

Ippolito Christon & Co.

Providing Business Valuation & Transaction Services Since 1986

ANDREW S. CHRISTON

President

Ippolito Christon & Co.
2825 Lewis Speedway, Suite 104
St. Augustine, FL 32084
(904) 460-0735 (direct line)
achriston@ippolitochriston.com

Wharton, MBA Finance – Wabash College, BA Economics

Experience

Ippolito Christon & Co., Atlanta, GA & St. Augustine, FL (1986 – present)

Since forming Ippolito Christon & Co., Mr. Christon has prepared nearly 500 valuations of brand distribution rights and beverage companies, and has been engaged as exclusive broker or financial advisor in over 100 purchase and sale transactions. Clients have included all major brands of beverage franchisee, including some of the largest beverage distributors in the U.S. Mr. Christon has been quoted in numerous trade articles concerning the value of beverage distribution rights, and speaks frequently at national trade association seminars and state beer association conferences.

The Coca-Cola Company, Atlanta, GA (1978-1986)

Mr. Christon joined The Coca-Cola Company in 1978. Over a period of eight years he analyzed, evaluated, structured, and negotiated the transfer of ownership of a large number of Coca-Cola bottling companies as part of the historic re-franchising of the U.S. bottler system, in the U.S. In the execution of his duties, Mr. Christon served as a director on the board of directors of several Coca-Cola bottling companies, representing Coca-Cola USA's minority equity investment.

The Robinson-Humphrey Co., Atlanta, GA (1974-1978)

Mr. Christon's close affiliation with the beverage industry began in 1974 as a Securities Analyst with The Robinson-Humphrey Co. in Atlanta, researching publicly traded beverage companies. Prior to his career as a Securities Analyst, Mr. Christon was a Financial Analyst at Chase Manhattan Bank in New York City.

Expert Testimony

Over the years Ippolito Christon & Co. has gained national recognition in the legal community and the courts as an expert on the value of beverage distribution rights. Since 1986, we have been engaged in several dozens of cases around the country to testify or consult on disputes between distributors, distributors and suppliers, and distributors and the IRS. As a matter of policy we do not provide our valuation services to the large corporate franchise companies or national beverage suppliers, as such engagements are a potential conflict of interest.

Mr. Christon has provided **expert witness testimony** in several civil actions and in U.S. Tax Court. The four most recent cases are listed below:

Sound Distributors 'Mount Vernon' v. Pyramid Brewing Company. Mr. Christon provided his opinion of the fair market value of Sound Distributor's distribution rights to Pyramid's malt beverage products and the loss suffered by Sound Distributors from Pyramid's withholding of approval of the transfer of distribution rights and Pyramid's termination of the Sound Distributor's rights to distribute products of Pyramid. Full amount of plaintiff's contested amount plus interest and fees awarded at arbitration, October 2007.

Ippolito Christon & Co.

Providing Business Valuation & Transaction Services Since 1986

Shangy, Inc. v. InBev USA, LLC. We provided our opinion and assistance to quantify the monetary damage to the Shangy, Inc. resulting from InBev's breach of the Settlement Agreement between Shangy, Inc. and InBev. Settled for an undisclosed sum in 2007.

John G. Ryan, Inc. v. Molson USA, LLC. We provided our opinion and assistance to quantify the monetary damage to the John G. Ryan, Inc. resulting from Molson's termination of brands by implementation of a policy of consolidation. Settled by arbitration in 2007.

Sound Distributors of Mount Vernon vs. Heineken USA. We provided our opinion of damages to Sound Distributors resulting from Heineken's withholding of approval of the transfer of distribution rights and Heineken's termination of Sound's right to distribute products of Heineken. Settled for an undisclosed sum in 2006.

Other Expert Consultation

*Mr. Christon also has served as an **expert or consultant** regarding valuation matters in numerous civil actions and matrimonial cases that were settled prior to deposition or trial. Following is a listing of a few such cases (matrimonial cases are excluded from the list for confidentiality purposes):*

IRS vs. Estate of Albert W. Vontz, Jr., Estate and Gift Tax Return Appeal. We assisted the Estate in negotiating a substantial reduction of the assessed tax deficiency related to the Estate's ownership of Dayton-Heidelberg Distributing Co, an Ohio beer and wine distributor with \$300 million of annual revenue. Resolved by settlement in November 2005.

