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DOCKET NO. 52542

PETITION OF MESQUOAKEE RANCH,	§	PUBLIC UTILITY COMMISSION
LLC TO AMEND MARILEE SPECIAL	§	
UTILITY DISTRICT'S CERTIFICATE	§	OF TEXAS
OF CONVENIENCE AND NECESSITY	§	
IN COLLIN COUNTY BY EXPEDITED	§	
RELEASE	§	

COMMISSION STAFF'S SUBMISSION OF APPRAISAL REPORT

The Staff (Staff) of the Public Utility Commission of Texas (Commission) respectfully submits the attached appraisal report of the Commission-appointed appraiser, pursuant to Texas Water Code § 13.2541(i) and 16 Texas Administrative Code (TAC) § 25.245(i)(2)(B). Order No. 5 in this proceeding provided that this appraisal report was due to be filed within 100 days after the Commission approved the streamlined expedited release. The Commission approved the streamlined expedited release on May 26, 2022. Therefore, this pleading is timely filed.¹

¹ 100 days after May 26, 2022 is September 3, 2022, which is a Saturday. Therefore, the deadline moves to the next day the Commission is open for business, in accordance with 16 TAC § 22.4(a).

Dated: September 6, 2022

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION**

Keith Rogas
Division Director

Sneha Patel
Managing Attorney

/s/ Scott Miles
Scott Miles
State Bar No. 24098103
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DOCKET NO. 52542

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record on September 6, 2022, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Scott Miles
Scott Miles

September 6, 2022

Mr. Scott Miles
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***Re: Third-Party Appraiser - Public Utility Commission Docket No. 52542
Petition of Mesquoakee Ranch, LLC to Amend Marilee Special Utility District's
Certificate of Convenience and Necessity in Collin County by Expedited Release***

Dear Mr. Miles, Mr. Carlton and Ms. Scott:

I have been selected by the Public Utilities Commission of Texas to render opinions in the referenced matter regarding the Petition of Mesquoakee Ranch, LLC to Amend Marilee Special Utility District's Certificate of Convenience and Necessity in Collin County by Expedited Release (the "Decertification"). In this matter, the utility selected the appraisal firm of NewGen Strategies and Solutions ("NewGen") and the Petitioner selected the appraisal firm of Willdan Financial Services ("Willdan").

Purpose and Scope

Pursuant to Texas Water Code (TWC) § 13.2541(i), when the landowner and utility cannot come to an agreement as to an appraiser, Staff must select a third appraiser to assess the monetary amount of compensation, if any, that is due to the utility as a result of the release of landowner's property from its certificate of convenience and necessity. Compensation for your work would be paid by the landowner and the utility in equal shares. Under TWC § 13.2541(i), the determination made by the appraiser appointed by the Commission may not be less than the lower appraisal or more than the higher appraisal.

This report addresses our analyses and conclusions.



Education, Experience, and Training

I received a Bachelor of Science Degree in Petroleum Engineering and a Master of Business Administration, both from the University of Texas at Austin. Over my thirty-year professional career, I have focused on financial analyses, business and asset valuation, and litigation support. I have also testified in numerous regulated utility matters.

I am both a Chartered Financial Analyst (CFA) and a Certified Public Accountant (CPA) in the State of Texas. In addition to the above, I hold the following professional designations:

- Accredited in Business Valuation (ABV),
- Certified in Financial Forensics (CFF),
- Certified Mineral Appraiser (CMA), and
- Certified in Entity and Intangible Valuations (CEIV).

A current copy of my curriculum vitae is attached as **Appendix A** to this report.

Information Received

As part of my analysis and developing this report, I have reviewed certain documents provided to me by the appraisers.

Compensation Analysis

My analysis is based on determining the just and adequate compensation required to Marilee Special Utility District as of August 4, 2022 (the "Valuation Date").

The factors ensuring just and adequate compensation under Title 16 Texas Administrative Code § 24.245(j) (Factor 1) and Texas Water Code §13.254(g) (Factors 2-8) include:¹

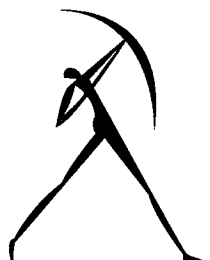
1. The value of real property owned and utilized by the retail public utility for its facilities (based on standards set forth in Chapter 21, Property Code, governing actions in eminent domain).
2. The amount of the retail public utility's debt allocable for service to the area in question;
3. The value of the service facilities of the retail public utility located within the area in question;
4. The amount of any expenditures for planning, design, or construction of service facilities that are allocable to service to the area in question;
5. The amount of the retail public utility's contractual obligations allocable to the area in question;

¹ See:

[https://texreg.sos.state.tx.us/public/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=2&ch=24&rl=245](https://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=16&pt=2&ch=24&rl=245).

See also:

<https://statutes.capitol.texas.gov/Docs/WA/htm/WA.13.htm>.



6. Any demonstrated impairment of service or increase of cost to consumers of the retail public utility remaining after the decertification;
7. The impact on future revenues lost from existing customers;
8. Necessary and reasonable legal expenses and professional fees; and
9. Other relevant factors.

My analysis and opinions of these factors, as well as the summarized opinions of the NewGen and Willdan appraisers, are discussed in the following sections.

Factor 1: The value of real property owned and utilized by the retail public utility for its facilities.

NewGen Opinion:

There is no compensation due related to this factor since there is no real property being transferred as a result of the Decertification nor any real property rendered useless or permanently under-utilized.

Willdan Opinion:

There is no compensation due related to this factor since there is no real property being transferred nor rendered useless or permanently under-utilized.

Scheig Opinion:

Given that no real property is being transferred, nor any real property rendered useless or permanently under-utilized, there would be no compensation due.

Factor 2: The amount of the retail public utility's debt allocable for service to the area in question.

NewGen Opinion:

Marilee SUD issued debt to fund the planning, design, and construction of facilities to provide water service to existing and future customers within its CCN. Marilee SUD provided annual financial statements that summarize the annual debt service payments on all outstanding debt. If the Decertification had not occurred, Marilee SUD would have been able to recover a portion of the fixed debt service costs from future connections within the Decertified Area.

NewGen based its analysis on the reported active water connection count of 2,592, 714 of which represented connections for the Decertified Area. NewGen calculated the debt service allocated to the Decertified Area by multiplying the annual allocation of debt service to each retail connection. This dollar amount was multiplied by the additional connections that are projected to be built out in the Decertified Area, less the projected annual new connections in the Facilities Nearby Decertified Area, on a cumulative basis.



*The debt service allocated to the Decertified Area by year was discounted to present value using a 2.52% discount rate based on the approximate cost of debt for Marilee SUD per its financial statements that were made available. Marilee SUD is a non-profit political subdivision, does not have equity shareholders, and does not operate to deliver a monetary return from its capital investments. Therefore, Marilee SUD's cost of capital is equal to its cost of debt of 2.52%. Based on this discount rate, the present value of the debt service allocated to the Decertified Area was determined to equal **\$63,506**.*

Willdan Opinion:

Marilee has no facilities and/or customers within the subject area, nor has Marilee performed acts or supplied any service to the subject area. While Marilee may have outstanding debt, no detailed information regarding the specific projects and improvements that were funded through existing outstanding debt service, if any has been provided.

Marilee has not provided any specific documentation regarding forecast growth in the CCN area and has therefore failed to prove that any of their general investment in system assets (or any debt used to fund such investment) was for the purpose of serving anticipated growth in the CCN area. Further, it is our understanding that the holder of the property does not intend to develop the property in the foreseeable future if Marilee were to continue to possess the CCN.

