

**BRUCE S. SCHAEFFER, J.D., LL.M. (in Taxation)**  
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## SUMMARY

I am an expert in the finance, accounting and tax aspects of franchising and I am a valuation and damages specialist and a member of the Institute of Business Appraisers and the National Association of Certified Valuators and Analysts. I am also an attorney admitted to the New York, Massachusetts, Federal and U.S. Tax Court bars, and the Principal in the firm of Franchise Valuations, Ltd. I am the author of the Bureau of National Affairs Tax Management Portfolio 559-3<sup>rd</sup> *Tax Aspects of Franchising* (2012), and co-author with Byron E. Fox of Commerce Clearing House's *Franchise Regulation and Damages* (2005 and updated three times annually). I have been retained as an expert for valuations and damages by distributors, franchisors, franchisees, the Internal Revenue Service, and the New York State Attorney General among others, and I have testified as an expert witness.

I have provided testimony in the following cases, in deposition, trial or arbitration in the past several years:

1. Special Care, Inc. & Special Care of Pennsylvania, Inc., Claimants v. Open Arms, Inc. & Sandra Dunkel, Respondents Case No. 14 199 000006 06 American Arbitration Association (testified)
2. Thomas A. Young, Jr., and Bruce Young *Claimants*, v. Option Care Inc., and Option Care Enterprises, Inc. *Respondents*. JAMS NON-ADMINISTERED ARBITRATION JAMS Ref. #: 1310017483 (testified)
3. San Francisco Oven, LLC, Petitioner v. Fransmart, Inc., Rowe Bright Company and Fransmart, LLC, Respondents Case No. 16 114 00601 05, American Arbitration Association (testified)
4. Feedai, Inc. Claimant vs. Sikander Nayani et al., Defendants vs. Anwar Sajjan et al., Third-Party Defendants, Cause No. 153-212978-05, District Court, 153<sup>rd</sup> Judicial District, Tarrant County, Texas (deposed)
5. Golden Rings, Inc. v. Dunkin' Donuts, Inc., Superior Court of New Jersey, Middlesex County Law Division, Docket No. L-1262-03 (deposed)
6. Nexxio Group, Ltd., et al. Claimants, vs. Ronald K. Cope Defendant vs. Nexxio, LLC & Nexxio Technologies, LLC Counter-Defendants District Court of Dallas County, Texas, 191<sup>ST</sup> Judicial District (deposed)
7. Southern Wine v. Mountain Valley, US District Court Western District of Arkansas Civ. Action No. 08-6100 (deposed)
8. Cold Stone Creamery v. Jason Pinnock, AAA Case No. 76-114-00366-08 LGB, American Arbitration Association (testified)

9. Cold Stone Creamery v. Cindy Kilman, AAA Case No. 76-114-Y – 252 - 09, American Arbitration Association (testified)
10. Hardee's Food Systems v. Jeffrey Hallbeck, US District Court Eastern District of Missouri Case No. 4:09-cv-00664-CAS (deposed)
11. Pizza Hut v. Lundy Enterprises, Arbitration pursuant to Agreement, December 2010 (testified)
12. Kingz & Queenz Enterprises Inc. v. Nabico Management Services, Circuit Court for Fairfax County, Civil Case No. 2011-00006 (testified)
13. Gun Hill Road Service Station v. EXXONMOBIL, US District Court Southern District of New York, Case No. 08 Civ. 7956 (PKC)(HBP) (deposed)
14. Muzumdar v. Plotkin, Circuit Court of Cook County, 2008 L 350 (deposed)
15. CM South East Texas v. CAREMINDERS, American Arbitration Association Case No. 30-20-1300-1046 (deposed and testified)
16. Donna Miller v. CAREMINDERS, US District Court Northern District of Georgia Case No. 1:14-CV-01295-AT (deposed)
17. Luigi LaVerghetta v. Gabrielle Lawlor et al., Supreme Court of the State of New York, County of Westchester, Index No. 59346/2014 (deposed and testified)
18. BADA International v. ChungHo Nais, US District Court Central District of California, Case No. SA CV 13-01110 (deposed)
19. John Cartolano v. Ameriprise, FINRA Arbitration No. 13-02816 (testified)
20. Friedman v. Five Guys, Circuit Court for Fairfax County, Civil Case No. 2014-12272 (deposed and testified)
21. Capital Business Consultants et al. v. Rider Weiner & Frankel et al., Circuit Court for the 17<sup>th</sup> Judicial District in Broward County, Florida, 2014 (deposed)
21. PuroSystems Inc. v John Burke, American Arbitration Association, 2015 (deposed)
22. PuroSystems Inc. v. Michael Allen, American Arbitration Association, 2017 (deposed)
23. Stavroulakis v. Bareburger, New York State Supreme Court, 2017 (deposed)
24. Tilted Kilt v North Shore Kilt, LLC, American Arbitration Association, 2018 (testified)

