nor assigned a separate value to it. Although he “may have performed calculations under other methods that did not include goodwill,” the expert failed to use these methods as the basis for his opinion, the court said, and sustained his exclusion for failing to follow state precedent. “Our Supreme Court recently made clear that, in a divorce action, goodwill should not be utilized in performing a valuation of a business,” the court held, citing *Yelverton*. It repeated the rule in both *Singley* and *Watson* that “goodwill is simply not property; thus it cannot be deemed a divisible marital asset.”

Accordingly, the court also confirmed the lower court’s finding that the business had not appreciated in value during the marriage, based largely on the $1.6 million redemption valuation at the beginning and the financial statements that showed overall flat income levels at the end.

A strong dissent says the Supreme Court got it wrong. The decision on the exclusion of the wife’s expert was split among the justices, with six agreeing with the result, one disagreeing but calling it “harmless error,” and three registering a strong dissent. In particular, the dissent disputed the majority’s assertion that “there is no Mississippi case that excludes ‘goodwill’ to a ‘service business.’” Even if there were such authority, the husband’s business in this case was not a professional service firm but a retail sales business that installs its products. “We must carefully examine the Supreme Court precedent,” the dissent said.

In *Singley*, the court considered the value of a small dental practice; in *Watson*, it considered a solo veterinary practice. In particular, the dissent called attention to the language the court used in *Watson* to differentiate a business that sold furniture or appliances from a firm that offered professional services. The dissent also highlighted the footnote in *Yelverton*, where the court specifically said *Watson* applied even though it involved a “solo professional practice” as opposed to the car dealership, “which involve[d] two shareholders.”

The dissent concluded, “It appears that the Supreme Court mistakenly considered [the car dealership] a professional practice” when it made its ruling prohibiting the consideration of goodwill. (*Note:* In the majority opinion, the court found no mistake or inconsistencies in the precedent. “We fail to see how [the husband’s] flooring business, wholly owned by him, should be treated differently than the car-dealership interest involved in *Yelverton.*”) The three-judge dissent would have reversed the decision to exclude the wife’s expert and remand the case for a new trial on valuation—a strong enough vote to perhaps encourage the wife to...
appeal. It is not yet known whether the wife in Rhodes decided to petition the state Supreme Court. However, less than a month later, the court decided Lewis v. Lewis (113 Wis. 2d 172, 336 N.W.2d 171, 1983 Wisc. App. LEXIS 3546).

In Lewis, the husband and wife owned a residential real estate development company in equal shares. As part of the operations, they bought and sold property together, with one or the other taking title to the property. During the parties’ difficult divorce, however, the husband diverted corporate assets for his own use, including setting himself up in a separate building company. He refused to respond to the wife’s discovery demands concerning the value of the various assets and told the trial court the real estate company was “worthless.”

The wife did not retain a business valuation expert. Instead, she submitted financial documentation that was admittedly incomplete and out of date, but was the best she could find. After the close of evidence, the trial court complained that each side had given him “way too much” in this “complicated matter financially.” Nevertheless, it valued the business at roughly $1.2 million and the husband appealed.

The Court of Appeals agreed, finding “manifest errors” in the trial court’s valuation. It remanded the case with the specific instruction to value the real estate business using all relevant data, including “any goodwill equity.” This time, the wife appealed to the state Supreme Court.

**Precedent rules.** The Supreme Court reversed the appellate instruction. Citing Singley, Watson, and Yelverton, it confirmed the hard and fast rule that, in Mississippi, the goodwill value of any business is not marital property. Despite the dissents in those decisions, the law of the state was “clear and comprehensive,” the court said. “Stare decisis demands this result.” It remanded the case for a valuation of the business, with the exception of considering goodwill equity.

The issue may yet be fully settled in the state, however. Two justices on the Lewis panel dissented, arguing that Watson limited “the blanket rule in Singley to those cases either involving a solo professional practice” or close analogues. In support, the dissent also cited the current majority rule among states, which recognizes the distinction between personal goodwill and enterprise goodwill. “This rule is in line with the principle that a professional license held by a spouse is not itself marital property, even where the practice dependent on that license may be . . . a marital asset subject to equitable distribution.”