Therefore, any attempt to "allocate" any existing Marilee debt service to non-existent "future customers" based on a hypothetical calculation of future growth in the CCN area would be unreasonable, excessively speculative, and invalid. Marilee has presented no evidence to support the contention that any of their system investment is specifically for the CCN area, and not for general maintenance, replacement, or growth in other areas of Marilee's CCN. It would be inappropriate to compensate Marilee in real dollars based on hypothetical allocations, unproven growth estimates, and "future customers" who do not exist and are not guaranteed to ever exist.

Additionally, the 2021 Region C Water Plan dated November 2020 refutes any argument that capacity in Marilee's existing system including water supply purchases and distribution facilities would be "stranded" or lose value due to the Decertification of this portion of the CCN.

Therefore, there is no compensation due related to this factor.



Scheig Opinion:

For this factor, Willdan failed to develop any analyses. NewGen's approach to considering the system debt service per connection makes sense. In their analyses, NewGen calculated a value of \$63,506. However, this was driven in part by the Texas Water Development Board's 2021 Regional Water Plan – Population Projections for 2020-2070 for Water Users Groups by Region and County, dated March 28, 2019. However, since this report was published in 2019, two major obstacles to housing starts have become significant: supply chain delays and higher interest rates.

According to an August 16, 2022, Bloomberg article:²

The once-booming US housing market is sputtering. Construction starts fell in July to the slowest pace since early 2021 as single-family homebuilding tumbled, according to government data released Tuesday. Meanwhile canceled deals rose as buyers continued to back away from the market amid rising mortgage rates, according to an analysis by Redfin Corp.

To analyze the effects of this slow down, I first replicated the key parts of the NewGen Analysis (Schedule 2). The NewGen report assumes that a net 174 new connections would be built within the Decertified Area in 2023 and these new connections would help service Marilee's existing debt service.

I then developed Schedule 3 in which I show it needing two years to reach that level of new connections, given the higher interest rate environment that is negatively impacting home starts. Therefore, I reflected half of the new connections in 2023 and half in 2024.

As shown in Schedule 3, this results in a debt allocation of \$56,634, as compared to NewGen's \$63,506.

Factor 3: The value of the service facilities of the retail public utility located within the area in question.

NewGen Opinion:

There is no compensation due related to this factor since Marilee's waterlines are not being transferred as a result of the Decertification and are also not providing service to the Decertified Area as determined by the PUCT. Additionally, NewGen

2 <https://www.bloomberg.com/news/articles/2022-08-16/us-housing-starts-decline-to-lowest-level-since-early-2021#:~:text=The%20government's%20report%20showed%20single,fell%20to%20530%2C000%20in%20July.>



has not been made aware of any facilities rendered permanently useless or under-utilized as a result of the Decertification.

Willdan Opinion:

Marilee does not maintain service facilities on the subject area. While Marilee does have three water lines running through the Decertified Area, the water lines are not being transferred as a result of the Decertification and they are not providing service to the Decertified Area as determined by the Commission. Therefore, there is no compensation due related to this factor.

Scheig Opinion:

Based on my review of the two appraisal reports and the underlying data in this matter, I agree there is no compensation due related to this factor.

Factor 4: The amount of any expenditures for planning, design, or construction of service facilities that are allocable to service to the area in question.

NewGen Opinion:

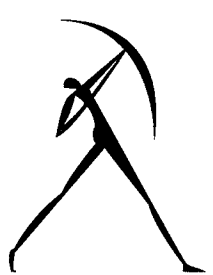
NewGen is not aware of any expense incurred due to the development of any master plan or engineering design specific to Docket 52542.

Willdan Opinion:

As Marilee did not provide any documentation to the contrary, it is assumed that additional investment and additional action would be necessary to provide and expand the utility's service to the subject area. I have seen no evidence that expenditures associated with the planning, design, or construction of service facilities can be allocable to the area to be decertified. Therefore, there is no compensation due related to this factor.

Scheig Opinion:

Based on my review of the two appraisal reports and the underlying data in this matter, I agree there is no compensation due related to this factor.



Factor 5: The amount of the retail public utility's contractual obligations allocable to the area in question.

NewGen Opinion:

There is no compensation due related to this factor since Marilee SUD is not paying for any water allocable to the area in question; NewGen does not have evidence of any increased cost to remaining customers as a result of the Decertification; and the PUCT has determined the Decertified Area is not currently receiving water service.

Willdan Opinion:

There is no compensation due related to this factor since Marilee does not have any existing customers or infrastructure located within the subject area. Any "future customer" calculation would be hypothetical and would not be guaranteed. I would not recommend awarding compensation to Marilee based on a calculation of non-existing future customers who may never exist. It would be unreasonable to allocate any existing contractual obligations to the removed area.

Scheig Opinion:

Based on my review of the two appraisal reports and the underlying data in this matter, I agree there is no compensation due related to this factor.

Factor 6: Any demonstrated impairment of service or increase of cost to consumers of the retail public utility remaining after the decertification.

NewGen Opinion:

NewGen did not identify the need for any incremental compensation related to this factor since it is not aware of any reasons the infrastructure would be impaired or permanently underutilized as a result of the Decertification. There was no demonstrated impairment of service, and the only potential source of increased cost to remaining Marilee customers was addressed under other compensation factors.

Willdan Opinion:

There are no current customers or facilities within the subject area, and the evidence in Factor 1 leads to the reasonable conclusion that no growth or development would be expected in the CCN area for the foreseeable future if Marilee were to continue to possess the CCN. Any "future customer" calculation would be hypothetical and would not be guaranteed. I would not recommend awarding compensation to Marilee based on a calculation of non-existing future customers who may never exist.



Therefore, it is my opinion that there is no evidence of impairment of services and/or increase in costs to the remaining customers of Marilee as a result of Decertification. No current customers contribute to fixed cost recovery currently from the subject area, and there is no reasonable expectation of future development that will lead to future customers contributing to fixed cost recovery. As a result, there is no compensation due related to this factor.

Scheig Opinion:

Based on my review of the two appraisal reports and the underlying data in this matter, I agree there is no compensation due related to this factor.

Factor 7: The impact on future revenues lost from existing customers.

NewGen Opinion:

There is no compensation due related to this factor since there are no existing customers being taken from Marilee as a result of the Decertification.

Willdan Opinion:

There are no existing customers within the subject area as specifically stated in the Findings of Fact. Therefore, there is no loss of future revenues from existing customers in the area, and there is no compensation due related to this factor.

Scheig Opinion:

Based on my review of the two appraisal reports and the underlying data in this matter, I agree there is no compensation due related to this factor.

Factor 8: Necessary and reasonable legal expenses and professional fees.

NewGen Opinion:

The total compensation for this factor is \$9,550 based on the estimated legal expenses and professional fees that NewGen was provided. However, compensation for this factor may need to be updated if additional legal or professional expenses are identified or incurred.

Willdan Opinion:

Marilee is entitled to recovery of any necessary and reasonable legal expenses related to its participation in Docket No. 52542, along with professional fees (excluding the cost of its independent appraisal) incurred in preparing its determination of compensation.

At this time, I do not have any information regarding any legal expenses or professional fees incurred by Marilee. I recommend that the Commission order



Marilee to produce invoice documentation in support of any requested legal expenses and professional fees, as well as specific justification for the reasonableness of such expenses. Based on that evidence provided by Marilee, the Commission should make a determination as to whether Marilee is entitled to reimbursement for legal and professional expenses, and if so, the total amount of such reimbursement.

Scheig Opinion:

Given that NewGen had better access to information from Marilee than Willdan in this matter, I agree with their compensation for this factor of \$9,550.

