



Forensic Accounting Today

Newsletter of Ron J. Anfuso, CPA/ABV - An Accountancy Corp.

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Issue 5

Choosing a Forensic Accountant as an Expert Witness

When a Family Law firm initially contacts me, the attorney I speak with is frequently searching for an effective expert witness. Typically, the firm recently experienced a disappointing effort from another Forensic Accountant.

Not every Forensic Accountant performs well in court. After all, we are CPAs. We sit behind desks performing calculations and analyzing numbers. Those who have the proper certifications usually accurately conduct business valuations and correctly determine divisions of property. There are no certifications, however, that can guarantee a Forensic Accountant's ability to perform successfully on the witness stand.

Whether you find a Forensic Accountant on your own or receive a recommendation from a colleague, I suggest you refrain from entering into a relationship without first querying the individual. Ask the following questions and evaluate the accountant's responses:

- *How often have you appeared in court?* Experience in court breeds confidence and better outcomes. Those who have testified more than 100 times are usually the better choice. The most experienced Forensic Accountants know how to succinctly answer questions on the stand and refrain from providing information not requested.

Continued on page 2

Important Family Law Case #2:

Euphrasia Van Camp, Respondent, v. Frank Van Camp, Appellant/ Euphrasia Van Camp, Appellant v. Frank Van Camp, Respondent

By Ron J. Anfuso, CPA, ABV, CFF, CDF, FABFA*

Case Cite: 53 Cal.App. 17, 199 P. 885

Date: May 26, 1921

Court: Second Appellate District, Division One

This case involved apportionment of community and separate property business interests.

Background: In March of 1916, when Frank Van Camp married Euphrasia, he was the president and general manager of the Van Camp Seafood Company. The court determined that he organized this company, which was capitalized with 2,000 shares of stock at a par value of \$100 each. The court also determined that he was a man of large means, which included cash, notes, real estate and corporate stock, and that during his marriage he devoted his exclusive attention to the management of a corporation from which he received a large salary. It appears from this statement that the court implied large salary to mean adequate compensation. The question here is: Was the community adequately compensated for his efforts?

In order to determine if Van Camp applies, the following steps must be applied:

Step 1: Determine compensation of owner spouse paid from separate property business.

Continued on page 2

Do You Need a Financial Expert to Speak to Your Study Group or Bar Event?

Ron J. Anfuso can address any Forensic Accounting topic, including Moore/Marsden; marital standard of living and support needs analysis; financial specialists and Collaborative Law; gross cash flow available for support; DissoMaster™; divorce tax issues; divorce: what to expect; and business valuations. To discuss your group's needs, call Ron today!

Choosing a Forensic Accountant:

Continued from page 1

- *Do you ever delegate to another to appear in your stead?* The last action you want is for your Forensic Accountant to punt to another who is unprepared and lacks complete knowledge of the case.
- *How do you go about preparing for an appearance?* Ask for specifics.
- *How often have judges appointed you pursuant to Evidence Code §730?* Clearly, those who continue to be appointed by judges are considered the most credible.
- *Do you speak loudly and clearly?* Listen to how the Forensic Accountant responds to your questions. If the individual is soft-spoken and passive over the phone, should you expect anything different in court?
- *Will the CPA remain focused and not allow opposing council to intimidate him/her?* A timid personality will not cut it. Make sure you are confident the accountant has a strong personality and will stand up well to tough cross-examination.
- *Does the accountant thrive on making court appearances?* This is the attitude you want. If the Forensic Accountant is enthusiastic at the get go, becomes invigorated by the challenge, is motivated to put effort into the case, and cannot wait to make a court appearance, you probably have yourself a gem.

What a valuable asset it is to have a relationship with a Forensic Accountant who consistently delivers in court! Why settle for anything less?

Ron J. Anfuso, CPA, ABV, CFF, CDF, FABFA*

* For an explanation of these titles, please visit our website or request a copy of Issue 3 of Forensic Accounting Today.

Important Family Law Case #2: Continued from page 1

Step 2: Evaluate standard or reasonable compensation of other individuals in the same or a similar line of business.

Step 3: Subtract Step 2 from Step 1 to determine the community interest in the business.

What is reasonable compensation? In Harrold v. Harrold (1954) 43Cal.2d. 77, the trial court adopted husband's salary as value of community property. Wife objected, stating the amount was too low and asked for a Pereira calculation. The Court of Appeals disagreed with wife and affirmed the trial court. The Court of Appeals stated, "No fixed rule can be laid down which would be equitable in all cases."

Other Considerations Regarding Van Camp

When using the Van Camp method, community living expenses must be deducted from community income to determine community interest.

The Van Camp court explicitly stated, "In the absence of any evidence showing a different practice, ... the rule is that the community earnings of husband and wife are chargeable with the family support. Hence, any amounts of money expended for such purpose by either spouse during the existence of the marital relation are presumed to have been paid out of the community estate."

Meet Ron J. Anfuso, CPA/ABV

Ron Anfuso graduated, with honors (Magna Cum Laude, GPA 3.81) from National University, San Diego, California with a Bachelor of Arts Degree in 1990. After graduation he was employed as a senior accountant at Gursey | Schneider, L.L.P. His areas of experience include Forensic Accounting and litigation support services in marital dissolution and civil/commercial litigation matters.

Imagine...



A Forensic Accountant Who Actually Returns Your Phone Calls Within 24 Hours

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