

ON THE COVER



6

ESTIMATING ECONOMIC DAMAGES WITH LINEAR REGRESSION AND BAYESIAN NETWORKS (PART I OF III)

By Kurt S. Schulzke, JD, CPA, CFE

Experts often use linear regression in dispute resolution settings. Part I of this two-part article illuminates linear regression principles and pitfalls in the context of an actual case and offers related practice pointers. Part II demonstrates the use of Bayesian networks for a more transparent and user-friendly estimation of damages and firm value. While Bayesian networks have so far seen scant action in court, their user-friendliness and technical and aesthetic superiority point to their usefulness as evidence in dispute resolution.

IN THIS ISSUE...

20 A CANDID OBSERVATION OF THE CANNABIS INDUSTRY

By William K. Fowler, CVA, ABAR, MAFF

In the past few years, several states have legalized cannabis sales, and by doing so, created a huge new industry. The cannabis industry has created opportunities for business valuers to expand their expertise and services. This article shares some insights the author gained by observing some early valuation practices for this new industry.

22 LETTERS TO THE EDITOR

In the July/August Issue of *The Value Examiner*, two articles generated interest from readers. In this issue, Roger Grabowski, FASA, Managing Director, Duff & Phelps LLC (www.thevalueexaminer.com/2019/19-MJ/#page=14), responds to the concerns raised by Joshua Feldman, CPA, CFE, CVA, AIAF (www.thevalueexaminer.com/2019/19-JA/#page=21). The full rebuttal to "Vasicek and Blume Betas: Back to the Future," (Parts I [<http://www.thevalueexaminer.com/2019/19-JF/#page=13>] and II [www.thevalueexaminer.com/2019/19-MA/#page=13]) can be found on the NACVA website.

DEPARTMENTS

24 LEGAL INSIGHTS

VALUING A PAINTING FOR ESTATE TAX PURPOSES: ESTATE OF KOLLSMAN V. COMMISSIONER

By Kevin A. Diehl, JD, CPA

These days, many estates' holdings include valuable paintings. As each picture is unique, valuation questions become prominent. *Estate of Kollman v. Commissioner*, T.C. Memo 2017-40 (2017), is an instructive case about how not to value a painting properly for estate tax purposes. As such, it indirectly informs of how properly to value a painting.

DEPARTMENTS

27

ACADEMIC REVIEW

ACADEMIC RESEARCH BRIEFS: AN OVERVIEW OF THE LITERATURE ON THE CANNABIS INDUSTRY

By Peter L. Lohrey, PhD, CVA, CDBV

The purpose of this column is to provide the readers of *The Value Examiner*, summaries of contemporary research in valuation and forensic accounting. The manuscripts covered are selected from numerous academic research outlets that include relevant topical coverage of valuation and related forensic accounting issues. The objective is to illustrate the core of this novel research while increasing awareness among the community of the subject matter.

35

HEALTHCARE INSIGHTS

ASCs AND OFFICE-BASED LABORATORIES: VALUATION DISTINCTIONS AND CONSIDERATIONS PART I: DISTINCTIONS

Todd A. Zigrang, MBA, MHA, FACHE, CVA, ASA, and Jessica L. Bailey-Wheaton, Esq.

Until approximately forty years ago, if a patient required surgery, he or she went to a hospital for the procedure. Since the 1970s, however, the outpatient services industry has grown at a steady pace. This article discusses how the American Medical Association's 1971 adoption of a resolution endorsing the concept of outpatient surgery changed that landscape.

43

PRACTICE MANAGEMENT

PRACTICING SOLO: TRISCH GARTHOEFFNER

By Rod P. Burkert, CPA, CVA

The author interviews sole practitioner, Trisch Garthoeffner, ABV, CVA, MAFF, EA, from Naples, Florida.



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5217 South State Street, Suite 400
Salt Lake City, UT 84107
Tel: (801) 486-0600, Fax: (801) 486-7500
E-mail: NACVA1@NACVA.com

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