

## Gary R. Johnstone, CPA/ABV, CFA

With more than 45 years of experience in finance and accounting, Gary provides quantitative financial and investment analyses to public and private companies as well as foreign governments, with deep expertise in valuing intangible assets and equity interests for regulatory reporting and compliance. His work includes valuations under 409A, ASC 805 (business combinations), ASC 350 (goodwill and other intangibles), and ASC 718 (stock compensation), and he is widely regarded as an expert in public-private investments in the high-tech sector and in the evaluation and development of start-up enterprises.

### Credentials & Expertise

#### Expertise

- ◆ SEC
- ◆ Valuations
- ◆ Common equities
- ◆ Intangible assets
- ◆ Purchase price allocations
- ◆ Public/private investments
- ◆ Capital requirements
- ◆ Expert testimony/litigation support

#### Highlights

- ◆ As **Managing Director** was responsible for providing valuation consulting services to private and publicly traded companies for issues such as common equity, intangible assets and shareholder equity, among others. Also provided expert testimony and consulting services for litigation support engagements.
- ◆ As **Manager, Valuation Practice** was responsible for valuation analyses of common equity and technology-related intangible assets for financial reporting purposes including purchase price allocations. Assisted auditors with testing the reasonableness of fair value estimates of equities and acquired intangible assets. Worked directly for the national director of in-process research and development valuation and participated in the high tech industry practice in Southern California.

#### Achievements

- ◆ Provided consulting services to emerging and middle-market companies on mergers, acquisitions and strategic planning issues.
- ◆ Specialized in the valuation of intangible assets for regulatory purposes including financial reporting by private and publicly traded companies.
- ◆ Performed valuations and damage calculations for securities class action litigations.
- ◆ Managed a network of 120 executive volunteers who provided pro bono management consulting to minority and women-owned businesses in Los Angeles County.

#### Associations & Certifications

- ◆ Chartered Financial Analyst, CFA Institute
- ◆ American Institute of Certified Public Accountants – accreditation in business valuation
- ◆ Certified Public Accountant - State of California

#### Education

- ◆ BS in Business Administration with a concentration in finance, University of Southern California, School of Business
- ◆ MBA with a concentration in accounting/finance, University of Southern California, Graduate School of Business

For over 15 years, BGA has proudly filled the gap that often exists between accounting firms striving to maintain independence and their clients. We understand the compliance requirements and needs of our public and private clients. Our unwavering commitment to excellence has enabled us to assist thousands of domestic and international companies with everything from complex M&A transactions to IPOs and technical accounting for financial reporting.

## Gary R. Johnstone, CPA/ABV, CFA

### Expert Testimony and Presentations

- ◆ Visiting Lecturer, Chapman University, Orange California, November 2011 – Entrepreneurial Finance
- ◆ Robin Stark v. Commissioner, May 2009, U.S. Tax Court, Expert Testimony, Fair Market Value of Intellectual Property.
- ◆ Practicing Law Institute, April 2009, Webcast: "FAS 157: Recent Authoritative and Non-Authoritative Guidance"
- ◆ Hedman Partners, April 2009, In-Firm Presentation: "Volatility, the VIX Index and Marketability Discounts"
- ◆ Kenneth Rosenblood vs. Discus Dental, Inc., January 2009, Superior Court of the State of California for the County of Los Angeles
- ◆ Haskell & White, LLP, December 2008, "FAS 157: Fair Value Framework" and "FAS 141R: Purchase Price Allocation Update"

### Experience



Valuation & Venture Consulting ◆ Managing Director – 2000 to 2008 and 2010 to Present

- ◆ Performed valuation analyses of common equity and intangible assets for financial reporting purposes (i.e., public filings with the Securities and Exchange Commission) and tax purposes (i.e., Internal Revenue Service). Valuation analyses included the valuation of business enterprises, shareholder equity and intangible assets (e.g., patents and trademarks).
- ◆ Supplied expert testimony and consulting services for litigation support engagements.
- ◆ Provided valuation consulting services to private and publicly traded companies including proprietary value creation consulting service.
- ◆ Financial reporting engagements included but were not limited to ASC 805 (business combinations), ASC 350 (intangibles – goodwill and other) and ASC 713 (formerly known as FAS 123R – compensation – stock compensation).



