

Berning & Heidebrecht, Ltd.
Business Valuation & Litigation Support Consultants



PROFESSIONAL QUALIFICATIONS

JOHN H. HEIDEBRECHT, ASA, CFE, CFFA, CDFA, CAC, MBA

PROFESSIONAL DESIGNATIONS AND ADVANCED DEGREES

- Accredited Senior Appraiser in Business Valuation (ASA), American Society of Appraisers
- Certified Fraud Examiner (CFE), Association of Certified Fraud Examiners
- Certified Forensic Financial Analyst (CFFA), National Association of Certified Valuation Analysts
- Certified Divorce Financial Analyst (CDFA), Institute for Divorce Financial Analysts
- Compensation Analyst Credential (CAC), Economic Research Institute
- Master of Business Administration (MBA), Finance

PROFESSIONAL EXPERIENCE

- **Shareholder** – Berning & Heidebrecht, Ltd Medina, Minnesota – 2003 to present. Specializing in business valuation and complex financial litigation support.

Preparation of business appraisal and expert reports for marital dissolution, estate and gift tax planning, ESOPs, charitable contributions, S-corporation election, mergers and acquisitions, buy/sell agreements, business succession planning, purchase price allocations, goodwill impairment analysis, executive compensation, dissenting shareholder actions, lost profits/damages and other litigation matters.

Appraisal experience includes the valuation of intangible assets and private companies in numerous industries with annual revenues ranging from \$0 (startup) to more than \$1 billion.

Litigation support experience includes lost profit analysis, economic damage calculations, forensic accounting, non-marital and marital determination, property division, tax and cash flow projections, cost of living analysis, expert witness testimony and functioning as the FENE and Court appointed neutral expert.

Management consulting experience includes succession planning, merger and acquisition consulting, financial modeling, compensation analysis and feasibility studies.

- **Manager** – Baker Tilly Virchow Krause, LLP (formerly Virchow, Krause & Company, LLP), Minneapolis, Minnesota – 2000 to 2003.
- **Manager** – Baune, Dosen & Co., PLLP, Minnetonka, Minnesota – 1994 to 2000.

EDUCATION

- St. Cloud State University: Received Master of Business Administration degree with a concentration in Finance.
- University of Minnesota – Carlson School of Management: Received Bachelor of Science in Business degree with a concentration in Finance.

PROFESSIONAL AFFILIATIONS

- Member, American Society of Appraisers
- Past President (2 terms), Twin Cities Chapter of the American Society of Appraisers
- Member, Association of Certified Fraud Examiners
- Member, Twin Cities Chapter of Certified Fraud Examiners
- Member, National Association of Certified Valuation Analysts
- Member, Institute for Divorce Financial Analysts
- Member, Institute of Business Appraisers
- President, Institute of Business Appraisers North Central Chapter

PROFESSIONAL SPEAKING

- Developed and Presented Minnesota CLE's *Intellectual Property Series: Damages – A Financial Perspective* Live Webcast Seminar (2011).
- Developed and Presented Institute of Business Appraisers North Central Chapter's *Valuation of Personal Goodwill* (2011).
- Developed and Instructor for Minnesota Society of Certified Public Accountants' *Business Valuations for CPAs Who Won't Be Preparing Independent Valuations* Course (2011).
- Developed and Presented Institute of Business Appraisers North Central Chapter's *Update: Significant Recent Court Cases & Key Changes to Federal Rules of Civil Procedure* (2011).
- Faculty for Minnesota CLE and Minnesota State Bar Association's *32nd Annual Family Law Institute*. Presentation entitled, "Managing Complex Non-Marital Issues" (2011).
- Developed and Presented Minnesota CLE's *Business Valuation for Probate & Estate Lawyers* Live Webcast Seminar (2011).
- Moderator and Conference Committee Member for American Society of Appraisers' *21st Annual Business Valuation Conference*. "Is this the New Normal?" (2011).
- Faculty for Minnesota CLE and Minnesota State Bar Association's *Introduction to Minnesota Family Law*. Presentation entitled, "Divorce Math: Financial Calculations in Divorce Cases" (2011).