Factor 9: Other relevant factors.

NewGen Opinion:

NewGen did not identify any other relevant factors requiring compensation.

Willdan Opinion:

There are currently no assets located within the area to be decertified. Marilee would incur additional capital cost to provide service to the subject area.

No growth or development would be expected in the CCN area for the foreseeable future if Marilee were to continue to possess the CCN. This undermines any argument that any of Marilee's existing capacity is for the purpose of serving the CCN area.

Analysis and research of other transactions since 2015 shows that, other than an allowance for "necessary and reasonable legal expenses and professional fees," the vast majority of the transactions identified resulted in a PUC Order of no compensation due.

I am unaware of any other relevant factors for determining just and adequate compensation.

Scheig Opinion:

Based on my review of the two appraisal reports and the underlying data in this matter, I agree there is no compensation due related to this factor.



CONCLUSION

Based on my review of the information provided and my analyses, it is my opinion that the appropriate amount of compensation owed to Marilee S.U.D. as a result of the streamlined expedited release of the Property/Decertification is **\$66,184**, as shown in Schedule 1 to this report.

I reserve the right to update my analyses and opinions upon receipt of additional information. My analyses and evaluation are based upon market, economic, and other considerations as they existed as of the time of this report.

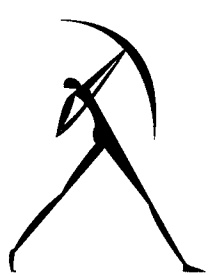
In performing my analyses, I used various financial and other information provided to the two appraisers, as well as market information obtained from other private and public sources. I relied on the accuracy and completeness of this information. I have not been engaged to compile, review, or examine such information in accordance with standards established by the American Institute of Certified Public Accountants. Accordingly, I do not express an opinion or any other form of assurance therein.

I am independent of Marilee S.U.D and Mesquoakee Ranch, LLC and their respective legal counsel. I have no current or prospective economic interest in the results of my analysis. Vantage Point Advisors is being compensated for my work at a rate of \$445 per hour. This compensation to Vantage Point Advisors in no way influenced the results of my analysis.

Respectfully submitted,



Gregory E. Scheig, CPA/ABV/CFF, CFA, CEIV
Managing Director
Vantage Point Advisors, Inc.



Schedules

Summary of Compensation

Schedule 1

Factor	Utility Marilee SUD	Petitioner Mesquoakee Ranch	Vantage Point Advisors
	NewGen	Willdan	
1 The value of real property owned and utilized by the retail public utility for its facilities.	\$0	\$0	\$0
2 The amount of the retail public utility's debt allocable for service to the area in question.	\$63,506	\$0	\$56,634
3 The value of the service facilities of the retail public utility located within the area in question.	\$0	\$0	\$0
4 The amount of any expenditures for planning, design, or construction of service facilities that are allocable to service to the area in question.	\$0	\$0	\$0
5 The amount of the retail public utility's contractual obligations allocable to the area in question.	\$0	\$0	\$0
6 Any demonstrated impairment of service or increase of cost to consumers of the retail public utility remaining after the decertification.	\$0	\$0	\$0
7 The impact on future revenues lost from existing customers.	\$0	\$0	\$0
8 Necessary and reasonable legal expenses and professional fees.	\$9,550	\$0	\$9,550
9 Other relevant factors.	\$0	\$0	\$0
Total Compensation Due	\$73,056	\$0	\$66,184

Marilee Debt Service Analyses - NewGen Starting Point

Schedule 2

Note Payable - GTUA [1]				Revenue Note - Series 2013 [1]			Total Debt Service
Year	Principal	Interest	Debt Service	2.52% Principal	Interest	Total	
2021	43,000	\$10,583	\$53,583	150,000	\$22,554	\$172,554	\$226,137
2022	44,000	\$9,859	\$53,859	155,000	\$18,711	\$173,711	\$227,570
2023	45,000	\$9,052	\$54,052	160,000	\$14,742	\$174,742	\$228,794
2024	46,200	\$8,161	\$54,361	165,000	\$10,647	\$175,647	\$230,008
2025	49,800	\$4,979	\$54,779	170,000	\$4,347	\$174,347	\$229,126
2026	49,800	\$4,979	\$54,779	170,000	\$4,347	\$174,347	\$229,126
2027	49,800	\$4,979	\$54,779				\$54,779
2028	49,800	\$4,979	\$54,779				\$54,779
2029	49,800	\$4,979	\$54,779				\$54,779
2030	53,600	\$1,329	\$54,929				\$54,929

Fiscal year	Total System Beginning of Year Connection Count	Growth on Facilities Nearby Decertified Area [2]	Remaining System Organic Growth	Total System End of Year Connection Count	Debt Service Per Connection
2021					
2022	2,592	2	6	2,600	\$ 87.53
2023	2,600	176	6	2,782	\$ 82.24
2024	2,782		7	2,789	\$ 82.47
2025	2,789		7	2,796	\$ 81.95
2026	2,796		7	2,803	\$ 81.74
2027	2,803		7	2,810	\$ 19.49
2028	2,810		7	2,817	\$ 19.45
2029	2,817		7	2,824	\$ 19.40
2030	2,824		7	2,831	\$ 19.40

Allocation of Debt Service to Decertified Area
Connection Count Approach

Decertified Area Annual Allocation of DS Payments	2022	2023	2024	2025	2026	2027	2028	2029	2030
New Connections		176							
Less New Connections on Remaining System		-2	-2	-2	-2	-2	-3	-3	-3
Total Annual Allocable Connections in Decertified Area	-	174	172	170	168	166	163	160	157
Debt Service Per Connection		\$82.24	\$82.47	\$81.95	\$81.74	\$19.49	\$19.45	\$19.40	\$19.40
Total Payment Allocable to Decertified Area Connections	\$ -	\$14,310	\$14,185	\$13,931	\$13,733	\$3,236	\$3,170	\$3,104	\$3,046
Total payment		\$68,714							
2022 NPV of Total Payment Amount	2.52%	\$63,506							

Marilee Debt Service Analyses - Modified for Slowdown in New Homes

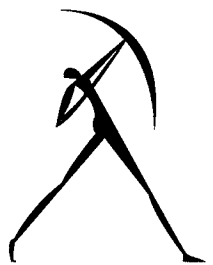
Schedule 3

Note Payable - GTUA [1]				Revenue Note - Series 2013 [1]			Total Debt Service
Year	Principal	Interest	Debt Service	2.52% Principal	Interest	Total	
2021	43,000	\$10,583	\$53,583	150,000	\$22,554	\$172,554	\$226,137
2022	44,000	\$9,859	\$53,859	155,000	\$18,711	\$173,711	\$227,570
2023	45,000	\$9,052	\$54,052	160,000	\$14,742	\$174,742	\$228,794
2024	46,200	\$8,161	\$54,361	165,000	\$10,647	\$175,647	\$230,008
2025	49,800	\$4,979	\$54,779	170,000	\$4,347	\$174,347	\$229,126
2026	49,800	\$4,979	\$54,779	170,000	\$4,347	\$174,347	\$229,126
2027	49,800	\$4,979	\$54,779				\$54,779
2028	49,800	\$4,979	\$54,779				\$54,779
2029	49,800	\$4,979	\$54,779				\$54,779
2030	53,600	\$1,329	\$54,929				\$54,929

