



## **Kelly R. Johnson, MBA, CPA, ABV, CFF**

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### **PROFESSIONAL HISTORY**

Mr. Johnson has 25 years of experience in calculating damages, performing business valuations, forensic accounting and insurance claim services. Mr. Johnson is a managing member of Norman, Townsend & Johnson, LLC. The firm specializes in accounting, valuation, forensic accounting and economic loss consulting.

In his practice, Mr. Johnson has been engaged more than 1,800 times by attorneys, business executives, claim adjusters, and government officials to provide consulting and expert witness services. Mr. Johnson has testified more than 200 times regarding economic losses, valuation, fraud and accounting issues before Federal and State Courts, government boards and commissions, and in arbitrations and depositions.

Mr. Johnson started his career in the Management Consulting Services department in the Salt Lake City office of KPMG Peat Marwick. Mr. Johnson was employed by KPMG Peat Marwick in 1989 and 1990. Mr. Johnson was employed by Norman/Loebbecke Associates from 1990 through 2002. Since 2002, Mr. Johnson has been employed continuously by Norman, Townsend & Johnson, LLC.

### **PROFESSIONAL DESIGNATIONS**

Certified Public Accountant (CPA), Utah, 1991.

Accredited in Business Valuation (ABV), American Institute of Certified Public Accountants, 1999.

Certified in Financial Forensics (CFF), American Institute of Certified Public Accountants, 2009.

### **PROFESSIONAL MEMBERSHIPS**

Member of the American Institute of Certified Public Accountants, 1991 - present.

Board Member of the Salt Lake Estate Planning Council, 2002 - 2004.

## EDUCATION AND TRAINING

M.B.A., Marriott School of Management, Brigham Young University, Provo, Utah, 1989.

B.S. - Accounting, Weber State College, Ogden, Utah, 1987.

Completed 108 hours of business valuation classroom course work sponsored by the American Society of Appraisers.

Successfully passed the four examinations proctored by the American Society of Appraisers for business valuation competency.

## AREAS OF EXPERIENCE

**Business Valuation.** Mr. Johnson has valued hundreds of businesses in a wide variety of industries and for various purposes including gift and estate tax planning, buy-sell agreements, ESOP plans, stockholder disputes, SFAS 142, SFAS 121, 409A, partnership disputes, divorce proceedings and other litigation matters. Mr. Johnson has also prepared valuations on behalf of buyers and sellers of business interests.

A small sample of Mr. Johnson's business valuation experience includes the following engagements.

- Calculated the value of partnership interest in a company that owned two gas and service stations.
- Determined the value of goodwill in precision manufacturing company for compliance with SFAS 142.
- Determined the value of an auto parts company as part of a marital estate.
- Determined the value of an orthopedic surgeon's medical practice as part of a marital estate.
- Prepared an opinion of value of a member interest in a LLC with a net asset value of \$90 million.
- Calculated the value of a software development company.
- Calculated the value of a specialty construction company in a stockholder dispute action.
- Determined the value of a large regional architecture firm for the issuance of common stock to employees and in order to update various buy/sell agreements involving the company's stock.
- Assisted the sellers of three large physical therapy practices establish value for use in negotiations with potential buyers.
- Assisted the buyer of a plastic surgery medical practice establish value for use in negotiations with the seller.
- Assisted in valuation of 36 nursing homes located in Kansas and Utah.

**Forensic and Investigative Accounting.** Mr. Johnson has been involved in cases involving fraud prosecution and defense. Mr. Johnson has been engaged to detect and document fraud and to identify the sources and uses of money through the analysis of bank accounts and other documentation. He has also been retained to reconstruct accounting records.

A small sample of Mr. Johnson's forensic and investigative accounting experience includes the following engagements.

- Reconstructed the annual accounting and financial records of a \$43 million trust fund for the years 1958-1994. This work was done for the trustee of the fund.
- In several securities fraud cases, Mr. Johnson traced the flow of investor money to determine amounts used for legitimate business purposes and amounts converted to personal assets.
- Performed several fraud audits to determine the amount of money misappropriated by employees through the use of fictitious vendors and employees.
- Performed fraud audits to determine the amount of money misappropriated by employees through the alteration and issuance of duplicated company checks.
- Analyzed the accounting and financial records of a debt management company to identify misappropriated customer deposits.
- For a product development company, investigated the amount of investor proceeds used to develop the product and the amount used by the owner for personal expenses and purchase of personal assets.
- Prepared insolvency analysis and preferential payment analysis.

