

OCEAN TOMO

CORPORATE RESTRUCTURING



In response to client inquiry and current conditions, Ocean Tomo has initiated a new Corporate Recovery & Restructuring Advisory (CRRA) Services division, drawing professionals from each of its business units. Ocean Tomo's CRRA division uniquely combines industry leading IP market expertise with decades of traditional financial restructuring experience to serve corporations, financial institutions, and investment managers impacted by credit and economic crises. Additionally, the firm works closely with a limited number of traditional financial restructuring firms to present joint solutions.

CRRA's unique insight into a firm's largest asset base and intangibles, along with its proven proprietary solutions, helps companies to:



Appropriately reduce
operational costs



Further competitive
market positioning



Raise short
term capital



Identify incremental
long-term revenue
streams

Specific services provided by Ocean Tomo's CRRA include IP Portfolio Optimization, IP-Backed Debt Enhancement, IP Litigation "Right-Sizing" & Enforcement Funding, ASC 805 & ASC 350 Purchase Price Allocation & Impairment Valuation, Financial Services Litigation Support & Expert Testimony, and Operational & Financial Advisory or Interim Management.

IP Portfolio Optimization

CRRA professionals work to trim existing patent portfolios, reducing significant maintenance expenses. Clients have targeted savings exceeding \$10 million annually from such reviews. Non-core assets not abandoned may be sold privately, at public auction or via an open voice brokerage network.

Ocean Tomo further assists clients in establishing transfer pricing strategies relating to trademarks, copyrights, patents, and other intangible assets. Such services include establishing royalty rates, and licensing programs that incorporate optimal tax planning strategies.

IP Litigation "Right-Sizing" & Enforcement Funding

An assigned CRRA team will work with Ocean Tomo's Financial Testimony and Valuation divisions to review the client's complete portfolio of pending IP litigation and to advise management on realistic net present value recoveries or exposure, allowing a more rational expenditure of legal budgets. Recognizing that core IP assets remain a source of value creation and competitive differentiation, Ocean Tomo can also present well-funded partners willing to cover legal and other related expenses.

IP-Backed Debt Enhancement

Ocean Tomo's CRRA team will work with clients' existing lenders as well as tap known IP savvy investors and alternative capital sources to help restructure current debt to expand capacity or reduce borrowing cost. In most cases, a client's IP is positioned as first lien collateral. A commercialization plan is established, wherein Ocean Tomo will work with all stakeholders to capture further value from the IP estate sharing in such incremental revenue.

Ocean Tomo and its financial restructuring partners will jointly advise clients regarding more traditional corporate finance solutions by assisting in executing transactions including in and out-of-court recapitalizations, accretive M&A, and debt or equity financings.

ASC 805 & ASC 350 Purchase Price Allocation & Impairment Valuation

Financial accounting and reporting for acquired intangible assets must be addressed under ASC 805 and 350. ASC 350 governs the subsequent accounting for goodwill and intangible assets acquired either individually, with a group of other assets, or in a business combination. ASC 350 addresses the impairment of goodwill and intangible assets that are not amortized; while ASC 360-10 addresses the impairment of intangible assets that are amortized. Traditionally, goodwill impairment testing has been a two-step process. Under Step 1, if the fair value of the reporting unit is greater than the carrying amount, there is no impairment. If, however, the fair value of the reporting unit is less than the carrying amount, goodwill may be impaired, and a Step 2 analysis is performed to determine the fair value of goodwill and the amount of goodwill impairment. Step 2 is similar to a purchase price allocation where the fair value of goodwill is determined based on the value of the reporting unit less the fair value of reporting unit's assets and liabilities.

In 2017, the FASB offered a simplified approach to goodwill impairment testing under US GAAP. ASC 350-30-35-18B gives companies the option to adopt a simplified approach. Under the simplified approach, instead of performing a calculation of the fair value of a reporting unit, companies may perform a qualitative assessment to determine whether it is more likely than not that the carrying amount is less than the fair value. If the qualitative assessment results in an indication of impairment, instead of completing the traditional Step 2 calculation, companies may elect to apply the simplified approach to determine the level of goodwill impairment. Under this approach, the level of goodwill impairment is simply the amount by which the carrying amount of the reporting unit exceeds its fair value. It is important for companies to understand that the impairment amount between the Step 2 approach and the simplified approach may differ materially.