25. RE/MAX New England v RE/MAX Leading Edge, Massachusetts Superior Court Middlesex, 2019 (testified)
26. DOC Development, LLC v. EWC Franchise, LLC, American Arbitration Association, 2019 (deposed and testified)
27. Auctus Restaurant Group, Inc. and Klayrock LLC v. Golden Krust Franchising Inc., American Arbitration Association, 2020 (deposed and testified)
28. Byrider Franchising LLC v. Anthony Marcantonio, et al, American Arbitration Association, 2020 (deposed)
29. Smash Franchise Partners, LLC v. Smash Hit, LLC et al, American Arbitration Association Case No. 01-20-0015-7924, 2022 (testified)
30. DPB Family LLC, et al v. Eutychia Group LLC, et al, Supreme Court of the State of New York, New York County, Index No. 65255/2018, 2022 (deposed)
31. John Wellman, et al v. Windermere Real Estate Services Company, American Arbitration Association, Case No. 01-21-0002-7777, 2022 (testified)

## **EXPERIENCE**

**Attorney at Law**, New York, NY 1989-Present

- Private practice focusing on franchising, estate planning and administration, taxation and securities fraud (litigation and arbitration)
- Admitted New York and Massachusetts Bars, Federal Court and Tax Court

**Founder and President** 1996 to Present

**Franchise Valuations Limited**, New York, NY

Providing valuations and appraisals of franchise properties to owners, lenders, and financial and legal advisors to the franchise community in need of:

- Succession and estate planning
- Lender due diligence
- Expert testimony in matrimonial disputes, partnership/shareholder disputes
- Consulting and testifying expertise for money damages

**Founding Partner** 1984-1989

**Law Firm of Kaufmann, Rosenblum, Gildin & Schaeffer**, New York, NY

**Associate** 1976-1983

**Law Offices of Alan T. Cannon**, New York, NY (1980-1983)

**Brent, Phillips, Dranoff & Davis**, Nanuet, NY (1977-1979)

**Bradley, Barry & Tarlow**, Boston, MA (1976-1977)

## **EDUCATION**

LL.M. (In Taxation) -- New York University School of Law  
J.D. -- Brooklyn Law School  
B.S. -- City College of the City University of New York

## **AFFILIATIONS AND PROFESSIONAL ACTIVITIES**

### **Memberships**

International Franchise Association (formerly Legal, Legislative Committee and formerly on the Finance, Accounting and Tax Committee)  
Institute of Business Appraisers  
National Association of Certified Valuators and Analysts  
American Bar Association  
New York State Bar Association  
American Association of Franchisees and Dealers  
Canadian Franchise Association

### **Speaking**

Speaker, International Franchise Association Conventions and Legal Symposia  
Speaker, Canadian Franchise Association National Convention  
Lecturer, Brooklyn Law School  
Speaker, Canadian Institute of Chartered Business Valuators  
Speaker, New York University Institute on Federal Taxation  
Speaker, New York State Bar Association  
Speaker, Practising Law Institute

## **PUBLICATIONS**

### Books

*Franchise Regulation and Damages*, (co-author with Byron E. Fox), Commerce Clearing House, Inc., 2005.

*Finance, Accounting and Tax Aspects of Franchising*, Bureau of National Affairs Tax Management Portfolio 559-3<sup>rd</sup> (2012) 559-2<sup>nd</sup> (2005) and 559 (1999).

*Accounting and Tax Aspects of Franchising* (co-author with John L. Allberry), The Little, Brown Tax Practice Series, Little, Brown & Co., 1995

*The Franchising Industry* (co-author with John L. Allberry), Commerce Clearing House Tax Transactions Library, 1991

### Articles, Chapters and White Papers

“Focused Expertise – *Daubert* in Franchise Litigation,” (co-author with Natalma (Tami) McKnew and Ted Pearce), *Franchise Law Journal*, 2021.

“Succession Planning for Franchisees,” (co-author with K. Eli Akhavan), *Franchise Law Journal*, 2017.

“Damages for Lost Future Profits in Franchise Disputes – Overcoming the New Business Rule and Establishing Reasonable Certainty,” (co-author with Carmen D. Caruso), *Franchise Law Journal*, 2016.

“Identify What’s Missing From Your Cyber-Security Posture: Ignoring Cyber-Security Risks and Avoiding Protective Steps Could Put Your Franchise System in Peril,” (co-author with Henry Chan), *Franchising World*, 2015 .

“Baby Boomers in Franchising: Exit and Succession Planning,” *Franchising World*, 2013.

“The Second Battle of the Canadian Donut Wars – Bertico v. Dunkin’ Donuts: Lessons Learned About Franchisors’ Duties, Lost Profits Calculations and the Credibility of Expert Testimony,” (co-author with Edward (Ned) Levitt), *CCH Business Franchise Guide*, 2012.

“Canada’s Tim Hortons Case: Lessons Learned About Franchisors’ Rights, Class Action Certification and Rules of Expert Testimony,” (co-author with Edward (Ned) Levitt), *CCH Business Franchise Guide*, 2012.