- Developed and Presented Minnesota CLE's *Intellectual Property Series: Damages – A Financial Perspective* Live Webcast Seminar (2010).
- Chairperson and Featured Speaker for Hennepin County Bar Association's *Business Valuation Implications in the Current Economy* Live Seminar and Live Webcast (2010).
- Faculty for Minnesota CLE and Minnesota State Bar Association's *31st Annual Family Law Institute*. Presentation entitled, "Basic Family Law Math: Financial Calculations in Divorce Cases" (2010).
- Developed and Presented Minnesota CLE's *Business Law Series: Business Valuations* Live Webcast Seminar (2009).
- Faculty for 10th Judicial District Law Clerks Continuing Legal Education. Presentation entitled, "Business Valuations: Family Law Topics" (2009).
- Developed and Presented Minnesota CLE's *Family Law Series: Advanced Business Valuation and Accounting* Live Webcast Seminar (2009).
- Developed and Presented Minnesota CLE's *Family Law Series: General Valuation and Accounting* Live Webcast Seminar (2009).
- Developed and Presented Minnesota CLE's *Business Valuation in the Economic Downturn* Live Webcast Seminar (2009).
- Featured Speaker for Minnesota Paralegal Association's Annual Convention. Presentation entitled, "Business Valuation: Understanding the Process" (2009).
- Developed and Instructor for Minnesota Society of Certified Public Accountants' *Business Valuations for CPAs Who Won't Be Preparing Independent Valuations* Course (2009).
- Chairperson and Featured Speaker for Hennepin County Bar Association's *Business Valuation in the Economic Downturn* Live Seminar and Live Webcast (2009).
- Developed and Instructor for Minnesota Society of Certified Public Accountants' *Business Valuations for CPAs in Industry* Course (2009).
- Faculty for Minnesota CLE and Minnesota State Bar Association's *30th Annual Family Law Institute*. Presentation entitled, "Basic Family Law Math: Financial Calculations in Divorce Cases" (2009).
- Moderator for American Society of Appraisers' *19th Annual Business Valuation Conference*. "Riding out the Storm: How Do You Assess Risk and Determine Value in a Turbulent Economy?" (2009).
- Developed and Presented Minnesota CLE's *Business Valuation: What You Really Need to Know* Live Webcast Seminar (2008).
- Featured Speaker for Minnesota Paralegal Association's October meeting. Presentation entitled, "Fundamentals of Business Valuation" (2008).
- Faculty for Minnesota CLE and Minnesota State Bar Association's *29th Annual Family Law Institute*. Panel Presentation entitled, "Working With Business Valuation Experts" (2008).
- Featured Speaker for Hennepin County Bar Association's *What is a Business Worth? What the Numbers Really Mean* Local Seminar and Live National Webcast (2008).

- Faculty for Minnesota CLE and Minnesota State Bar Association's *New Lawyer Experience*. Presentations entitled, "Reading Financial Statements and Tax Returns for Lawyers" (2008).
- Presented (repeat presentation) Minnesota CLE's *Understanding Non-Marital Tracing* Live Webcast Seminar (2007).
- Featured Speaker for Hennepin County Bar Association's *Business Valuation: What Attorneys and Judges Need to Know* Seminar (2007).
- Developed and Presented Minnesota CLE's *Reading Financial Statements and Tax Returns for Lawyers* Live Webcast Seminar (2007).
- Developed and Presented Minnesota CLE's *Introduction to Business Valuation for Attorneys* Live Webcast Seminar (2007).
- Faculty for Minnesota CLE and Minnesota State Bar Association's *28th Annual Family Law Institute*. Presentation entitled, "Understanding Non-Marital Tracing" (2007).
- Faculty for Business Killers' *Avoiding the 6 Mistakes that Can Destroy Your Business and Your Future* Seminar (2007).
- Developed and Presented Minnesota CLE's *Understanding Non-Marital Tracing* Live Webcast Seminar (2007).
- Developed and Presented Minnesota CLE's *Reading Financial Statements and Tax Returns for Lawyers* Live Webcast Seminar (2006).
- Developed and Presented Minnesota CLE's *Introduction to Business Valuation for Attorneys* Live Webcast Seminar (2006).
- Faculty for Minnesota CLE and Minnesota State Bar Association's *27th Annual Family Law Institute*. Presentation entitled, "Case Law Update: Business Assets, Income and Property Issues" (2006).
- Moderator for American Society of Appraisers' *16th Annual Business Valuation Conference*. "Interact and Update: Learn How the Latest Professional Developments Affect Your Appraisal Practice" (2006).
- Moderator for Minnesota CLE and Minnesota State Bar Association's *The Lawyer's Guide to Business Valuations* video replay (2006).
- Faculty and Co-Planner for Minnesota CLE and Minnesota State Bar Association's *The Lawyer's Guide to Business Valuations*. Presentations entitled, "Business Valuations in Divorce Litigation," included personal goodwill as a separate and distinguishable intangible asset, and "Common and Uncommon Mistakes Made by Business Appraisers," included relevant case law, reading and critiquing business valuation reports, and dealing with a valuation expert in a litigation setting (2005).
- Faculty for National Business Institute's *Tax Aspects of Divorce in Minnesota*. Presentation entitled, "Pay Attention to Key Concerns in the Valuation of Closely Held Business Assets" (2005).
- Faculty and Conference Committee Board Member for American Society of Appraisers' *15th Annual Business Valuation Conference*. "Learn Real World Valuation." Panelist in conference session entitled, "Unique Value Assignments, Books of Interest, Management Standards, Personal vs. Business Goodwill, A Case in Point and More."

