

## Client Prevails in Court Proceedings Due to FFG's Economic Valuation Expertise

In our Summer 2018 Newsletter, we had discussed how FFG's expertise in the appraisal of exotic financial instruments helped one of our clients, Real Industry, Inc., significantly lower their liabilities associated with bankruptcy proceedings. In this issue of FFG's newsletter, we would like to share another example of how FFG's valuation and expert testimony services assisted our client in lowering the liability in a shareholder dispute.

FFG was retained by a client in the fitness center industry as an economic expert to perform valuation and litigation support services in connection with a lawsuit filed by one of the minority shareholders of the Company. The valuation involved review and consolidation of several subsidiaries of the holding company.

The Company had two main lines of business which had to be valued separately due to the different underlying growth and risk factors associated with the business models. The financial forecasts provided by the client were deemed aggressive and appropriate adjustments were made to produce reasonable projections based on the Company's position in its life cycle and overall industry dynamics. An extensive industry analysis was conducted to come up with reasonable forecasts to be utilized in the valuation model to support the conclusion.

The underlying assumptions and overall valuation methodology utilized by FFG and the opposing expert were deliberated in detail during court proceedings. FFG was represented by Mr. Jason Forsyth during court hearings. Our client incurred no damages as a result of the jury's verdict.

We congratulate our client and invite you to discuss any of your valuation matters with our team to assess how we may be able to assist you.

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