General accounting principles also support valuing of goodwill along with other intangibles, the dissent pointed out, citing FAS 142 (issued in 2001). “Furthermore, goodwill is treated alongside other intangible assets such as patents, customer lists, or licenses under the Internal Revenue Code as a depreciable asset subject to taxation or as a deductible and amortizable cost,” it observed. “Goodwill, at its core, represents the excess value of a business enterprise after subtraction of the value of all other assets from its fair market value, and, despite its seeming nebulousness as a term of art, is well recognized as an intangible business asset.”
In this case, the parties jointly owned and operated the business, at least until the husband began diverting its assets. Applying the “blanket rule” inappropriately restricts a trial court’s discretion to assign a fair value to the parties’ actual assets, the dissent said, particularly when the enterprise is not a professional practice and is not dependent on just one of the spouses’ efforts. For these reasons, the dissent would have affirmed the appellate court’s instructions and remanded the case to the trial court for “a full determination of the market value of [the marital business], including an evaluation of [its] enterprise goodwill, as well as whatever personal goodwill, if any, is attributable to either or both of the parties.

In re Marriage of Bruns

Broker and BV Expert Battle Goodwill Value of Dental Practice in Divorce

Citation: 2011 WL 237969 (Iowa App.)(unpublished)
Date of decision: Jan. 20, 2011
Country: US
State or Federal: State
State/Jurisdiction: Iowa
Court: Court of Appeals
Type of action: Marital Dissolution
Experts: John Trask (husband); Cyril Mandelbaum (wife)
Judge: Tabor

Thirty years ago, an Iowa dentist bought his practice for roughly $75,000. By the end of his 40-year marriage, he employed a staff of three and was earning $150,000 per year working only three days a week.

At the parties’ divorce trial, the husband presented a management consultant and business broker who’d been selling dental practices for over three decades and had performed over 500 related appraisals. He valued the tangible assets of the husband’s practice at $77,000, including equipment, supplies, and accounts receivable. If he included the goodwill value of the practice, it was worth just over $198,000.

The wife retained a CPA and accredited senior appraiser who had more than 20 years of business valuation experience, including appraising several dental practices. In her opinion, the total value of the practice amounted to $241,000. This included a normalizing adjustment to the salary of the receptionist (with whom the dentist was having a romantic relationship), asserting her wages were higher than market value.

Dentist wouldn’t sell for stated value. The trial court remarked the “dueling experts” and conceded that it could not determine the precise fair market value of the practice without a sale. At the same time, it noted that the husband bought the practice 30 years before for more or less
the same value that his broker said it was worth at trial. Moreover, the husband testified that he 
would not sell his practice for $77,000. After reviewing all the evidence, the trial court valued 
the practice, excluding goodwill, at $115,450.

Both parties appealed. The husband claimed the trial court’s value “must have” included 
goodwill, and the wife argued that the value was too low, brought down by the broker’s 
“questionable” methodology. The appellate court acknowledged the difficulty of valuing 
professional practices, “because their income flows almost exclusively from the efforts of the 
professional who owns the business.”

At the same time, it found the trial court had correctly followed longstanding state precedent, 
which holds that the “goodwill of a professional practice bears on the professional’s earning 
capacity (for the purposes of determining alimony), but should not be additionally listed as an 
asset in the valuation of a professional practice.” Further, the trial court had the discretion to 
discount the value placed on the practice by the wife’s expert, “based on her more limited experi-
ence in appraising dental practices and her opinion that a non-compete agreement would make 
no difference in valuation,” the appellate court held. Because the $115,450 valuation fell within 
the range of permissible evidence, the appellate court confirmed the same.