Fiscal year	Total System Beginning of Year Connection Count	Growth on Facilities Nearby Decertified Area [2]	Remaining System Organic Growth	Total System End of Year Connection Count	Debt Service Per Connection
2021					
2022	2,592	2	6	2,600	\$ 87.53
2023	2,600	88	6	2,694	\$ 84.93
2024	2,782	88	7	2,877	\$ 79.95
2025	2,789		7	2,796	\$ 81.95
2026	2,796		7	2,803	\$ 81.74
2027	2,803		7	2,810	\$ 19.49
2028	2,810		7	2,817	\$ 19.45
2029	2,817		7	2,824	\$ 19.40
2030	2,824		7	2,831	\$ 19.40

Decertified Area Annual Allocation of DS Payments		2022	2023	2024	2025	2026	2027	2028	2029	2030
New Connections			88	88						
Less New Connections on Remaining System			-1	-2						
Total Annual Allocable Connections in Decertified Area [4]		-	87	173	171	169	167	164	161	158
Debt Service Per Connection			\$84.93	\$79.95	\$81.95	\$81.74	\$19.49	\$19.45	\$19.40	\$19.40
Total Payment Allocable to Decertified Area Connections		\$ -	\$7,389	\$13,831	\$14,013	\$13,815	\$3,256	\$3,189	\$3,123	\$3,066
Total payment			\$61,681							
2022 NPV of Total Payment Amount		2.52%	\$56,634							

Curriculum Vitae of Greg Scheig



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DALLAS

EMPLOYMENT HISTORY

February 2020 – Present

Vantage Point Advisors

Managing Director

Providing fair market valuation, rate of return and expert testimony, and financial advisory services. Focus is valuation, economic damages, and forensic accounting testimony.

September 2008 – February 2020

ValueScope, Inc.

Principal

Provided valuation, expert testimony, and financial advisory services with a focus on energy and regulated utility companies. Developed rate of return analyses and valued utility and energy assets.

July 2008 – September 2008

Present Value Advisors, LLC

Principal

Formed Present Value Advisors to provide valuation, litigation support, and financial advisory services.

July 2005 – June 2008

Kroll Associates, Inc.

Senior Director

Performed valuation analyses for transactions, financial reporting, tax, and other management requirements, and provided expert testimony for litigation support. Key focus was on the energy and utility sectors with larger clients.

2002 – July 2005

CBIZ Valuation Group, LLC,

Managing Director – Southwest Region

Ran the southwest region's valuation practice for approximately three and a half years. In that role, valued many types of businesses, business interests, and professional practices.

1997 – 2002

Deloitte Consulting

Senior Manager: Utility Strategy Competency

Led projects dealing with utility valuations, mergers and acquisition synergy analyses, real option analyses, strategic assessments, and complex regulatory issues. Served a wide variety of domestic and international clients, including companies in Canada, England, Republic of South Africa, Italy, Scotland, and Singapore.

1988 – 1997

FINANCO, Inc.

Managing Associate

Specialized in the financial modeling of electric, telecommunication, and gas utility systems. Additionally, developed utility merger and acquisition analyses, bankruptcy filings, regulatory testimony, and litigation support (primarily rate of return testimony).



1987 – 1988

Lamar Real Estate Services

Real Estate Analyst

Concurrent with MBA program, worked for Lamar Savings and Loan developing cash flow analyses for their real estate owned (REO) portfolio.

FORMAL EDUCATION

Master of Business Administration, Finance and Accounting
The University of Texas Graduate School of Business, Austin, Texas

- Sord Scholar
- Dean's Award for Academic Excellence

Bachelor of Science, Petroleum Engineering
The University of Texas, Austin, Texas

- Pi Epsilon Tau (College of Engineering Honor Society)

ACCREDITATIONS AND DESIGNATIONS

CFA – Chartered Financial Analyst (CFA Institute)
CPA – Certified Public Accountant (State Board of Public Accountancy, Texas)
ABV – Accredited in Business Valuation (AICPA)
CFF – Certified in Financial Forensics (AICPA)
CGMA – Chartered Global Management Accountant (AICPA)
CMA – Certified Mineral Appraiser (IIMA)
CEIV – Certified in Entity and Intangible Valuations

ORGANIZATIONS AND PROFESSIONAL ASSOCIATIONS

International Institute of Mineral Appraisers
Society of Petroleum Engineers (SPE)
Petroleum Engineers Club of Dallas – Board Member
Texas Energy Council – Board Member
Texas Society of Certified Public Accountants
American Institute of Certified Public Accountants (AICPA)
CFA Institute
CFA Society of Dallas/Fort Worth
Appraisal Issues Task Force (AITF)
American Society of Appraisers

LITIGATION SUPPORT / EXPERT WITNESS TESTIMONY

Regulated Utility Matters

Douglas Utilities, LLC, Fair Market Valuation under Texas PUC Project 49859, Notice of Intent to Determine Fair Market Value. Selected as a utility valuation expert and developing an appraisal report concluding the fair market value of the water utility being acquired by CSWR-Texas. Underway.

Aransas Bay Utilities, LLC, Fair Market Valuation under Texas PUC Project 49859, Notice of Intent to Determine Fair Market Value. Selected as a utility valuation expert and developed an appraisal report concluding the fair market value of the Aransas Bay water utility, being acquired by CSWR-Texas.

Copano Cove Water Company, Inc., Fair Market Valuation under Texas PUC Project 49859, Notice of Intent to Determine Fair Market Value. Selected as a utility valuation expert and developed an appraisal report concluding the fair market value of the Copano Cove Water Company, being acquired by CSWR-Texas Utility Operating Company, LLC.

Bangor Natural Gas rate case before the Maine Public Utilities Commission. Developed rate of return analyses and direct testimony for BNG. Also submitted rebuttal testimony to intervenor witnesses. Testimony provided at hearing.

Texas Landing Utility, Fair Market Valuation under Texas PUC Project 49859, Notice of Intent to Determine Fair Market Value. Partnered with Cushman Wakefield appraisers as utility valuation experts and developed an appraisal report concluding the fair market value of the Texas Landing water utility, being acquired by CSWR-Texas.

Leon Springs Utility Company, Fair Market Valuation under Texas PUC Project 49859, Notice of Intent to Determine Fair Market Value. Partnered with Cushman Wakefield appraisers as utility valuation experts and developed an appraisal report concluding the fair market value of the Leon Springs water utility, being acquired by CSWR-Texas.

Woodland Hills Water, LLC rate case before the Public Utility Commission of Texas and SOAH. Developed rate of return analyses and direct testimony. Case settled.

Johnson Utilities, LLC, through its interim manager, EPCOR Water Arizona, Inc. Developed rate of return testimony.

Northeast Ohio Natural Gas Corp. rate case before the Public Utilities Commission of Ohio. Developed rate of return analyses and testimony in rebuttal to PUC Staff testimony. Rebuttal testimony filed; case settled.

EPCOR Water Company rate case before the New Mexico Public Regulation Commission. Developed rate of return testimony, rebuttal testimony and testified at the hearing.

Double Diamond Utility Company, Inc. rate case before the Public Utility Commission of Texas. Developed rebuttal analyses and testimony in support of the water utility's requested rate of return analysis. Testified at the SOAH proceeding.

Energy West Montana, Inc. rate case before the Montana Public Service Commission. Developed rate of return analyses and testimony in support of the utility's rate filing. Direct and rebuttal testimony filed, testified at Montana commission hearing.

Cut Bank Gas Company rate case before the Montana Public Service Commission. Developed rate return analyses and testimony in support of the utility's rate filing. Direct and rebuttal testimony filed, testified at Montana commission hearing.

Sharyland Utilities, L.P. rate case before the Texas Public Utilities Commission, PUC Docket No 45414. Developed rate of return analyses and testimony for an intervenor, St. Lawrence Cotton Growers Association. Case settled.