**Economic Loss Calculations.** In hundreds of cases, Mr. Johnson has experience calculating economic losses resulting from business interruption, breach of contract, intellectual property infringement, construction defects and delays, lender liability and anti-trust. He has experience calculating these types of losses for companies operating in a variety of industries.

**Personal Injury/Wrongful Death/Wrongful Termination/Discrimination.** Mr. Johnson has been retained hundreds of times to determine economic losses resulting from personal injury, wrongful death, wrongful termination and discrimination. His experience includes calculation of lost income, lost fringe benefits, lost household services and future medical expenses. Mr. Johnson is frequently retained to assist legal counsel by reviewing and critiquing economic loss calculations prepared by other experts. Mr. Johnson's engagements have been divided approximately 40 percent with plaintiffs and 60 percent with defendants.

**Insurance Claims.** Mr. Johnson works with insurance adjusters and attorneys to determine proper amounts payable under insurance policy coverages. Mr. Johnson has calculated lost business income, determined amounts of employee misappropriation and determined the value of inventory losses.

**Trustee.** Mr. Johnson has been retained or appointed by the Court to act as a trustee. Responsibilities include safeguarding assets, dispersing trust moneys to beneficiaries, liquidating trust assets, and accounting for trust financial activities.

**Restitution Fund Administrator.** Upon Court appointment, Mr. Johnson has collected restitution funds, distributed available funds to victims, and accounted for restitution fund collections and disbursements.

**Feasibility Studies.** Projected operating results and debt service coverage of proposed purchases of businesses. Analysis included financial projections, market research, interviews of key personnel, and site visits. Wrote reports giving findings.

**Statistical Analysis.** Determined damages or liability in litigation or other matters through the use of statistically valid sampling techniques.

**Financial Institution Troubled Loan Analysis.** Performed troubled loan analysis through independent review of bank and debtor accounting records. Monitored cash flow, interest and principal allocation, and payment preferences.

## INDUSTRY EXPERIENCE

Mr. Johnson's experience includes engagements in the following industries:

- Software Development
- Pharmaceuticals
- Financial Institutions
- Automobile Dealerships
- Exercise Equipment
- Legal Services
- Signs and Displays
- Railroad
- Food Services
- Residential Painting
- Clothing Manufacturing
- Circuit Board Manufacturing
- Excavation Construction
- Automobile Care Products
- Material Handling Equipment
- Construction
- Biotechnology
- Nursing Homes
- Medical Practices
- Horticulture
- Automobile Accessories
- Printing
- Financial Institutions
- Retail Sales
- Accounting Services
- Video Rental
- Tourist Services
- Medical Billing Services
- Gravel and Asphalt
- Chemical Production
- Refrigeration
- Credit Repair
- Airline Flight Attendants
- Meat Packing
- Printed Circuit Boards
- Industrial Painting
- Property Leasing
- Automobile Rentals
- Confectionery Products
- Janitorial Supplies
- Time Share Sales
- Educational Services
- Property Development
- Debt Management
- Building Materials
- Supermarkets
- Precision Machining
- Telemarketing
- Mining Equipment
- Gold Mining
- Steel Mills
- Computer Equipment
- Defense Contracting
- Home Furnishings
- Advertising
- Equipment Rental
- Fruit Farms
- Commercial Trucking
- Employee Leasing
- Insurance Services

## **INSTRUCTOR/AUTHOR**

Seminar Instructor, “Economic Loss Calculations Losses,” Utah Paralegal Association, June 2012.

Seminar Instructor, “Lost Business Income Calculations,” Utah Claims Managers Association, 2010.

Seminar Instructor, “Forensic Accounting - White Collar Crime Cases,” 14<sup>th</sup> Annual White Collar Crime Conference, 2007.

Seminar Instructor, “Calculating Lost Business Income,” Utah Claims Adjusters Association, (UCAA), 2006.

Seminar Instructor, “Discounts in FLPs and LLCs,” National Association of Personal Financial Advisors (NAPFA), 2005.

Seminar Instructor, “Business Valuations and Discounts,” Family Operated Enterprise Roundtable, University of Utah, 2005.

Seminar Instructor, "Forensic Accounting and Financial Crimes," Joint State/Federal Financial Crimes Task Force, 2005.

