

## The Daily Pitch: VC, PE and M&A

February 24, 2017

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### DEALMAKERS COLUMN

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#### Fair value's march toward precision

By Daniel M. DiDomenico III, Murray Devine

Ten years after the introduction of the FAS 157 fair value accounting standard, the growing prevalence of fair value has raised concerns over the accuracy of such measurements, and the qualifications of those providing them.

Even in a new era of deregulation, these concerns won't be overlooked. In January, the American Institute of Certified Public Accountants, American Society of Appraisers and Royal Institute of Chartered Surveyors released the Mandatory Performance Framework.

For professionals, the Framework codifies rigorous and uniform qualifications, training, and oversight of individuals conducting fair-value measurements for financial reporting purposes. Effectively, any fair-value measurements made for companies that issue US GAAP financial statements, public or private, will need to follow the Framework. This extends to purchase-price allocations for business combinations, testing goodwill and other long-lived assets for impairment, and portfolio-company valuations.

The heightened standards are coupled with a new exam and certification for valuation professionals, Certified in Entity and Intangible Valuations™ (CEIVTM).



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#### Who's in the newsletter today?

##### Companies

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AirMap  
Alphabet  
Barry's Bootcamp  
Brooklyn Boulders  
Carter's  
Cogent Partners  
DeviantArt  
Flywheel Sports

While the Framework is still being rolled out, auditors will likely require clients and their advisors to adopt these standards for all fair-value measurements impacting their financial statements. From an industry standpoint, the Framework merely represents the continued evolution of fair value, imparting yet more precision to a practice still considered an art.

Daniel M. DiDomenico III is a Senior Managing Director at Murray Devine, having joined the firm in 1995. Murray Devine provides financial options and advisory services to many of the premier private equity, corporate, venture capital, and commercial banking institutions in the country. Learn more [here](#).

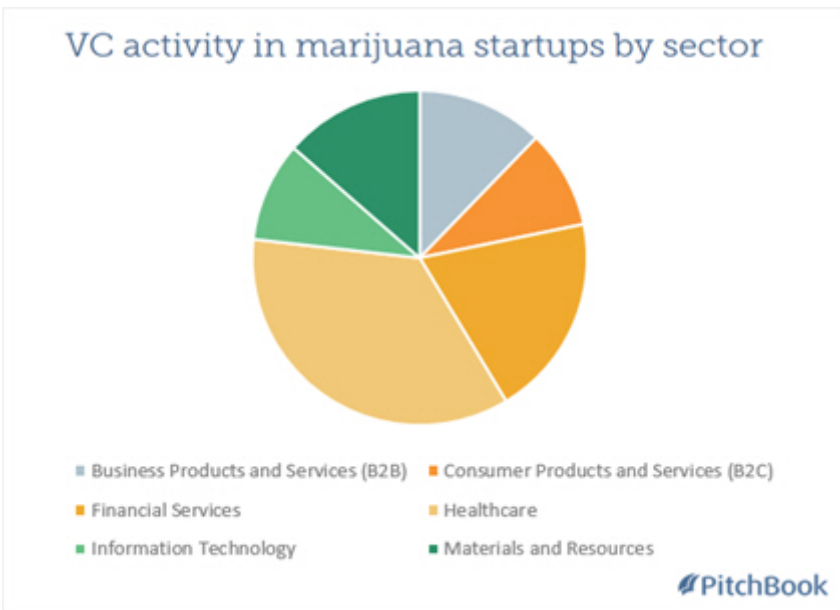
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- Monzo
- New Zealand business
- Otto
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- Pharmaceuticals
- Paktor
- Preferred System Solutions
- Privacy Labs
- Skip Hop
- Stanley Black & Decker
- Stowe Family Law
- Syncplicity
- Telenor
- Tilt
- Turn
- Uber
- Vodafone
- the Indian business
- the mechanical
- security businesses

People

- Anthony Levandowski
- Garry Tan
- James Chen
- Jay Galluzzo
- Rex Tillerson
- Todd Rainville

Investors

- 500 Startups
- Airbnb
- Airbus Ventures
- Ambienta
- Amobee
- Ampersand Capital Partners
- Andreessen Horowitz