Rio Concho Aviation, Inc. rate case before the Texas Public Utilities Commission, PUC Docket No 45720. Developed rebuttal analyses and testimony in support of the water utility's requested rate of return analysis. Testified at the SOAH proceeding.

Quadvest, LP rate case before the Texas Public Utilities Commission. Provided rate of return analysis and an expert report for the water utility's cost of equity capital. Case settled.

SWWC Utilities, Inc. rate case before the Texas Commission on Environmental Quality. Provided rate of return analysis and testimony for this division of Southwest Water Company, a regulated water company.

Hughes Natural Gas, Inc. rate case before the Texas Railroad Commission in Gas Utilities Docket No. 10083/10093. Provided rate of return analysis and direct testimony for Hughes Natural Gas, Inc., a regulated gas company. Testified at the Texas Railroad Commission hearing.

Monarch Utilities I, L.P. rate case before the Texas Commission on Environmental Quality. Provided rate of return analysis and testimony for Monarch Utilities I, L.P., a regulated water company. Rate case settled.

Canyon Lake Water Service Company, SOAH Docket No. 582-11-1468, TCEQ No. 2010-1841-UCR. Prepared rate of return testimony for Canyon Lake Water Service Company's rate case before the Texas Commission on Environmental Quality. Testified for the company, a regulated water company, in a SOAH proceeding.

Global Water Resources, Inc. vs. Sierra Negra Ranch, LLC, AAA Case No. 76 198 Y 00104 11. Retained to develop a solvency analysis and scenario analyses to assess Global Water Resources, Inc.'s future financial performance versus their need for capital and scheduled debt retirements. Expert and rebuttal reports submitted. Case settled.

City of Blue Mound vs. Monarch Utilities I, LP. Retained to consult Monarch's legal counsel on rebuttal arguments to the City's appraisal of the water system. The City's appraisal was to be considered by a panel in formulating an FMV offer to the utility for the water assets. Provided expert testimony at the proceeding and the panel subsequently recommended a value approximately twice the value suggested by the City's appraiser.

Family Law, Employment Law and Other

Lisa Butcher v. Sunrise IT Services. Retained to develop a valuation of a 25 percent interest in Sunrise IT Services, owned by a minority partner when he passed. Expert report submitted, awaiting deposition and trial.

Peter Russell v. Bed Bath & Beyond, Inc. In County Court Dallas County, Texas, Cause No. CC-21-03776-A. Retained to develop a valuation of certain restricted stock and restrict cash awards to Mr. Russell after his termination. Expert report submitted, case settled.

In the Matter of the Marriage of Po-Chih Wang, Collin County, Texas. Retained to develop a valuation of three real estate limited partnerships for a divorce proceeding. Expert report submitted, awaiting trial.

In the Matter of the Marriage of Scott Smith. Retained to develop a valuation of the equity of TQL Packaging Solutions for a divorce mediation. Expert report submitted, case settled.

In the Matter of the Marriage of Phillis and Ronald L. Woljevach, In the District Court for the 426th Judicial District, Bell County, Texas NO. 315,878-E. Retained to develop a valuation for R W Plumbing for the marital estate. Expert report submitted, trial testimony provided.

Ryan and Hilary Majors v. Hisun Motors Corp., USA and Chongqing Huansong Industrial (Group) Co. Ltd., In the US District Court for the Eastern District of Texas, Sherman Division, Civil Action NO. 4:21-CV-00086. Retained to develop a rebuttal of damages claimed by plaintiff in an accident. Expert report submitted, case settled.

In the Matter of the Marriage of Amanda Badgett and Jonathan Mayer. Retained to develop a valuation of the restricted stock shares (unvested) issued by husband's employer. Expert report submitted, case settled.

In the Matter of the Marriage of Wanda Anthony and Lamar Anthony, Cause No, 469-055897-2020, 469th Judicial District Ct., Collin County, TX. Retained to develop a valuation of the Texas Teachers Retirement System annuity being paid to Ms. Anthony for life. Expert report prepared and trial testimony provided.

In the Matter of the Marriage of Reji Pappy and Rachel Pappy, Oklahoma County District Court Case No. FD-2020-536. Retained to develop a valuation of the Ms. Pappy's interest in Polston Tax Resolution and Accounting, LLC. Expert report prepared, case settled.

In the Matter of the Marriage of John Van Wagoner and Inga Van Wagoner, Cause No, 468-56745-2019, 468th Judicial District Ct., Collin County, TX. Retained to develop a valuation of Southwest Allergy & Asthma Center's five locations. Expert report prepared, case settled.

In the Matter of the Marriage of Seema Kathuria and Inderjote Kathuria, Chicago Illinois. Retained to develop a valuation of New Generation Power, a global renewable energy company. Expert report prepared and deposition testimony provided. Case settled.

In the Matter of the Marriage of Maria Sarah Pinto-Evans and Joseph Paul Evans, Cause No. 231-626561-17; Jointly retained to develop a valuation of Landmark Mortgage. Expert report prepared; case settled.

In the Matter of the Marriage of John Wesley Bryan and Kimberly Lee Bryan, Cause No. 324-623038-17; Retained by Husband to determine the value of the Community Estate, supported by forensic analyses and asset tracing. Expert report prepared; case settled.

Heather Carson v. Janine Lewis, Stefanie Nielson, and Lewis, Nielson & Associates, L.L.C. d/b/a Elan Partners. Retained to develop a valuation analysis of former managing partner's capital account in support of buy-out negotiations. Expert report prepared; case settled.

Stephen Akin vs. W. R. Starkey Mortgage, LLP. Retained to develop a valuation of Starkey Mortgage to buy-out the former CEO at Fair Market Value of his ownership. Expert report prepared; case settled.

In the Matter of the Marriage of Michele L. Jones and Gregory G. Jones and in the Interest of Jacob Jones and Preston Jones, Children, Cause No. 360-596303-16; Retained jointly by Husband and Wife to determine the value of the Community Estate. Expert report prepared; case settled.

Jerry Blackburn, Gustavo Frafa, and William South v. Small Business Insurance Advisors, f/k/a USCare Marketing, Inc. Retained by the SBIA in a matter involving three agents suing SBIA over its insurance product offerings to agents that were independent, as opposed to being captive. Developed an expert report and testified at the arbitration.

In the Matter of the Marriage of Rebecca L. Ginn and Lonnie James Ginn, Cause No. 325-520240-12. The District Court of Tarrant County, Texas, 325th Judicial District. Retained to develop a valuation of interests in Aspen Scientific I, LP, Aspen Scientific, Inc., Physician Assistant Services of Texas, LLP, and Texas Physician Assistant Surgical Service, PC. Expert report submitted. Case settled.

Progressive Child Care Systems, Inc. vs. Legacy Village Limited Partnership; Legacy Village One, L.C.; Spy, Inc.; Legacy Village Associates, Ltd., Texas Family Fitness 2, LLC, SC Legacy Independence, Ltd., SC Legacy Independence One, LLC, and L&B Realty Acquisitions, LLC., Cause No. 401-01220-2012. Retained to develop a valuation of Texas Family Fitness center in Plano, TX. Expert report submitted, case settled.

In the Matter of the Marriage of Patricia A. Bliss and David P. Bliss, Jr., Cause No. 324-444231-08. The District Court of Tarrant County, Texas, 324th Judicial District. Retained to develop a valuation of an interest in Pediatric Surgical Associates of Fort Worth, P.A. Expert report submitted; testimony provided.