J. Lewis Cooper Co., Henry A. M&A Distributing Sales Company, and Fabiano Bros., Inc. collectively d/b/a Trans-Con Co., vs. Diageo North America, Inc., et. al. We provided our opinion of damages to Trans-Con resulting from the termination of (a) Trans-Con's right to distribute products of Diageo and (b) Trans-Con's brokerage contracts with Schieffelin & Somerset Co. and Trans-Con's appointment as Authorized Distribution Agent for Schieffelin & Somerset Co., a party related to Diageo. Settled for an undisclosed sum in 2006.

Goodman Beverage Co., Inc. vs. Kerr Beverage Company, et al. In the Court of Common Pleas, Lorain County, Ohio, Case No. 99CV124031. Breach of contract by Kerr, for the sale of Coors distribution rights to Goodman. Resolved by settlement in September 2004. Ippolito Christon & Co. provided expert witness services on behalf of Goodman.

Johnson Brothers Liquor Company of Florida vs. Rabbit Ridge Wine Sales, Inc., Circuit Court for the 13th Judicial Circuit, Hillsborough County, Florida, Case No. 01-003054. Settled for an undisclosed sum in November 2003.

Southwest Beer Distributors, Inc. vs. Miller Brewing Company, U.S. District Court for the Northern District of Illinois Eastern Division, Case No. 01C04726. Settled in February 2003 for an undisclosed sum.

Oak Beverage, Inc. et al vs. Heineken USA, Inc., settled through mediation between the parties, July 2002.

Ippolito Christon & Co.

Providing Business Valuation & Transaction Services Since 1986

PROFESSIONAL PRESENTATIONS

Beverage industry trade groups frequently invite Mr. Christon to speak at national and state conventions on topics involving business valuations, beverage industry economics, financial trends, and other relevant financial topics. Ippolito Christon & Co. has been a regular presenter at education seminars of the National Beer Wholesalers Association ("NBWA").

Executive Seminar Series of the NBWA

Ippolito Christon & Co. was engaged by the NBWA to create and conduct an exclusive, owners only seminar on the subject of Managing Value. This 2-½ day seminar was held in five different locations throughout the U.S. during 1997-98. Seminar participants were introduced to basic concepts of business valuation, and were given the opportunity to evaluate distribution rights for purchase and sale through live action case studies.

Other NBWA Education Seminars

- The Great Debate Over Distributor Values: What Every Buyer and Seller Should Know (2009)
- Do the Deal Now! Sunset Provisions in the Tax Code and Other Niceties on the Horizon (2008)
- Negotiating the Fair Value of InBev Euro Brands, Heineken, Corona and Other Golden Cases (2007)
- Financial Myths: A Discussion of Fair Market Value and Other Financial Myths from Theoretical to Practical (2006)
- The Anatomy of the Deal (Part II): Tax Free Transactions (2005)
- Buying and Selling Imports and Secondary Brand Rights (2004 & 2003)

Other Trade Group Presentations

- Legacy of the Golden Cases
California Beer & Beverage Distributors, November 12, 2009
- Craft Brand Valuation
Craft Brewers Conference, April 17, 2008
- What is Value? It Depends!
North Carolina Beer & Wine Wholesalers Association, April 29, 2006.
- The Fallacy of Multiples
Tennessee Malt Beverage Association, July 18, 2005.
- You Don't Have To Be The Biggest Beer Wholesaler To Be In Business
Missouri Beer Wholesalers Association – October 11, 2004
- The Value of Distribution Rights and the Three-Tier System
Associated Beer Distributors of Illinois 66th Annual Convention – October 5, 2004

Ippolito Christon & Co.

Providing Business Valuation & Transaction Services Since 1986

MEMBERSHIPS

Nation Beer Wholesalers Association
Brewers Association
Michigan Beer & Wine Wholesalers Association
Associated Beer Distributors of Illinois
South Carolina Beer Wholesalers Association
North Carolina Beer and Wine Wholesalers Association
Georgia Beer Wholesalers Association

COMPANY DESCRIPTION

Since 1986 the firm has specialized in providing a wide range of business valuation and transaction services to alcohol beverage and soft drink distributors for the purchase, sale, and valuation of businesses and distribution rights.

The professionals at Ippolito Christon & Co. have a combined total of 70 years of affiliation with the beverage industry. In addition, two Associates are CPA's who also hold professional certifications that recognize a high level of achievement and specialized knowledge in the field of business valuations.

Following is a brief biography of other members of the firm.

BEN BOWEN, III, CPA, ABV, CVA **Senior Analyst**

Mr. Bowen held controllership positions at Royal Crown Cola Co. and then American Tara Corporation, prior to becoming a partner in a local Atlanta CPA firm. His experience includes tax planning and research, business valuation, purchase and sale of businesses, IRS dispute resolution, litigation support, and estate planning.