“Current Damages Issues In Franchise Disputes: Lost Future Royalties and the Value of a Terminated Franchise,” *Dunn on Damages*, 2012.

“Valuations in Franchising”, (co-author with Ned Levitt), Canadian Franchise Association National Convention, 2012.

“Expert Testimony and the Changes to FRCP Rule 26,” (co-author with Henry Chan), *LJN’s Franchising Business & Law Alert*, 2010.

[“Make Plans for Tax Hikes – They’re Coming.”](#) *Franchising World*, 2010.

“Tax Issues – The US Perspective,” *International Franchising: A Practitioner’s Guide*, Globe Business Publishing Ltd, 2010.

[“Cyber Crime and Cyber Security: A White Paper for Franchisors, Licensors, and Others.”](#) (co-author with Henfree Chan, Henry Chan and Susan Ogulnick), Wolters Kluwer Law & Business, 2009

“Franchise Companies vs. Hackers: 20 Questions on Cyber Crime,” (co-author with Henfree Chan), *LJN’s Franchising Business & Law Alert*, 2009.

[“Succession Planning For Franchise Owners.”](#) (co-author with Susan Ogulnick), *Wealth Management Business*, 2009.

[“Challenges to the Admissibility of Expert Financial Testimony: 2005-2008,”](#) (co-author with Susan Ogulnick and Sara Anne Schaeffer), Wolters Kluwer Law & Business, 2008.

[“Why Valuing Franchise Businesses is Different from Valuing Other Businesses,”](#) (co-author with Susan Ogulnick), *Business Appraisal Practice*, 2008.

[“Penetration Testing: Why Franchise Systems Need Information Security,”](#) (co-author with Henfree Chan), *Franchising World*, 2008.

[“Valuation of Intangible Assets in Franchise Companies and Multinational Groups,”](#) (co-author with Susan J. Robins), *Franchise Law Journal*, 2008.

“Tax Nexus Update for Franchisors,” *LJN’s Franchising Business & Law Alert*, 2005.

“Nexus Goes to Washington,” *Franchising World*, 2005.

“Considerations in Buying or Selling a Business in New York,” (co-author with James Alterbaum and Harvey J. Kesner), National Business Institute, 2004.

“State and Local Taxation of Franchisor Income: They Are Out to Get You!” *Franchising World*, 2003.

“Meet the Experts: Franchises and Family Limited Partnerships,” *The Franchisee Voice*, 2002.

“Franchises and FLPs: Looking at the Benefits and Possible Problems That Franchisees Face,” *LJN’s Franchising Business & Law Alert*, 2002.

“Succession Planning for Franchisees,” *Franchise Law Journal*, 2001.

“How to Develop the Best Practices in Succession Planning for Franchisees,” *LJN’s Franchising Business & Law Alert*, 2001.

“Succession Planning for Franchisees: Save Taxes with Valuation Discounts,” *Franchising World*, 1999.

“Franchise Valuations: When Character, Isn’t Enough,” *Journal of Lending & Credit Risk Management*, 1998.

“Defamation and Form U-5,” Practising Law Institute *Securities Arbitration*, 1997.

“Proceeds From International Franchise Sale May Not be Allocated to Goodwill for Tax Purposes,” *Business Franchise Guide*, 1997.

“Succession Planning for Franchisors and Franchisees,” *Leader’s Franchising Business*

*& Law Alert*, 1996

“The Cost of Acquisition of Franchises - Canterbury v. Commissioner,” *Business Franchise Guide*, 1992.

“New Tax Treatment and Reporting Requirements for Franchise Transfers: IRC Section 1060,” *Franchise Legal Digest*, 1989.

“Estate Planning for Franchises,” *Taxation for Accountants*, 1989.

“Tax Issues Affecting Franchising, with an Overview of the Tax Reform Act of 1986,” Practising Law Institute *Franchising 1988: Business Strategies and Legal Compliance*.

“Selected Tax Aspects of Franchising,” Practising Law Institute *Franchising 1987: Business Strategies and Legal Compliance*.

“Success Problems and the Closely Held Franchisor: The Personal Holding Company Tax,” *Franchise Legal Digest*, 1985.

“Franchisee Fee Collection: Reaping the Benefits of Franchise Tax Deductions,” *Franchise Legal Digest*, 1985.

“Rehabilitation Tax Credit: The Substantial Rehabilitation Test,” *Tax Management Real Estate Journal*, 1985.

“Avoiding the State Death Tax Disadvantages of the Unlimited Marital Deduction in Large Estates,” *Estate Planning*, 1983.

“Reasonable Compensation: Defending Against an IRS Attack,” *The Practical Accountant*, 1982.

“Tax Planning to Avoid the Accumulated Earnings Tax,” *The Practical Accountant*, 1982.

“Reasonable Compensation and Accumulated Earnings,” *New York University 39<sup>th</sup> Annual Institute on Federal Taxation*, 1981.

“Maximum Marital Deduction Clause Not Always the Best Choice,” *Estate Planning*, 1978.