Deirdre Worley, Individually and as Representative of the Estate of Richard Dale Worley, Dr., and Richard Dale Worley, II, Individually vs. Contract Transportation Systems Co., The Sherwin-Williams Company, and Francisco Sanchez, Jr., Individually. Retained to develop an analysis and expert report on the loss of inheritance for Mr. Worley's estate. Deposition and jury trial testimony provided.

Charles Pankey vs. Texas Department of Health, Civil Action No. A 02 CA 284 H. The United States District Court, Western District of Texas, Austin Division. Case dealt with issue of wrongful termination. Prepared a rebuttal analysis of opposing expert's damage report. Case settled.

Jack Holmes vs. Frank Mayborn Enterprises, Inc. d/b/a Killeen Daily Herald, Case No. 188041-C. The District Court of Bell County, Texas, 169th Judicial District. Developed an economic damage analysis and report for an attorney that the newspaper incorrectly reported as being a pedophile. Deposition testimony provided. Case settled.

Forensic Accounting

In the Matter of the Marriage of Richard and Violet Villamar. Retained to develop a wasting analysis for spending of husband and wife versus the limits established by the Court. Expert report prepared, awaiting trial.

In the Matter of the Marriage of Christopher Miller and Amy Miller, Cause No, 20-2600-367, 367th Judicial District Ct., Denton County, TX. Retained to develop an asset tracing for fund in Mrs. Miller's retirement accounts. Deposition and trial testimony provided.

Correra Bankruptcy; Case #16-30728, U.S. Bankruptcy Court Records for the Northern District of Texas. Retained by Mr. Correra to perform asset tracing services to validate and allocate funds set aside in several Individual Retirement Account balances. Expert report prepared, awaiting trial.

In the Matter of the Marriage of John Wesley Bryan and Kimberly Lee Bryan; In the 324th Judicial District Court of Tarrant County, Texas; Retained jointly by Husband to perform asset tracing services and to determine the value of the Community Estate. Expert report prepared; case settled.

Real Estate Matters

Raymond L and Terryll Ann Walls v. VRE Chicago Eleven, LLC, In the US District Court for the Northern District of Illinois, Eastern Division, Case No. 1:16-cv-04048. Retained to calculate the economic damages in a lease dispute on a property leased for use as a Kentucky Fried Chicken restaurant. Expert report submitted, deposition testimony provided, awaiting trial.

Texas Disposal Systems Landfill Inc. v. Travis Central Appraisal District, TCAD Property ID No. 352532; Cause No. D-1-GN-14-004240; 53rd Judicial District Court of Travis County, Texas. Retained to determine if the Travis County's 2019 assessed values for a landfill included intangible asset value. Expert report submitted, deposition testimony provided, awaiting trial.

Glenn M. Darden et al. v. Thomas F. Darden, et al., Case No. 01-17-0003-3695. Retained to determine the economic damages and the appropriate discounts, if any, to apply to the economic damages. Expert report submitted, and arbitration testimony provided.

Texas Disposal Systems Landfill Inc. v. Travis Central Appraisal District, TCAD Property ID No. 352532; Cause No. D-1-GN-09-003040, 53rd Judicial District Court of Travis County, Texas. Retained to determine if the Travis County's 2018 assessed values for a landfill included intangible asset value. Expert report submitted, deposition and hearing testimony provided.

Weldon Glen McBride v Brian Ingram, Leighann Moseley and Keitha Lynn McBride. Retained to determine the value of an ownership interest in real estate development project. Case settled.

FD Destiny, LLC vs. AVP Destiny, LLC, AVP Destiny, LLC vs Frederick A. Deluca. Retained to develop an analysis of the economic damages to Land Company of Osceola County due to the claimed actions of Fred Deluca, a controlling partner. Expert report submitted, and deposition testimony provided. Case settled.

Clay Partners FG Deerwood Glen, LP vs. the Flexitallic Group S.A.S. and Flexitallic, LP. Retained to develop an analysis of the economic damages to Clay Partners following Flexitallic's repudiation of a lease agreement for three buildings in Deer Park, Texas. Expert report submitted. Deposition and trial testimony provided.

Sharpstown Mall Texas, LLC vs. CCW, LLC. Retained to develop an analysis of the economic damages to Sharpstown Mall given CCW's nonpayment of shared common area maintenance expenses. Expert report submitted. Case settled.

Avalon Construction - Ruidoso, LLC vs. Mueller Company, Inc. and HD Supply Waterworks, Ltd. Retained to develop an analysis of the economic damages to Avalon Construction related to foundation damage for a retail center caused by plumbing defects. Expert report submitted. Case settled.

John W. Clanton, Fibertown DC, LLC and Managed Network Solutions, Inc. vs. Vance Swaggerty. Retained to develop a valuation of three data centers located in Bryan-College Station Texas and Houston Texas. Appraisal report submitted, deposition and trial testimony provided.

Charles E. Simmons and H. Kenneth Barrett, et. al. vs. Dan M. Moody, Jr. and John S. Moody, Jr., et. al. Retained to develop an analysis of the economic damages to Dan Moody and the Moody Simmons Fund I, Ltd. in relation to a real estate development in Katy Texas. Expert report submitted, and deposition testimony provided.

Bankruptcy Matters

Bailey Tool & Manufacturing Company, Hunt Hinges, Inc., and Cafarelli Metals, Inc. v. Republic Business Credit, LLC (Case No. 16-30503-bjh7, Chapter 7); United States Bankruptcy Court, Northern District of Texas, Dallas Division. Retained by the Trustee to provide an expert report on the damages to three companies due to the alleged actions of Republic Business Credit LLC's wrongfully withholding funding to the Debtors under a factoring agreement. Expert report submitted. Deposition and trial testimony provided.

Rockies Region 2006 and 2007 LPs, Debtor, Case No. 18-33513-sgj-11, U.S. Bankruptcy Court for the Northern District of Texas, Dallas Division. Retained to determine the solvency of two limited partnerships in which the GP was a public company, PDC Energy. Expert and Supplemental Reports submitted; case settled.

Christopher Moser, as Plan Trustee of Tango Transport, LLC et al. v. Navistar International Corp. et al., Case No. Civil Action No.- 4:17-cv-598, pending before the United States District Court for the Eastern District of Texas. Retained by Counsel for Tango to Section 548(a) of the Bankruptcy Code to analyze the solvency of Tango to avoid a fraudulent transfer. The report also assessed whether Reasonably Equivalent Value had been received in the settlement of a lawsuit. Expert, rebuttal and supplemental reports submitted; deposition testimony provided. Case settled.

Correra Bankruptcy; Case #16-30728, U.S. Bankruptcy Court Records for the Northern District of Texas. Retained by Mr. Correra to perform asset tracing services to validate and allocate funds set aside in several Individual Retirement Account balances. Expert report submitted; case was dismissed.

Memorial Production Partners LP, et al., Debtors Chapter 11, Case No. 17-30262. The United States Bankruptcy Court, Southern District of Texas, Houston Division. Retained by large shareholder to develop an enterprise value of MEMP. Case settled.

Technology Container Corp Bankruptcy Case #4:15-bk-40339 The United States Bankruptcy Court for the District of Massachusetts. Retained as a consulting expert by the Creditor Committee's Counsel to review and assess financial plans and forecasts submitted by the debtor.

College Media Corporation v. Digital River, Inc., Digital River Education Services, Inc. and Journey Education Marketing, Inc. The United States Bankruptcy Court for the Eastern District of Texas. Developed an analysis of the economic damages to College Media Corporation related to their allegations against Digital River and Journey Education Marketing. Expert report submitted. Case settled.