In 1995, Mr. Bowen joined Ippolito Christon & Co. as a Senior Analyst. A member of the Georgia Society of Certified Public Accountants, he holds the *Accredited in Business Valuation (ABV)* credential, awarded by the American Institute of Certified Public Accountants. Mr. Bowen also is a *Certified Valuation Analyst (CVA)*, awarded by the National Association of Certified Valuation Analysts (NACVA). These designations signify that an individual has attained a high level of expertise in business valuations.

Ben has authored or co-authored several articles on the subject of the value of beverage distribution rights and technical valuation issues, and has been a speaker at several annual conventions of the National Beer Wholesalers Association and annual meetings of several state beer associations.

Georgia State University, BBA Accounting

Ippolito Christon & Co.

Providing Business Valuation & Transaction Services Since 1986

SUSAN G. MASSEY, CPA, CVA **Senior Analyst**

Susan Massey is a Senior Analyst of Ippolito Christon & Co. Since joining the firm in 1995, her focus has been on business valuation in numerous litigation matters, including supplier termination of distribution rights, shareholder disputes, and divorce matters.

Susan also is involved in purchase and sale of businesses, strategic combinations, and estate planning.

Ms. Massey's previous experience includes 7 years in the audit division of Arthur Andersen & Co., where she reached the position of Audit Manager. Ms. Massey, a CPA and a member of the Georgia Society of Certified Public Accountants, also is a *Certified Valuation Analyst (CVA)* and a member of the National Association of Certified Valuation Analysts.

Susan has authored or co-authored several articles on the subject of the value of beverage distribution rights and technical valuation issues, and has been a speaker at several annual conventions of the National Beer Wholesalers Association and annual meetings of several state beer associations.

Emory University, Phi Beta Kappa, BA Physics – Georgia State University, Master of Taxation

KAREN KOVTUN **Analyst**

Karen Kovtun is an Analyst of Ippolito Christon & Co. Prior to joining the firm in 2006, Ms. Kovtun held senior financial and business analyst positions at the Anheuser-Busch Companies for five years. Her experience involves business valuation, purchase and sale of businesses, estate planning, and litigation support. In addition, her duties at Anheuser-Busch included investment analysis in the Treasury department and supporting senior management in Investor Relations.

Prior to joining Anheuser-Busch, Karen held positions as a Senior Financial Analyst at the May Department Stores and as a Sales Engineer for Rockwell Automation. Her professional training includes Merger Week - Kellogg School of Management, Acquiring or Selling the Privately Held Business - Practising Law Institute, and Six Sigma Champion certification.

Washington University in St. Louis, MBA Finance - University of Michigan, BS Engineering

Ippolito Christon & Co.

Providing Business Valuation & Transaction Services Since 1986

DONALD L. CREWS **Analyst**

Mr. Crews is a graduate of the **University of Missouri** with a B.S. degree in Accounting. Mr. Crews began his career in 1972 with the Kansas City office of **Price Waterhouse** in the audit division. He achieved the level of audit partner in 1982 and was responsible for providing accounting and auditing services to a wide array of public and private companies in a variety of industries. In addition, he spent two years in the Washington DC office on assignment to the Council on Wage Price Stability, assisting in drafting and implementing the guidelines designed to curb high inflation rates.

Mr. Crews left Price Waterhouse to team up with a client and purchase **Ozark National Life Insurance Company** in Kansas City. His duties included responsibility for the financial and operational functions and evaluation of investments and acquisitions for the company.

In 1988, Mr. Crews and a partner purchased a multi-million case beer distribution operation in Kansas City. Over the next ten years, Mr. Crews expanded the operation through the acquisition of six additional distributorships that were contiguous or adjacent to the original operation.

Mr. Crews joined Ippolito Christon and Co. in 2003.

CRAIG S. VAN HORN **Analyst**

Mr. Van Horn brings over 20 years of experience in operational management and consulting services. Prior to joining Ippolito Christon and Co. in 2007, Mr. Van Horn founded a real estate company that developed mixed-use, urban communities in Florida. Mr. Van Horn previously was a senior consultant at Ernst & Young, LLP, Operations Manager for MCI Telecommunications and a Financial Analyst for Electronic Data Systems, in London, England.

Mr. Van Horn graduated with a BS in Finance from the University of Florida in 1988 and an MBA from Chaminade University of Honolulu in 1991.