

# Michael A. Perlmutter, JD, CPA, CVA, ABAR

Perlmutter Law and Valuation, Inc.

Dbas: Valuation and Litigation Group

30423 Canwood Street, Suite 214

Agoura Hills, CA 91301

Mobile: (818) 317-7900

Email: [michael@perlmutter-law.com](mailto:michael@perlmutter-law.com), [michael@valuationlitigationgroup.com](mailto:michael@valuationlitigationgroup.com)

## Internal Revenue Service (IRS) Experience

Mr. Perlmutter is an experienced valuation expert with an extensive 27-year career at the Internal Revenue Service as an Estate Tax Attorney and Revenue Agent, with a strong emphasis on valuation related issues. His IRS career provided invaluable exposure to complex valuation issues involving a multitude of different assets.

At the IRS, Mr. Perlmutter reviewed, critiqued and challenged thousands of valuation appraisals, prepared by local and national firms, obtaining a unique knowledge of each firm's abilities and credibility. Mr. Perlmutter was involved in some of the most complex audits of some of the wealthiest and highest profile taxpayers. He assisted in forwarding significant cases to IRS Appeals and to Tax Court. Mr. Perlmutter's background and focus is on intellectual property valuation, business valuation and valuation discounting issues.

## Private Practice Experience

After transitioning into private practice in 2018, Mr. Perlmutter founded two valuation related firms, Perlmutter Law and Valuation, Inc. (PLVI) and Valuation and Litigation Group (VLG). PLVI is a valuation consulting firm, while VLG consists of a team of experienced professionals who specialize in business and intellectual property valuations as well as royalty compliance audits. The valuations include various businesses and partial interests therein, music catalogs, music publishing companies, name and likeness rights, actor residuals, Hollywood movie studios and other assets and businesses large and small.

Mr. Perlmutter has helped clients save millions of dollars in taxes by spotting costly appraisal errors, inconsistencies and omissions in methodology, assumptions and applications that resulted in the incorrect valuation of the subject assets. Mr. Perlmutter also knows how to minimize potential IRS audit red flags. Mr. Perlmutter provides guidance and advice through the valuation process, whether for tax, litigation, divorce, buy/sell, internal or other purposes. Mr. Perlmutter is a frequent presenter in front of professional audiences as well as a part-time instructor at UCLA Extension.

## Professional Focus

- Valuation appraisal report preparation
- Valuation consultations and appraisal reviews

## Types of Assets Valued

- Business Entities (operating, holding)
- Intellectual Property Assets (copyrights, trademarks, patents, right of publicity)
- Partial/fractional Interests in Business, Real Property and Intellectual property assets

## Professional Credentials

- 27-year career with the IRS as Estate Tax Attorney and Revenue Agent, with a focus on valuation
- Licenses: Active status California attorney and CPA
- Designations: Certified Valuation Analyst (CVA) and Accredited in Business Appraisal Review (ABAR) from the National Association of Certified Valuators and Analysts (NACVA). Note that the CVA designation is the *only* valuation credential accredited by the National Commission for Certifying Agencies (NCCA) and the American National Standards Institute (ANSI)

## **Professional Experience**

### **2019 – Current: Partner, Valuation and Litigation Group**

- Contributing member of a team of experienced professionals who specialize in business and intellectual property valuations as well as royalty compliance audits. The valuations include various businesses and partial interests therein, music catalogs, music publishing companies, name and likeness rights, actor residuals, Hollywood movie studios and other assets and businesses.