Presentations entitled, "Unique Assignments" and "Communicating Appraisal Information to Attorneys" (2005).

- Faculty for Minnesota CLE and Minnesota State Bar Association's *26th Annual Family Law Institute*. Presentation entitled, "Case Law Update: Business Assets, Income and Property Issues" (2005).
- Faculty for Minnesota CLE and Minnesota State Bar Association's *25th Annual Family Law Institute*. Presentation entitled, "Case Law Update: Business Assets, Income and Property Issues" (2004).
- Faculty and Conference Committee Board Member for American Society of Appraisers' *14th Annual Business Valuation Conference*. "Experts Learning from Experts." Panelist in conference session entitled, "When Theory and Practice Collide" (2004).
- Faculty for Minnesota State Chapter National Association of Certified Valuation Analysts' *Current Topics in Business Valuation*. Presentation entitled, "Succession Planning: Techniques and Tips for Transferring and Maximizing Wealth" (2003).
- Faculty for National Business Institute's *Tax Aspects of Divorce in Minnesota*. Presentation entitled, "Valuation of a Closely Held Asset," included the mechanics of performing a business appraisal and related Minnesota case law (2003, 2001, 1999 and 1997).

SPECIALIZED EDUCATION

- Attended 11th *Annual MNCPA Business Valuation Conference* (2011).
- Successfully completed American Society of Appraisers' *BV302: Special Topics in the Valuation of Intangible Assets* in Manhattan Beach (2011).
- Attended American Society of Appraisers' *Non-Marketable Investment Company Evaluation (NICE) Income Approach Method* Seminar (2011).
- Attended National Association of Certified Valuation Analysts' *Advanced Techniques for Exceptional Report Writing, Parts I and II* Seminar (2010).
- Attended Minnesota State Chapter National Association of Certified Valuation Analysts' *2010 Current Topics in Business Valuation* Conference (2010).
- Successfully completed National Association of Certified Valuation Analysts' *Matrimonial Litigation Support Workshop* in Washington, D.C. (2010).
- Attended Consultants' Training Institute's *Owners' Compensation in Physician Practice Valuations Seminar* (2010).
- Attended Minnesota Chapter of the American Academy of Matrimonial Lawyers' *Divorce Camp* (2010).
- Attended American Society of Appraisers' *20th Annual Business Valuation Conference*. "Powerful Valuations in a Weak Economy" (2010).
- Successfully completed The Institute of Business Appraisers' *Business Appraisal Review Accreditation Workshop* in Chicago (2009).
- Attended American Society of Appraisers' *Understanding and Valuing Non-Competition Agreements Seminar* (2008).
- Attended VPS/FCG's *Is Morningstar Ibbotson Data Still Relevant? Conference* (2008).
- Attended Compliance Week's *Getting Ready for SFAS 141R, Business Combinations Conference* (2008).

