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modern furniture is extremely popular because of its simple lines and angular shape. The pieces are built well and many are timeless.

Q. What about your predictions for future trends in collectibles?

A. What's really going to be hot in the future are things that are handmade in limited numbers. Right now, we are such a throwaway society. It's hard to imagine something that



Mike Wolfe's clients include interior designers, art directors, photographers and collectors.

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Intellectual Property Advice for Inventors/Entrepreneurs



COMMERCE ASKED LEGAL EXPERTS TO RECOMMEND best practices for protecting the intellectual property of inventors and entrepreneurs. Here are their insights.



Archer & Greiner P.C.

By Gregory J. Winsky, Esq.

Building out inventory, packaging and even WIP for tangible products is expensive; before building or branding your hardware or hard-good products, a little diligence to avoid patent and/or trademark infringement can go a long way. Consider freedom-to-operate patent searches and trademark clearance searches to avoid trashing branded goods.

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ACCOUNTING

Finding Hidden Value in New Jersey Companies

COMPILED BY MILES Z. EPSTEIN
EDITOR, COMMERCE

THE QUEST FOR MAXIMUM profitability is an all-encompassing journey, from finding new markets, products, services and customers to looking within a company to identify waste or missed opportunities. Since accounting firms are uniquely suited to finding hidden value in their clients' businesses, *COMMERCE* asked for some recent success stories.



EisnerAmper LLP

*By Jay Weinstein, CPA,
NJ Managing Partner*

EisnerAmper LLP's
Bankruptcy and

Restructuring Group recently assisted in the disposition of assets for one of our clients that buys remnants and judgments from liquidating estates. The business is a bit speculative since the future value is often unknown. In this case, our client acquired a shell company and the remaining assets (Internet properties) of a liquidated company. We identified a third party who recognized that there was a vibrant secondary market for these newly acquired Internet addresses. The third party then brokered a deal with various buyers. The result: a wind-fall profit of hundreds of thousands of dollars for our client. At EisnerAmper, we recognize that meeting client needs

Thinking outside the box can turn missed opportunities into cash flow.



may mean tapping into a wider pool of resources. This is a prime example of having a strong business network along with the will to help a client find the hidden value in their transaction.



Friedman LLP

*By Frederick R. Berk, CPA,
Co-Managing Partner*

At Friedman LLP, we've found hidden value in the simple strategy of brainstorming with our clients to help empower their decision-making. An example is a retail client located in Manhattan. A few years ago, the business was not performing at the

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is going to be collectible 50 years from now because of how much we mass produce. If you've got a guy that is making something specific in limited numbers, that item is what is going to be hot. I am not talking about art. I am talking about something that is functional in your daily life. It can be a chair, table, clock or radio. Those are the things that are going to be collectible.



Mike Wolfe owns Antique Archaeology, a specialty shop that sells antiques, vintage items and more in sleepy Le Claire, Iowa, and Nashville, Tennessee.

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Cole Schotz P.C.

By David M. Kohane, Esq., Chair, IP Dept.

One critical issue is responding to use of one's trademark by competitors and consumers. The proliferation of social media formats means burgeoning opportunities to applaud or condemn products, and this has changed the culture of discussion. Aggressive counterattacks often backfire. Companies should assess both legal and public relations consequences before acting.



Connell Foley LLP

By Marc D. Haefner, Esq., Partner, IP Group

Inventors should pay attention to "fluidity"—the seamless transformation of ideas into reality. In this day of ever-evolving 3-D printers and powerful computing devices everywhere, it is increasingly difficult to protect intellectual property from illegal copying. Now, more than ever, inventors need to take all measures possible to protect their IP.



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level it needed to, as sales volume was trending in the wrong direction. With our input, the client decided it was time to liquidate. Since the client owned the real estate where the business operated, rather than sell the asset, they decided to invest with the goal of creating a partially tax deferred cash flow stream, which we helped structure. We introduced the client to one of our real estate developer

clients, and from there, they entered into a joint venture, developed the property into a multi-story residential apartment building, and the rest is history. Today, our two clients still own and operate the building. The strategy was to empower the client using our personal relationships and in depth knowledge of their goals to add value to their vision and to ultimately help them succeed.



Goldstein Lieberman & Company LLC

By Phillip E. Goldstein, CPA, Co-Founder, Managing Partner

One of our manufacturing clients built their business by providing a certain international business machine company with UPS (uninterruptable power source) devices for their mainframe computers. When changing technology brought about the demise

of the mainframe computer model, there was no longer a demand for these devices. Their sole client pulled the plug and as a result our client was left in the dark. Goldstein Lieberman & Company stepped in as consultants to find new sources for their product. We discovered vast and largely untapped markets—such as hospitals, high-tech manufacturing plants, airlines and more. These companies could ill afford the power outages that then were fairly commonplace. Our client had to move quickly to retool their devices to fill a new and seemingly endless demand. Good accounting and business advice made the difference—diversify to avoid depending upon a single source of revenue. Today, our client has changed production to fulfill increased demand for its devices. They have expanded their production capabilities and created a consistent, dependable and impressive bottom line.