### **2018 – Current: Owner and Director, Perlmutter Law and Valuation, Inc.**

- Provide valuation consulting to business owners, large estates and high-profile deceased musicians, actors and other entertainment industry related individuals. Assets consist of intellectual property (music copyright royalties, name and likeness rights and other IP), business interests, commercial real estate, residential real estate and personal property
- Identify appraisal report errors, omissions and inconsistencies along with incorrect assumptions that may result the incorrect valuation of the subject assets
- Prepared valuation appraisals of partnerships and of partial interests (with discounts) in the partnerships which held income real property
- Served as expert witness for valuation related issues

### **1998 – 2018: Senior Estate Tax Attorney for Internal Revenue Service**

- Examined some of the largest and most complex estate and gift tax returns in the country, which included many well know celebrities and public figures
- Valued diverse types of asset categories, including intellectual property rights (copyrights, trademarks, celebrity name and likeness), real property, businesses (both operational and passive holding a portfolio investment assets), partial interests in businesses (valuation discounts when appropriate), fractional interests in real estate and other miscellaneous assets (promissory notes)
- Unique combination of professional certification as a California Attorney, California CPA, Certified Valuation Analyst (NACVA) and Accredited in Business Appraisal Review (ABAR), plus 27 years of Internal Revenue Service experience
- Leadership experience as on-the-job Instructor, classroom Instructor, presenter at IRS live nationwide Continuing Professional Education courses and participation in group audits and task forces
- Lead auditor on a number of tax cases concerning significant Intellectual Property valuation issues with potential national significance
- Assisted IRS litigation counsel on a significant tax court case with multiple legal and valuation issues
- Wrote, presented and instructed tax and valuation theory to both IRS and non-IRS audiences, including the AICPA and ASA. Participated in determining IRS policy relating to S-Corporation tax affecting valuation
- Negotiated agreed audit and valuation related resolutions with top tax professionals. Engaged valuation experts in complex high level valuation theory discussions
- Involved in high profile cases, such as *Estate of Michael J. Jackson v. Commissioner*, T.C. Memo 2021-48 (May 3, 2021) and *Estate of Whitney E. Houston v. Commissioner*, Docket #012098-16

### **1991–1998: Revenue Agent for Internal Revenue Service**

- Conducted independent examinations as well as related investigations of complex tax returns filed by large businesses, corporations and partnerships
- Applied tax and case law in resolving audit issues with highly experienced tax professionals
- Recognized indicators of fraudulent activity, developed fraud cases and made appropriate referrals

## Academic & Professional Credentials & Achievements

- Instructor – UCLA Extension, Estate Tax, Gift Tax topics for Enrolled Agent Exam – 2020, 2021, 2022
- Expert Witness testimony in Deposition and Arbitration proceeding – valuation related – 2019
- Albert Gallatin Award, Department of Treasury – 2018
- Tax Court – called up to testify as the Estate’s final witness in *Estate of Michael J. Jackson v. Commissioner*, T.C. Memo 2021-48 (May 3, 2021) – 2017
- Tax Court – Provided consultation services to Senior IRS Counsel in legal and valuation capacities in *Estate of Michael J. Jackson v. Commissioner*, T.C. Memo 2021-48 (May 3, 2021) – 2017
- IRS Appeals – Presented IRS position involving legal and valuation issues in high profile, large dollar cases – 2014, 2016, 2017
- Certified Instructor, Internal Revenue Service – 2010
- Accredited in Business Appraisal Review (ABAR), Institute of Business Appraisers – 2010
- Certified Valuation Analyst (CVA), National Assoc. of Certified Valuators and Analysts - 2009
- Certified Public Accountant (CPA), University of California at Los Angeles Extension - 2005
- Outstanding Performance Award, Internal Revenue Service – 2003
- Special Act Award, Internal Revenue Service – 2000
- Certified Public Accountant (CPA) (currently inactive), State of Maryland – 1998
- American Bar Association member – since 1998
- Attorney and Counselor of US Court of Appeals for Ninth Circuit – 1998
- Attorney and Counselor of District Court Central District of California – 1997
- Juris Doctor, Whittier School of Law – 1997
- Performance Award, Internal Revenue Service – annual recipient 1994 – 2017
- Manager’s Award, Internal Revenue Service – various years
- Bachelor of Arts (BA), University of California at Los Angeles – 1983