- Attended Consultants' Training Institute's *Using Ibbotson SBBI Database Seminar* (2008).
- Successfully completed Association of Certified Fraud Examiners' *CFE Exam Review Course* in Austin, Texas (2008).
- Successfully completed American Society of Appraisers' *BV301: Valuation of Intangible Assets for Financial Reporting Purposes* in Chicago (2008).
- Attended VPS/FCG's *Cost of Capital: A Consensus View? Conference* (2008).
- Attended 7th Annual MNCPA Business Valuation Conference (2007).
- Attended Minnesota Chapter of the American Academy of Matrimonial Lawyers' *Divorce Camp* (2007).
- Attended Business Valuation Resources' *Active & Passive Appreciation in Divorce Conference* (2007).
- Attended Business Valuation Resources' *Valuing Entertainment Assets Conference* (2007).
- Attended American Society of Appraisers' *17th Annual Business Valuation Conference. "Ever Forward: Learn How the Latest Professional Developments Affect Your Practice"* (2007).
- Attended 6th Annual MNCPA Business Valuation Conference (2006).
- Attended Business Valuation Resources' *The Transaction Method: Uses and Abuses of Market Data Conference* (2006).
- Attended Business Valuation Resources' *Early Stage Company Valuations Conference* (2006).
- Successfully completed all Economic Research Institute coursework and exams, earning the *Compensation Analyst Credential* (2006).
- Attended Dispute Resolution Services' *Mediation Training for Financial Professionals* (2006).
- Attended Business Valuation Resources' *Calculating Goodwill: What is Personal and What is Professional Conference?* (2006).
- Attended Merrill Lynch's *Investment Policy, Asset Allocation and Alternative Investments Seminar* (2005).
- Attended Merrill Lynch's *The Current M&A Market for Selling Businesses, Understanding the Process of Selling Your Business, and Maximizing the Value of Your Business for its Ultimate Sale Seminar* (2005).
- Attended Business Valuation Resources' *Succeeding as an Expert Witness Conference* (2005).
- Attended The National Center for Continuing Education's *Modern Financial Modeling*, including Advanced Workshop Sessions Covering Proper Financial Model Construction Techniques, Present and Future Value Modeling, Capital Budgeting Detailed Analysis and Modeling, Regression Analysis to Identify Key Revenue and Expense Drivers, Balance Sheet and Income Statement Forecasts and Projections, and Valuation Modeling and Analysis (2004).
- Attended 4th Annual MNCPA Business Valuation Conference (2004).
- Successfully completed Center for Advanced Valuation Studies' *CAVSCC: Cost of Capital* sponsored by the American Society of Appraisers in Kansas City (2004).

- ASA Twin Cities Chapter Delegate at *American Society of Appraisers International Appraisal Conference* in Kansas City (2004).
- Attended Business Valuation Resources' *How to Discount for Trapped-In Capital Gains Tax Conference* (2004).
- Attended Northwestern Mutual Financial Network's *Advanced Planning Program*, Including Workshop Sessions Covering Compensation Planning, Estate Planning and Business Planning (2004).
- Attended Business Valuation Resources' *Critical Issues in Divorce Valuation Conference* (2004).
- Attended American Society of Appraisers' *13th Annual Business Valuation Conference* (2003).
- Attended *2nd Annual MNCPA Business Valuation Conference* (2002).
- Attended Minnesota Institute of Legal Education Seminar *Economic Damages* (2002).
- ASA Twin Cities Chapter Delegate at *American Society of Appraisers International Appraisal Conference* in San Diego (2002).
- Attended AICPA Webcast *Implementing FASB 141: A Practical Case Study of a Business Combination* (2002).
- Attended *AICPA National Business Valuation Conference* in Las Vegas (2001).
- Attended *1st Annual MNCPA Business Valuation Conference* (2001).
- Attended Minnesota State Bar Association Continuing Legal Education Seminar *Valuation Litigation: Best Practices for Business, Tax and Transactional Disputes* (2001).
- Attended American Society of Appraisers' *11th Annual Business Valuation Conference* (2001).
- Attended *AICPA National Business Valuation Conference* in Miami Beach (2000).
- Attended American Society of Appraisers' *18th Annual Advanced Business Valuation Conference* in New Orleans (1999).
- Attended Ibbotson Associates' *Business Valuation: Cost of Capital Seminar* (1999).
- Attended CICBV / ASA *Joint Business Valuation Conference* in Montreal, Canada (1998).
- Successfully completed American Society of Appraisers' *BV204: Selected Advanced Topics* in Chicago (1997).
- Successfully completed American Society of Appraisers' *BV203: Business Valuation Case Study* in Denver (1997).
- Successfully completed American Society of Appraisers' *BV202: Introduction to Business Valuation, Part Two* in Chicago (1997).
- Successfully completed American Society of Appraisers' *BV201: Introduction of Business Valuation, Part One* in Chicago (1997).
- Attended American Society of Appraisers' *15th Annual Advanced Business Valuation Conference* in Memphis (1996).
- Attended MNCPA *Applying Valuation Techniques Seminar* (1996).
- Attended National Business Institute Seminar, Including Sessions Covering Tax Aspects of Divorce in Minnesota and Valuation of a Closely Held Business Asset (1996).