**Banchefsky v. Banchefsky**

**Divorce Court Limits Professional Goodwill to Value of Non-Compete**

Citation: 2010 WL 3527578 (Ohio App.)
Date of decision: Sept. 9, 2010
Country: US
State or Federal: State
State/Jurisdiction: Ohio
Court: Court of Appeals
Type of action: Marital Dissolution
Experts: Brian Russell (husband)
Judge: Sadler
SIC: 8021 Offices and Clinics of Dentists

This is the third case in as many months to decide the value of a dental practice in divorce. 
First came *McReath v. McReath*, 2010 WL 2943198 (Wis. App.) (July 29, 2010), in which the 
Wisconsin Court of Appeals ruled that all *salable* goodwill is a marital asset and subject to divi-
sion, whether it is corporate or professional. Key to the court’s ruling was its finding that both 
parties (and their valuation experts) agreed that a non-compete agreement would effectively 
transfer a “lion’s share” of the spouse-practitioner’s professional goodwill to a prospective buyer, 
thereby evidencing its salable nature.
By contrast, in *McKee v. McKee*, 2010 WL 3245246 (Tenn. Ct. App.) (Aug. 17, 2010), the Tennessee Court of Appeals valued the wife’s one-third interest in her longstanding dental practice at only $97,000 (net asset value), despite evidence that one of her partners had recently bought into the practice at $749,000. In that particular sale, the parties had allocated 45% of the buy-in price to the professional goodwill of the wife and her partner and 34% to the patient files and records. Nevertheless, the court found the patient records “had no value” in the wife’s divorce—that is, they constituted professional goodwill and were non-divisible.

**Dentist sells his practice during divorce.** In the *Banchefsky* case—and for reasons the Ohio Court of Appeals’s opinion does not reveal, the husband sold his solo cosmetic dentistry practice for $580,000 during the proceedings. In the purchase agreement, the parties allocated specific amounts to the tangible assets ($126K), patient records ($20K), agreement not to compete ($15K), and unspecified “goodwill” ($416K). The husband and wife agreed the sale was arm’s length and the price reflected the current fair market value for the dental practice.

For purposes of divorce, however, the husband’s valuation expert said that the value attributed to the non-compete in the purchase agreement was “arbitrary.” To find its appropriate value, he subtracted the tangible asset value from the total sale price and allocated the remainder ($431,000) to professional and enterprise goodwill. Specifically, the husband’s expert defined “professional goodwill” as a direct function of earnings from patients who patronized the husband for his individual and personal attributes. He characterized enterprise goodwill as “goodwill that would go along with the business practice itself and could be sold with or without” the husband. To distinguish the components in this case, he applied the Multiattribute Utility Model (MUM), developed by valuation and forensic analyst David Wood, CPA/ABV, CVA (Mt. Vernon, IL). Using MUM, the expert found that the appropriate value for the husband’s willingness not to compete was $215,000 and constituted professional, non-divisible goodwill. **Note**: For more on MUM, see “‘Multiattribute Utility Model’ Accepted in Allocating Enterprise/Personal Goodwill,” in the Dec. 2006 *BVU*; “‘MUM’s the Word’: A Formal Method to Allocate Blue Sky Value in Divorce,” by David Wood in the March 2007 *BVU*; and “Still Hunting: In Search of Consistent, Functional Definition for Personal Goodwill,” by David Wood in the April 2010 *BVU*.

The trial court expressly acknowledged MUM’s utility in determining the fair market value of a professional practice, but in this case, it found the model was neither necessary nor appropriate due to the arm’s length sale of the business. Accordingly, it determined the husband’s personal goodwill was worth no more than the value assigned to the non-compete in the purchase agreement ($15K), and it divided the remainder of the sale proceeds ($565,000) equally between the parties.

The husband appealed, arguing that the trial court should have deferred to his expert’s opinion and his application of MUM. The appellate court confirmed the utility of MUM in “determining the impact an individual’s departure might have on the fair market value of a business.” However, like the trial court, it also found that “it was simply unnecessary to determine the value of the covenant-not-to-compete through the use of a business model...