## Presentations, Instruction & Writings

- Presenter – NAEPC Advanced Estate Planning Strategies Conference, *The Trial of the Century* – 2022
- Presenter – Provisors, Estate Planning & Succession Group, *The Tax Trial of the Century* – 2022
- Instructor – UCLA Extension, *EA Exam Preparation Course* – Summer and Fall sessions – 2022
- Presenter – Divorce Transition Professionals, Dallas, Santa Barbara – *Divorce Valuation Issues* – 2022
- Presenter – Provisors, *What Constitutes a Well-Prepared Appraisal Report* – 2022
- Presenter – All Cities Network, *How to Minimize Your Chance of an IRS Audit* - 2022
- Presenter – California Lawyers Association, Trust and Estates Section – *The IRS Audit Process: A Conversation With Former IRS Estate and Gift Tax Attorneys* – 2021
- Presenter – CALCPA Steering Committee, *Power Panel Discussion of Estate of Michael Jackson v Commissioner* – 2021
- Presenter – California Bar Association, *Analysis: Estate of Michael Jackson v Commissioner* – 2021
- Instructor – UCLA Extension, *EA Exam Preparation Course* – Summer and Fall sessions – 2021
- Presenter – Provisors, LAESP Group, *Selecting the Right Valuation Specialist* – 2021
- Presenter – Provisors, Glendale 1 Group, *Valuation Secrets as told by a Former IRS ETA* – 2021

- Presenter – Westlakers Professional Group, *Importance of a Credible Valuation* - 2021
- Presenter – City National Bank, National Trust Division – *Trust Related Valuation Issues* – 2021
- Presenter – Provisors, Tax Masters Group, *Former IRS ETA talks about Valuation issues* – 2021
- Presenter – Provisors, Pasadena Estate and Succession Planning – *Valuation Made Fun* – 2021
- Presenter – All Cities Network, *Finding the Right Valuation Expert* – 2021
- Presenter – Divorce Transition Professionals – *Divorce Valuation Issues* – 2021
- Presenter – DC Bar Association, *Planning and Audit Issues for Creatives and Athletes: IP Valuation* – 2020
- Instructor – UCLA Extension, *EA Exam Preparation Course* – Summer and Fall sessions – 2020
- Presenter – Divorce Transition Professionals, *War Stories from the IRS Trenches* – 2020
- Presenter – American Society of Appraisers (ASA), *Valuation in the Entertainment Industry* – 2019
- Presenter – All Cities Network, *Valuation Issues From the Perspective of a Former IRS ETA* – 2019
- Presenter – Divorce Transition Professionals, *Valuation Issues in the Divorce Context* – 2019
- Presenter – La Jolla State Bar Association, *Intellectual Property Valuation Audit Red Flags* – 2019
- Presenter – Hawaii Tax Institute, *Intellectual Property Valuations Issues* – 2018
- Presenter – Venable, LLC, *Intellectual Property Valuation Issues* – 2018
- Presenter – California Probate Referee Association Spring Educational Conference – 2018
- Instructor/Mentor – *IRS Valuation Training for Estate Tax Attorneys* – 2009, 2010, 2017
- Presentations to IRS Appeals (name and likeness rights, music and film royalty stream and business valuation) – 2014, 2015, 2017
- Author – *IRS Valuation Training Materials* – 2011, 2017
- Acknowledgement - *Right of Publicity, Analysis, Valuation and The Law*, Wes Anson – 2016
- Presenter – IRS Training “*How to Select an Outside Fee Appraiser*” – 2014
- Presenter – American Society of Appraisers (ASA) – *Tax Laws and Valuation* – 2014
- Presenter – IRS National Telecast CPE – *Valuation, Appraisal “Red Flags”* – 2012, 2014, 2015
- Presenter – IRS National CPE – *Appraisal “Red Flags”* – 2010
- Presenter – AICPA Presentation – *Tax Laws and Valuation* – 2008
- Member of Cadre – *IRS S-Corporation Valuation Job Aid* – 2009