Bankruptcy Valuation for Senior Lenders: Synventive Molding Solutions. Retained to determine the enterprise values of the global operations and the European operations of Synventive, a company focused on automobile molding equipment. Analyses and draft reports prepared for counsel. Case settled.

The IT Group, Inc., et al vs. Acres of Diamonds, Case No. 02-10118, Adv. Proc. No. 04-51311-PBL, et al. The United States Bankruptcy Court for the District of Delaware. Retained to value a minority interest deemed a fraudulent transfer of a bankruptcy proceeding. Expert report submitted; deposition testimony provided. Case settled.

Lodestar Energy, Inc., Lodestar Holdings, Inc. Debtors Chapter 11 Proceeding Case Nos. 01-50969 and 01-50972, Jointly Administered Under Case No. 01-50969. The United States Bankruptcy Court, Eastern District of Kentucky, Lexington Division. Developed a solvency opinion of a coal mining company considering the balance sheet, capital adequacy and cash flow tests. Case settled.

In Re Camp Cooley, Ltd., Case No. 0961311, Chapter 11. The United States Bankruptcy Court for the Western District of Texas, Waco Division. Prepared a natural gas reserve valuation report for the debtor and developed a rebuttal report against the bank's expert. Deposition and courtroom testimony provided.

Einstein/Noah Bagel Corp. and Einstein/Noah Bagel Partners, Case No. 00-04447-ECF-CGC and 00-04448-ECF-CGC. The United States Bankruptcy Court for the District of Arizona. Deposition and trial testimony provided on a valuation analysis of the respective interests of Einstein/Noah Bagel Corp. and Einstein/Noah Bagel Partners based on their relative market values.

Leesburg Asphalt Company, L.L.C., Case No. 01-39902-SAF-1. The United States Bankruptcy Court for the Northern District of Texas, Dallas Division. Developed analyses of the debtor's workout plan and reasonableness of an alternative source of financing. Case settled.

Oil and Gas Matters

Rangeford Resources, Inc. v. Carlos Lopez, LBB & Associates, Ltd. LLP, and Vine Advisors, LLP, In the District Court of Harris County, Texas. Retained by Rangeford Resources to determine the damages when its stock was delisted following certain actions of its auditor. Expert report submitted, awaiting trial.

Steward Energy II, LLC v. Ben Barton, 160th Judicial District Court, Dallas County, Texas. Retained by Ben Barton to value his equity and incentive shares in Steward Energy II. Expert report submitted, awaiting trial.

Midcoast Pipelines (Texas Gathering) LP vs. various Texas and Oklahoma County Appraisal Districts. Retained by Midcoast to provide an expert report on the market values and fair cash values of midstream and pipeline assets for 2019 and 2020 property tax litigation. Expert reports submitted. Deposition, arbitration, and trial testimony provided.

PWR INVEST, LP, et al. Debtors, US Bankruptcy Court for the District of Delaware, Chapter 11 Case No. 19-11164 (JTD). Retained by debtor to provide an expert report on fair market value of oil and gas reserves in the Oklahoma Merge Play. Expert report submitted and deposition testimony provided, case settled.

TEMA Oil and Gas Company v. ETC Field Services, LLC, f/k/a/ Regency Field Services, LLC, Tarrant County 236th District Court Cause No. 236-291050-017. Retained by defendant in a midstream dispute to provide a rebuttal report to damages calculated by plaintiff's experts. Expert report submitted and deposition testimony provided, case settled.

Horizontal Rentals, Inc., Case No. 18-51972-CAG-11, U.S. Bankruptcy Court for the Western District of Texas, San Antonio Division. Retained by for Roger Warnke to analyze the value of patented technology and oilfield equipment fraudulently transferred for less than its Reasonably Equivalent Value. Expert testimony provided in San Antonio hearing.

Memorial Production Partners LP, et al., Debtors Chapter 11, Case No. 17-30262. The United States Bankruptcy Court, Southern District of Texas, Houston Division. Retained by large shareholder to develop an enterprise value of MEMP. Case settled.

Gregory Imbruce and Glenrose Holdings, LLC v Cheryl Johnson and Levett Rockwood, P.C., Superior Court, Judicial District of Stamford Ct. Retained to support the value of the common shares of Starboard Resources in a legal malpractice matter related to a previous case (retained by the former opposing counsel's firm). Expert report prepared and deposition testimony provided. Awaiting trial.

Ergon Asphalt & Emulsions, Inc. v Nustar Pipeline Operating Partnership, LP, Et Al. Retained to develop an analysis of the economic damages to Ergon based on Nustar's alleged non-performance of an asphalt terminal lease agreement. Deposition testimony provided. Case settled.

Michael O. Pickens v T. Boone Pickens, Jr., Dallas County District Court Cause No. DC-14-13103. Retained to calculate the value of shares of Primexx Energy Partners and NeoFirma Software in support of mediation. Subsequently requested to develop an expert and supplemental reports. Deposition testimony provided. Case settled.

Gregory Imbruce, Giddings Investments LLC, Giddings GENPAR LLC, Hunton Oil, Asym Capital III LLC, Glenrose Holdings LLC, and Asym Energy Investments LLC v. Charles Henry III, et.al., American Arbitration Association Case No: 12 198 0058 13, Commercial Division. In this matter, I valued the common shares of Starboard Resources as of 2011, 2012, and 2014. The analysis also included determining the fair market value of Starboard's oil and gas reserves in a Stamford, CT trial. Three expert reports and a rebuttal report submitted; trial testimony provided.

Crimson Exploration, Inc. and Crimson Exploration Operating, Inc. v. Allen Drilling Acquisition Company and ADAC II, Inc. Reviewed and rebutted an accounting firm's adjustments made to Operator's invoices in a joint interest billing dispute in a Texas District Court matter. Rebuttal report submitted. Case settled.

Diamond Offshore Company v. Survival Systems International, Inc. Retained to develop an analysis of the economic damages to Diamond Offshore Company resulting from the installation of defective lifeboat hooks by Survival Systems, Inc. on certain offshore drilling rigs. Damage categories considered included original insurance settlement payments and prejudgment interest. Expert and rebuttal reports submitted; deposition testimony provided. Case settled.

Noble Drilling Services, Inc. vs. Certex USA, Inc., Bridon-American Corp., and Bridon International, Ltd., Civil Case No. 4:09-cv-022825. Retained to calculate the economic damages related to anchor ropes that failed during a hurricane. Expert and rebuttal reports submitted; deposition testimony provided. Case settled.

Anadarko Petroleum Corporation vs. Noble Drilling (U.S.) LLC, Civil Case No. 4:10-cv-02185. Retained to develop an expert report on the economic damages related to an offshore drilling rig contract termination for a claimed *force majeure* event after a moratorium on drilling was declared in the Gulf of Mexico. Expert and rebuttal reports submitted; deposition testimony provided. Case settled.

613 Agro Holdings, L.L.C. v. Renick et al. Retained to develop an expert report and rebuttal report on the value of oil and gas royalties in a Kansas District Court matter. Expert and rebuttal reports submitted and the case settled.

Ringo Drilling, I, L.P. v. Victory Drilling, Inc., and Ira Glasser. Cause No. II-1489. Retained to develop an expert report on rebuttal arguments to Ringo Drilling's claimed damages in a lease transaction. Expert report submitted and the case settled.

Joint Resources Company v. Banc of America Investment Services. FINRA Dispute Resolution. Retained to develop an analysis of the lost profits incurred by Joint Resources Company when they invested in auction rate securities in 2008, preventing access to investment capital. The analysis included documentation of Joint Resources Company's investment model and the calculation of the lost profits from the missed opportunity. Expert report submitted and the case settled.