Financial Services Litigation Support & Expert Testimony

Ocean Tomo's experts have backgrounds in strategy consulting, structured finance, financial exchanges, credit financing, and equity based investments decisions. Ocean Tomo's CRRA team has unique insight into accounting for losses due to improper or fraudulent lending, borrowing or investment practices, thereby helping clients to achieve a full and accurate recovery. The CRRA team also has experience in accountant's liability related to proper accounting and auditing standards, as these issues may become important to any claims made.

Operational & Financial Advisory or Interim Management

Working alongside Ocean Tomo professionals, financial restructuring partners will assist management teams in developing and executing comprehensive plans to stabilize operations and restore long term financial viability. In select cases, seasoned professionals are hand selected by Ocean Tomo to assume C-level positions in client companies and take direct responsibility for executing operational turnaround plans and financial restructurings.



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Gregory Campanella is responsible for leading Ocean Tomo's Management Services Group and is a Managing Director in the Valuation practice. Mr. Campanella's work has focused on valuations of intangible, intellectual property and tangible assets for acquisitions and divestitures, bankruptcy and restructuring, establishment of monetization strategies including licensing, mergers and joint venture/partnership formations, litigation support, and financial reporting and tax matters.

Mr. Campanella also has experience performing business enterprise, equity and debt valuations. Industries in which he has experience include telecom, computer hardware and software, entertainment, semiconductors, life sciences/pharmaceuticals, wireless and wired communication, e-commerce, among others.



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About Ocean Tomo

Ocean Tomo LLC provides Expert Opinion, Management Consulting, and Advisory services focused on matters involving intellectual property (IP) and other intangible assets. Practice offerings address economic damage calculations and testimony; business licensing strategy and contract interpretation; trade secret reasonable measures; asset and business valuation; strategy and risk management consulting; merger and acquisition advisory; debt and equity private placement; and IP brokerage.

Ocean Tomo experts are routinely qualified in U.S. District Courts, U.S. Bankruptcy Courts, U.S. Tax Court, U.S. Court of Federal Claims, state courts, the U.S. Patent and Trademark Office Patent Trial and Appeal Board, international courts, and arbitration tribunals on questions relating to intellectual property economics. The firm's professionals have provided expert opinions on IP valuation, reasonable royalty, lost profits, price erosion, commercial success, corrective advertising, creditor allocations, Hatch-Waxman Act market exclusivity, business licensing terms including RAND obligations, venture financing, and equities of a potential injunction. The firm's experience extends to general business valuation and commercial disputes, domestic and foreign, as well as policy issues affecting international technology transfer and economic matters before the International Trade Commission.

Intangible assets comprise 90 percent of business value but are also subject to significant impairment due to enterprise and regulatory compliance risk. Our services are built upon more than three decades of experience assessing intellectual property in the most rigorous of venues. Our financial, market, scientific, and technical experts have deep experience with tangible and intangible assets protected by intellectual property. We bring a unique understanding of the contributory value of proprietary innovation to every engagement. This is the cornerstone of our business.

Subsidiaries of the firm include Ocean Tomo Investments Group, LLC, a registered broker-dealer. As a part of J.S. Held, Ocean Tomo works alongside more than 1500 professionals globally and assists clients – corporations, insurers, law firms, governments, and institutional investors – on complex technical, scientific, and financial matters across all assets and value at risk.

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About J.S. Held

J.S. Held is a specialized global consulting firm whose professionals serve as trusted, expert advisors to organizations facing high-stakes events that demand urgent attention, exceptional knowledge, staunch integrity, and clear-cut analysis and advice. The firm provides a comprehensive suite of technical, scientific, financial, and technology advisory services that enable clients across the spectrum of industries to navigate complex, contentious, and often catastrophic situations with precise analysis, reliable insights, and confidence.

In 2022, Ocean Tomo joined J.S. Held, continuing the strategic growth of the firm. Leveraging the J.S. Held team of more than 1,500 professionals around the world, our clients will now have access to J.S. Held's suite of specialized services, including:

- Construction Advisory Services
- Corporate Finance
- Economic Damages and Valuation Services
- Environmental, Health, and Safety Services
- Equipment Consulting
- Forensic Accounting
- Forensic Architecture and Engineering
- Global Investigations
- Property and Infrastructure Damage Consulting
- Surety Services

Headquartered in New York, J.S. Held has offices across the United States, Canada, Latin America, Europe, Asia Pacific, and the Middle East.

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