

What is Goodwill?

Goodwill is an intangible asset of a business. Businesses typically don't report goodwill on a financial statement, thus goodwill is generally identified when determining the value of a business.

Goodwill can result from name recognition, reputation, location, customer loyalty, etc.

In the context of a Marital Dissolution, Goodwill may be divided into two categories:

“ENTERPRISE” GOODWILL



Transferable

Estimated by Allocation

Attributable to the Enterprise

Included in a Marital Estate

Examples:
Skill/Knowledge, or Reputation/Brand
that creates earnings
or cash flow

“PERSONAL” GOODWILL



May not be Transferable

Estimated by Allocation

Attributable to the Professional

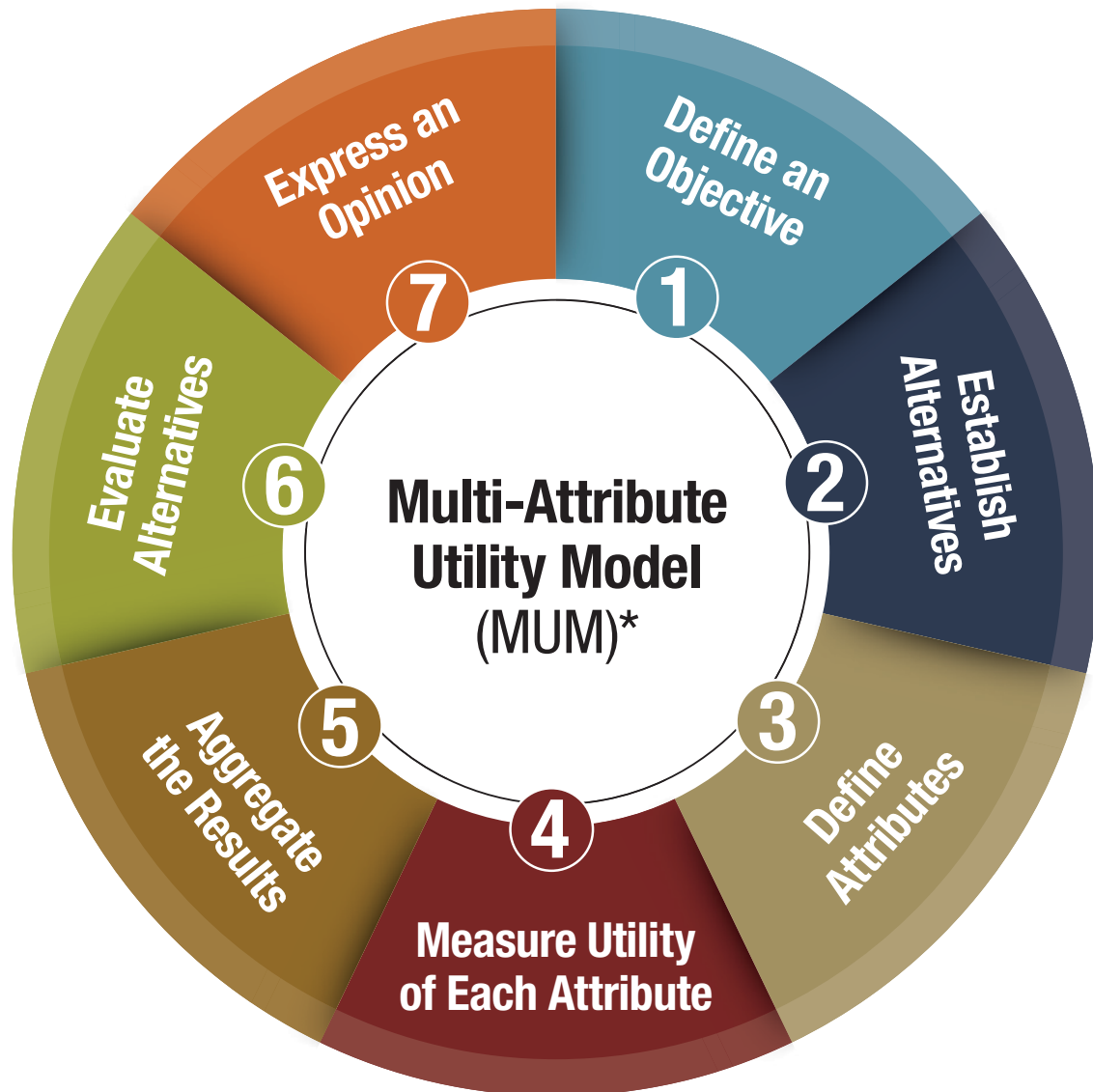
Excluded from a Marital Estate*

Examples:
Professional Skill/Knowledge, or
Personal Reputation/Brand that creates
earnings or cash flow

**Yoon v. Yoon*

A Method for Allocating Enterprise and Personal Goodwill

Once the value of Goodwill is determined, that value can be divided between enterprise and personal using a number of different methods. One of those methods is the **Multi-Attribute Utility Model**.



**This model is explained in detail in "An Allocation for Distinguishing Enterprise Goodwill from Personal Goodwill," American Journal of Family Law, Volume 18, Number 3, Fall 2004.*

Our team of valuation experts have the tools and experience necessary to determine the value of Goodwill and justifiably allocate that value between Enterprise and Personal.

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