Patriot Exploration LLC and Patriot Land LLC d/b/a JF Patriot Land, LLC v. Thompson & Knight LLP. Retained to calculate the economic damages to Patriot resulting from not being able complete the sale of certain mineral interests due to alleged legal malpractice and defective title. Expert report submitted, deposition and courtroom testimony provided.

HighMount Exploration and Production, LLC vs. Helmerich and Payne, Inc. Retained to quantify the damages from a drilling rig contract dispute regarding lower "well cycle times" and cost savings not achieved. Expert and rebuttal reports submitted; deposition testimony provided. Case settled.

Robert L. Kovar, Plaintiff vs. Platinum Energy Resources, Inc., Defendant. Retained to quantify the damages related to a transaction dispute which required a valuation of Platinum Energy's stock and cash flow notes. Deposition and trial testimony provided.

Matthew Van Steenwyk, The Matthew Van Steenwyk GST Trust, and the Matthew Van Steenwyk Issue Trust v. Scientific Drilling International, Inc., Donald Van Steenwyk Gene Durocher, Gordon Thomson, Barbara Helbach, Denis Bandera, and Van Steenwyk Holdings, LLC. Retained to develop a valuation of an interest in Scientific Drilling International stock, a company that developed MWD (measurement while drilling) technologies. Expert report prepared for mediation. Case settled.

Macquarie Bank Limited, Plaintiff vs. Bradley D. Knickel, LexMac Energy, L.P. Retained to provide an affidavit to the court on SEC PV-10 Reserve Reporting and the risks associated with different classifications of hydrocarbon reserves.

Questar Gas Management Company vs. Waukesha Engine Division of Dresser, Inc.; Stewart & Stevenson Power Products, LLC; Stewart & Stevenson Power, File No. 71 198 Y 00749 07, before the American Arbitration Association, Dallas Texas. Retained to develop lost profits and economic damages analyses in a matter related to natural gas compression in the midstream sector. Multiple analyses were developed, and deposition testimony was provided. Case settled.

The Arbitration of Anthony Abernethy vs. J. Bryan Sutherlin, Brad Sutherlin, Kevin Sutherlin, Culebra Oil & Gas Co., Culebra Oil & Gas, L.L.C. Retained to value economic damages related to a minority ownership interest in an E&P company. Deposition and arbitration testimony provided.

Contract/Partnership Disputes

Boral Windows LLC v. William E. Robinson, Jr., In the District Court of Dallas County, Texas. Retained to develop an estimate of the damages to William Robinson following his being fired as part of his employment contract. Expert report submitted, deposition testimony provided. Awaiting trial.

Wiese Industries, Inc. v. Getmeplacement, LLC, In the 417th District Court, Collin County, Texas. Retained to develop a value for the equity of Getmeplacement, LLC. Expert report submitted, case settled.

Pharmacy Concepts, Ltd v Prestonwood Rehabilitation & Nursing Center, Inc. and Denton Rehabilitation & Nursing Center, Inc. Retained to develop the range of economic damages, if any, incurred by Pharmacy Concepts in a contract dispute. Case settled.

N8 Medical, Inc. and N8 Medical, LLC and Brigham Young University and N8 Pharmaceuticals, Inc. v. Colgate-Palmolive Co. Retained to develop risk-adjusted analyses in support of settlement negotiations following a previous expert's Daubert exclusion. Case settled.

Highland Capital Management, L.P. and Cornerstone Healthcare Group Holding, Inc. v. Patrick Daugherty, Defendant and Counter-Plaintiff. Retained to develop an analysis of the economic damages to Patrick Daugherty in relation to his equity compensation at the time of his resignation from Highland Capital. Expert and rebuttal reports submitted. Deposition and trial testimony provided.

In the Matter of the Application of John C. Wright for the Dissolution of Hudson Valley Clean Energy, Inc., Supreme Court of the State of New York, County of Dutchess. Retained to determine the fair value of a minority interest in Hudson Valley Clean Energy for a shareholder oppression matter. Prepared an expert report and provided courtroom testimony in the Supreme Court of the State of New York.

Circle Zebra Fabricators, Ltd., David Croft, and Monte Guiles vs. Hydro-X, LLC and Stonehenge Capital Company, LLC. Retained to develop an analysis of the economic damages to Circle Zebra resulting from the termination of a merger agreement. Expert report submitted; deposition testimony provided. The case settled in mediation.

Precision Dialing Services, Inc. vs. Clear Channel Communications, Inc., Cause No. 02-01782, Critical Mass Media, Inc., Clear Channel Broadcasting, Inc., and Clear Channel Radio, Inc. The District Court of Dallas County, Texas, 68th Judicial District. Retained to calculate economic damages related to the dissolution of a joint venture. Report submitted; deposition testimony provided. Case settled.

Delaware Chancery Court

In the Court of Chancery of the State of Delaware, Kendall Hoyd and Silver Spur Capital Partners, LP v. Trussway Holdings, LLC. Developed an appraisal of the fair value of Trussway Holdings, LLC in connection with a petition for appraisal of stock pursuant to Section 262 of Title 8 of the Delaware Code. Expert report and rebuttal reports submitted, testified in the Chancery Court in Georgetown, Delaware.

US Tax Court Matters

Duane Pankratz, et al., Petitioner(s), vs. Commissioner of Internal Revenue, Tax Court Docket No. 21255-13, 27239-13, U.S. Tax Court, Washington, DC. Developed a valuation of the charitable contributions of Dr. Pankratz involving oil and gas partnership interests and real estate assets. Developed analyses and an expert report. Testified in US Tax Court, St. Paul, Minn.

TranSupport, Inc. vs. Commissioner of Internal Revenue, Tax Court Docket No. 12152-13, U.S. Tax Court, Boston, Mass. Developed a reasonable compensation analysis, expert, and rebuttal reports for company personnel in the aircraft industry. Testified in US Tax Court, Washington, DC.

Salty Brine I, Ltd. by and through, Salty Brine, Inc., Tax Matters Partner, vs. United States of America, United States District Court, Northern District of Texas, Abilene Division, Case No.: 5:10-CV-00108-C. Developed an expert report on an off-shore royalty transfer and the use of business protection insurance policies for tax avoidance. Provided deposition and trial testimony.

Mason & Mason Technology Insurance Services, Inc. vs. Commissioner, Tax Court Docket No. 12045-09. Developed an analysis of reasonable compensation for the owner of an insurance brokerage. Case settled.

Garwood Irrigation Company vs. Commissioner, Tax Court Docket No. 001459-03. U.S. Tax Court, Houston, Texas. Developed a valuation and rebuttal report and provided expert testimony on the valuation of an irrigation company and its water rights.

SEC Receivership Matter

Defendants Civil Action No. 5:09CV0087-C; Securities and Exchange Commission vs. Benny L. Judah and Excel Lease Fund, Inc. The United States District Court for the Northern District of Texas, Lubbock Division. Retained to work with a SEC receiver to provide valuations to the court in support of asset sales at fair values. Assets appraised included casual and fine dining restaurants, bars, notes receivable, stock in community banks, hotels, and a health club facility.

LECTURES AND APPEARANCES

“Supply, Demand and Capital Discipline” Texas Energy Council Symposium, April 2022

“\$75.00 WTI oil and \$6.00 Henry Hub natural gas... Maintain Capital Spending Discipline or Game On?!” Tarrant County Bar Association, Energy Section, October 2021

“Why You Need a Deal Model – Insights Beyond a Reserve Report”, Lone Star Desk and Derrick Club of Dallas, July 2021

“How Could Two Credible Experts Differ So Greatly?”, ADAM Energy Forum, May 2021

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