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Mike Wolfe travels more than 60,000 miles each year in search of "rusty gold," old items from the past that can be brought back to life and restored to their former glory.

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Genova Burns

By Kathleen Barnett Einhorn, Esq.,
Director, IP Law Practice Group

Three issues of particular concern to inventors and exclusive dealers are: (1) education and effective counsel; (2) preliminary protections—non-disclosure agreements, trade secret protection and other tools are critical to prevent stealing of ideas or inventions; and (3) think global—domestic IP protections may not be adequate to prevent international infringement.



Gibbons P.C.

By Christopher H. Strate, Esq., Director, IP Dept.

Many times, it is important to establish a patent portfolio that creates barriers to entry. A business that simply pursues a patent that covers its product can be vulnerable to a design-around. Investing in and building a patent portfolio can help a business preserve its exclusivity for many years.



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Hunter Group CPA LLC

By Kevin J. Hansen, CPA,
Co-Managing Director

A client expressed frustration that, while sales were good, the company was cash poor and simply not generating the profits he felt were warranted. We suggested an analysis of their financials might be useful. In addition to their annual audit, our additional analysis would track trends, review their performance and hopefully uncover areas in need of improvement. We added analysis from proprietary data we accessed from other businesses with similar NAICS identities located throughout the United States to see how they fared to similar companies in their industry. As a result, the owner realized that, while profitable, the company was burdened by both inventory and cash flow issues that were impacting their performance. To make matters

worse, they were grossly undercharging customers for certain labor-intensive services compared to their industry peers. By changing their purchasing methods, raising some pricing and hiring a third-party collections company, the client successfully reduced costs, reclaimed capital and reaped greater year-end profits. They also increased their production capacity with these



improvements; vitally important, as their sales were increasing rapidly. Needless to say, it was a breakthrough moment for them that they will not soon forget. Now our analysis is part of their annual management retreat.



Sobel & Co., LLC

By Alan D. Sobel, CPA,
CGMA, Managing Member

If "what you see is what you get" was the mantra of progressive entrepreneurs, growth and innovation would certainly be stagnant. Thank goodness it is not. You see, it's not always what's right in front of you that makes the most sense in creating the highest and best use of your business model. This was the case several years ago when a client of our firm wanted to diversify his business interests and was looking toward real estate to accomplish his goals. After a meeting

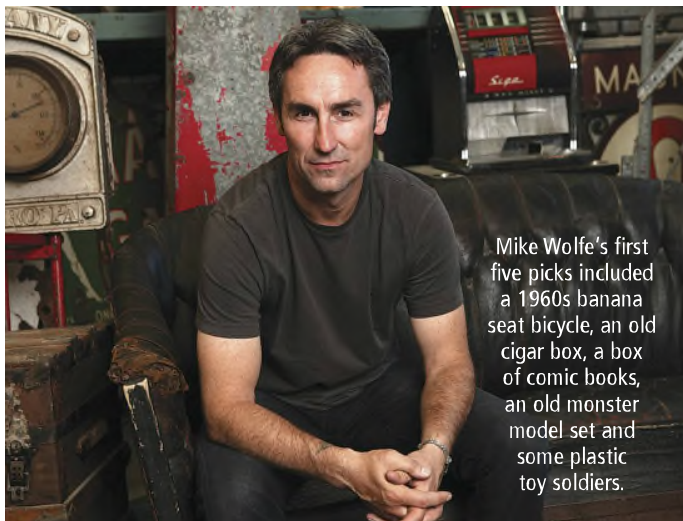
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FINDING HIDDEN VALUE

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Q. Why do some collectables lose popularity and drop in price?

A. A lot of things that used to be popular have fallen off the grid because of the ages of the people who collected those things. For example, the prices for jukeboxes and slot machines have gone down. This is because the people who remembered them and had those memories in their mind... they are getting older and not buying.



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Lerner, David, Littenberg, Krumholz & Mentlik, LLP
By Jonathan A. David, Esq., Partner

The biggest concern should be avoiding a patent lawsuit from a company who may have a patent covering the item. A "right-to-use" study by a patent attorney experienced in due diligence will help locate relevant patents to avoid or design around.