FMV ◆ Senior Vice President – 2008 to 2010

- ◆ Performed valuation analyses of common equity and intangible assets for financial reporting purposes (i.e., public filings with the Securities and Exchange Commission) and tax purposes (i.e., Internal Revenue Service). Valuation analyses included the valuation of business enterprises, shareholder equity and intangible assets (e.g., patents and trademarks).
- ◆ Provided expert testimony and consulting services for litigation support engagements.



Deloitte ◆ Manager, Valuation Practice – 1998 to 2000  
Senior, Tax Department – 1989 to 1992

Manager, Valuation Practice

- ◆ Worked directly for the national director of in-process research and development valuation and participated in the high tech industry practice in Southern California.

## Gary R. Johnstone, CPA/ABV, CFA

### Experience

- ◆ Performed valuation analyses of common equity and technology-related intangible assets for financial reporting purposes. Valuation analyses included purchase price allocations under Accounting Principles Board No. 16 (business combinations) and No. 17 (intangible assets), and Statement of Financial Accounting Standard No. 121 (accounting for the impairment of long-lived assets).
- ◆ Assisted auditors with testing the reasonableness of fair value estimates of equity and acquired intangible assets under Statement on Auditing Standards No. 73 (using the work of a specialist).

#### Senior, Tax Department

- ◆ Supervised audits of financial statements and prepared federal and state tax returns for clients in various industries.

**Princeton Venture  
Research, Inc.**

Princeton Venture Research, Inc. ◆ Senior Financial Analyst – 1995 to 1998

- ◆ Prepared written expert reports detailing analyses of financial statements (accounting) fraud for securities class action litigation. Analyses included detailing the materiality, relevance and damages of accounting fraud to investors in a particular company's common stock (Securities Act of 1933 and Securities Exchange Act of 1934). In some cases, provided courtroom (trial) testimony.
- ◆ Advised attorneys on matters of accounting fraud and damages during various stages of securities class action litigation (i.e., from filing a complaint to settlement). Research materials included brokerage analyst reports, accounting literature and public filings of the public company as well as historical information on the capital markets (e.g., stock prices).

 **Kuwait  
Ministry  
of Finance**

Kuwait Ministry of Finance ◆ Senior Financial Analyst – 1993 to 1994

- ◆ Worked in the Counter-Trade Offset Program.
- ◆ Performed feasibility analyses for proposed public-private business ventures offered to the Ministry of Finance.
- ◆ Negotiated capital requirements for new business ventures.
- ◆ Trained Kuwaiti staff in finance and accounting.

 **LOS ANGELES JUNIOR  
CHAMBER OF COMMERCE**

Los Angeles Junior Chamber of Commerce ◆ Director, LA Business Community Network – 1992 to 1993

- ◆ Member of the Rebuild LA Business Development Committee.
- ◆ Managed a network of 120 volunteers who provided pro bono management consulting to minority and women-owned businesses in Los Angeles County.

## Gary R. Johnstone, CPA/ABV, CFA

### Experience

*Financial Network Investment Corporation*

Financial Network Investment Corporation ◆ Analyst – 1985 to 1988

- ◆ Performed due diligence (compliance) analyses on money management firms and mutual fund companies (investment companies).
- ◆ Proposed investments in limited partnerships in real estate and equipment leases.
- ◆ Analyses included interviews with key financial management and review of performance measurements and reporting compliance.



Merrill Lynch ◆ Account Executive – 1979 to 1983

- ◆ Managed stock and bond portfolios for high net-worth individuals and corporations.
- ◆ Provided financial advice to clients.

### Contact Us

Blythe Global Advisors, LLC

Blythe Global Advisors is headquartered in Southern California with a broad geographic reach across the United States via the BlytheTeam®

949-757-4180

bga@blytheglobal.com  
www.blytheglobal.com

Follow Us

