

2024 ASA SPRING FAIR VALUE CONFERENCE

APRIL
25



**Critical Valuation Issues Faced by Alternative
Asset Managers
April 25, 2024**

Panel Members

- David Fitzgerald, Esq., Partner, Sadis & Goldberg LLP
- Fizza Khan, Chief Executive Officer, Silver Regulatory Associates LLC
- Craig Ter Boss, CFA, Partner, Eisner Advisory Group LLC
- Mark Shayne, ASA, CPA, ABV, CGMA, Senior Managing Director, Empire Valuation Consultants LLC (Moderator)

Fizza Khan, CEO, Silver Regulatory Associates



Fizza Khan is an expert on regulations governing investment advisers, broker-dealers and registered and private funds. As a hands-on leader across the firm's flagship service lines – Regulatory Compliance, ESG and Due Diligence Preparation – Fizza ensures Silver's clients are fully prepared to withstand regulator and investor scrutiny.

Prior to founding Silver, Fizza was the Chief Operating Officer for U.S. Compliance Consulting and a Managing Director at Duff & Phelps. She joined Duff & Phelps in January 2016 as a result of their acquisition of CounselWorks LLC where she was a Partner. At both Duff & Phelps and CounselWorks, Fizza managed the day-to-day provision of compliance services to firm clients and built the foundations upon which advice was given.

Fizza received a Bachelor of Science in Business from Drexel University, where she concentrated on Finance and Economics and published a thesis on the effects of derivative trading regulation. She earned a Juris Doctor from the University of Maryland School of Law.

Craig Ter Boss



PARTNER
212.891.6029
craig.terboss@eisneramper.com

Craig Ter Boss is a Partner in the Corporate Finance Group, with over 25 years' experience providing valuation services to public and private clients. Craig delivers services across a range of industries, including consumer products, apparel, technology, business services, financial services, manufacturing, media, retail and health care. Craig's depth of experience and skill set is a unique combination, positioning him as a specialist with client-facing concerns as well as an expert in fair value *measurement issues for audit engagements*. *Types of engagements include allocation of purchase price, goodwill impairment, corporate strategic and tax planning, corporate transactions (e.g., mergers, acquisitions), litigation and arbitration.*

Craig focuses on valuations relating to alternative asset managers, including private equity, hedge funds and venture capital. At the fund level, he performs valuations and conducts reviews of valuations of Level III (difficult-to-value) securities performed by fund management and third-party specialists. At the portfolio company level, he leads engagements related to the valuation of business enterprises and equity and debt interests, as well as various intangible assets. Craig serves as an instructor for EisnerAmper University and has presented, as well as served as panel member, to industry associations regarding valuation issues for alternative asset investments.

SPECIALTIES

- Valuations
- Private Equity
- Venture Capital
- Hedge Funds

CREDENTIALS/EDUCATION

- Chartered Financial Analyst (CFA)
- Binghamton University: BS, Management (Finance concentration)

AFFILIATIONS

- Chartered Financial Analyst Institute
- CFA Society of New York



David Fitzgerald, Esq.

SADIS & GOLDBERG LLP

PARTNER

212.573.8428

dfitzgerald@sadis.com

•David Fitzgerald is a Partner in the firm's Financial Services and Corporate Groups. David's practice focuses on investment funds, securities, joint ventures, regulatory compliance and investment advisers. He regularly structures and organizes hedge funds, private equity funds, funds of funds, separately managed accounts and hybrid funds. Additionally, he advises private fund managers on structure, compensation, employment and investor issues, and other matters relating to management companies.

Drawing on his 16 years of experience as an institutional Chief Compliance Officer and General Counsel, David provides ongoing advice to investment advisers on securities law issues, including SEC filings. His practice also involves counseling clients in SEC regulatory matters, including compliance issues related to registered advisers.

David came to Sadis after over six years as the General Counsel and Chief Compliance Officer of Gabelli & Company Investment Advisers, Inc., the registered alternative asset manager affiliated with the Gabelli group. While at Gabelli, David was responsible for all legal, regulatory and compliance matters involving the adviser, including fund formation. During that time, he also advised the adviser's public company parent on its SEC filing obligations and on a number of corporate finance matters, including the spinoff of its registered broker dealer to its shareholders and the launch of its SPAC platform.

David has over twenty-three years of experience in the legal and financial services industries. Prior to joining Gabelli, David was the Associate General Counsel of Sciens Capital, a registered investment adviser and the head of UBS's leveraged finance legal team in Europe. David was also previously associated with the law firms of Shearman & Sterling LLP and Cahill Gordon & Reindel.

Mark Shayne, ASA, CPA, ABV, CGMA

- Senior Managing Director with **Empire Valuation Consultants, LLC**, and Practice Leader, Portfolio Valuation Services
- 35 year's experience in the valuation and valuation supervision of over 3,000 direct and indirect investments in preferred & common equity, debt, IP and real estate backed assets on behalf of companies, major alternative asset managers, and family offices worldwide
- Previously worked for PwC, JP Morgan Chase, and Equitable (AXA) private placement & LBO group
- Bachelor of Science (cum Laude) from The Wharton School, University of Pennsylvania
- MBA with Distinction from the Stern Graduate School of Business at NYU
- Accredited Senior Appraiser (ASA) of the American Society of Appraisers and Accredited in Business Valuation (ABV) by the American Institute of Certified Public Accountants (AICPA)
- Past President of the NYC Chapter of the American Society of Appraisers
- Testified/certified as expert witness in Federal & State Courts and before the American Arbitration Association
- Past Professor of Finance (Valuation) at the Gabelli Graduate School of Business (Fordham University)
- Member of the Wharton Hedge Fund Network; Investment Management Due Diligence Association (IMDDA); American Institute of Certified Public Accountants (AICPA); NY State Society of Certified Public Accountants (NYSSCPA) and its Alternative Investments Committee; the Wharton Clubs of NY & Israel; Beta Gamma Sigma Honor Society

Critical Issues to be Addressed

- SEC Regulation and the Private Fund Adviser Rule
- Warehousing of Assets and Revaluation
- In-house Valuation v. External Valuation
- Positive Assurance and Limited Scope Engagements
- Valuation of Venture Investments when Limited Information is Available
- Valuation Committee Best Practices
- SEC Review of the Audit Function vis-à-vis the Valuation Process
- Legal Challenges to Recent SEC Regulation
- Q&A

Polling Questions



Question 1: Is the valuation of illiquid portfolio investments on behalf of alternative asset managers a material part of your valuation practice?

- Yes
- No

Question 2: Do you think the SEC Private Fund Advisor Rule will survive legal challenge?

- Yes, it will remain in place as is.
- No, it will be overturned as overreach.
- The audit requirement will remain, but other restrictions will be removed.

Question 3: Do you expect more alternative asset managers to use third-party valuation firms as best practice and to enhance reporting credibility with investors and regulators; or focus on internal valuation to reduce costs and maintain control over the process/results?

- Increase in Third-party Valuation
- Reduction in Third-party Valuation and greater reliance on In-house valuation