Lindabury, McCormick, Estabrook & Cooper, P.C.
By Robert W. Anderson, Esq., Shareholder

Inventors often put such effort into developing a quality product that they end up short-changing on efforts to develop a quality branding strategy that makes their product stand out in the marketplace (and on ensuring they have secured the exclusive intellectual property rights to the key elements of that branding).



Norris McLaughlin & Marcus, P.A.
By Danielle DeFilippis, Esq., Partner

While protection for traditional trademarks and copyrights is vitally important, the product's trade dress should not be forgotten by the

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with real estate professionals, I pointed out how the return on investment in real estate, while good, was not nearly as good as the ROI from the broker dealer our client operated. Interestingly, the broker dealer model also had a lot less financial risk. I explored with our client how he could create scalability with his investment philosophy by creating a hedge fund and together we evaluated the pros and cons. As a result of looking at a different way to leverage his business model, a hedge fund was created which now generates three to four times the income of the broker dealer for our client.



WeiserMazars LLP
By Michael Coletti, CPA, Partner

We take a holistic approach in reviewing the business goals, both near-and long-term,

looking for ways to add value through our services. As part of this review, we typically identify hidden value in federal, state and local tax incentives such as research and development credits, cost segregation studies (which include accelerating depreciation), as well as international incentives for exporting U.S. products. If applicable to the business, all of these items can add immediate and significant cash flow to the bottom line, which can then be reinvested for growth. On the shareholder side, we review the valuation of the business—which is typically their largest asset—and determine the most efficient tax structure, considering their exit options. It is our belief that understanding the priorities and pairing them with the right tax incentives, strategies and structures consistently reveals hidden value and makes for a long, rewarding relationship. ■



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Mike Wolfe (left) and the other stars of *American Pickers*, Frank Fritz and Danielle Colby, are fan favorites and have their own businesses outside of the hit show.

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LEGISLATIVE UPDATE

Money Matters in Ballot Box Battles



BY ANTHONY RUSSO
EVP, GOVERNMENT AFFAIRS & COMMUNICATIONS

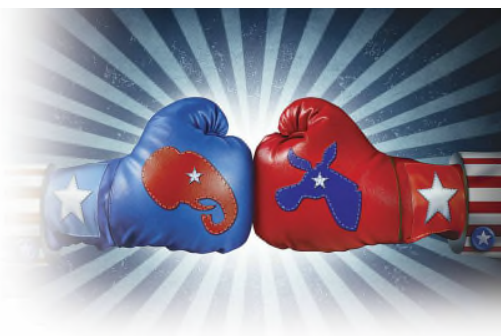
THE RESULTS of last month's Assembly elections proves one thing—money matters. The Democrats picked up four seats, bringing their total to 52 versus the Republicans with 28. By some accounts, the Democrats outspent Republicans by a 3-1 margin. Approximately \$20 million was spent statewide, with the majority of the money being allocated in two or three districts.

Spending by interest groups was up as well, and leading the way was the New Jersey Education Association with

\$3.7 million. So what was the money used for? The majority of it was put to work to "get the word out" to win over voters using lawn signs, phone calls, television and radio commercials, and old-fashioned ground operations (i.e. door-knocking).

So was it effective? Not from the perspective of getting people to the polls; sadly, voter turnout was the lowest in New Jersey's history, at 21 percent. When only two out of 10 residents feel compelled to vote, then something is obviously amiss. Would the election results be different if more people voted?

An increase in the state's gas tax, and paid sick leave are two issues that are likely to cause Democrats and Republicans to square off for a fight in 2016.



Maybe, but when \$20 million is spent just to convince two out of 10 residents to vote, the return on that investment is less than spectacular. Talking about money's influence on politics is a realistic measure of how to win votes.

As such, CIANJ continues to support pro-business candidates through its political action committee—the Private Enterprise Political Action Committee (PENPAC)—and this continues to pay dividends, as most of the candidates supported by PENPAC won re-election. We look forward to working with these leaders to strengthen our economy and protect New Jersey's businesses. ■

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inventor. Non-functional elements of a product's trade dress such as shape, color, design and layout can also distinguish your product, and emphasis on these elements should be made in marketing efforts.



NPZ Law Group, P.C.

By David H. Nachman, Esq., Managing Attorney

Our firm is often called upon to prepare visa applications and petitions for IP staff that can assist pharmaceutical companies and/or law firms to understand the nuances of complex processes and/or products that need to be protected. This staffing requirement is the key intellectual property issue that we encounter.



Wilentz, Goldman & Spitzer, P.A.

By Brett R. Harris, Esq., Shareholder

In preparing new product launches, the line often blurs between marketing plans and the underlying goods. Before clients become financially and emotionally invested in a product name, we recommend screening to assess potential trademark registration with the United States Patent and Trademark Office and the risk of exposure to infringement claims. ■