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April 28, 2025

VIA ELECTRONIC MAIL

Karen Phelan
Program Director
Colorado Board of Accountancy
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Re: Response to Charles Bell's Complaint, 2025-1756

Dear: Ms. Phelan

Please accept this letter as Mr. Jay Edward Freedberg's (License No. CPA.0027356) Response to Mr. Charles Bell's Complaint #2025-1756, filed on February 27, 2025, and Supplemental Complaint filed on April 23, 2025.

I. PRELIMINARY STATEMENT

In 2022, Carol Glassman, Esquire, and Ms. Alyson (Bell) Varvel retained Mr. Freedberg and his firm, Six Consulting, LLC, to provide a rebuttal expert forensic accounting report (the "Rebuttal Report") in Bell v. Bell- 2022DR30458 (the "Dissolution Matter"). Prior to Mr. Freedberg's involvement, Bell and his now ex-wife, Ms. Varvel, jointly retained Jeremy Harkness and William H. Vincent of Causey Demgen & Moore P.C. to perform business and personal income valuations for Mr. Bell and his closely held business, Tool Studios, LLC. The Report differed slightly in several key respects further discussed below. Critically, the Rebuttal Report incorporated a weighted valuation of Tool Studios 2020 income in determining the business's valuation and Mr. Bell's annual income.

After properly scrutinizing both reports, Boulder County District Court, Judge Nancy Salomone adopted Mr. Freedberg's Rebuttal Report, specifically noting that she found Mr. Freedberg's reporting methodology to be "highly credible and compelling." Based in part on this conclusion, Judge Salomone awarded Ms. Varvel spousal maintenance totaling \$3,000.00 per month, child support for the Bell's minor child totaling \$1,283.00 per month and determined Mr. Bell's monthly income to be \$16,433 per month. **Exhibit 1, Permanent Orders: Dissolution of Marriage, at p. 13-15, 17.** Thus began the second life of the Dissolution Matter: Bell v. Everyone.

It should also be noted that the Dissolution Matter is ongoing and pending an appeal by Mr. Bell. Mr. Freedberg currently represent Ms. Varvel as her disclosed expert in a Motion to Modify Spousal Maintenance and Child Support Pursuant to §14-10-122, C.R.S. (the "Motion to Modify Matter"). The Motion to Modify Matter is scheduled for a full day hearing on June 11, 2025. Ms. Varvel's counsel disclosed Mr. Freedberg's report in the Motion to Modify matter to Mr. Bell on April 16, 2025.

On February 27, 2025, Mr. Bell filed this Complaint with the Colorado Board of Accountancy (the "Complaint"). As further illustrated below, Mr. Bell's Complaint does not arise from Mr. Freedberg improper or unethical conduct, but rather Mr. Bell's vendetta against the parties involved in the Dissolution Matter.

In the year and a half that has passed since the Court issued its Permanent Order, Mr. Bell has inundated the Courts, undersigned counsel, the Boulder Police Department, and the Colorado Board of Accountancy with a slew of AI generated documents, demands, and legal filings, outlining his grievances against any the parties involved with the Dissolution Matter. His non-stop communications and conduct have crossed the line from active participation to outright harassment and intimidation.

Since April 2, 2025, alone, Mr. Bell has emailed the undersigned counsel on 19 separate occasions, called . Below is a brief list of those email communications that most clearly illustrate the true nature of his dispute, to force Mr. Freedberg into retracting an unfavorable opinion.

April 7, 2025: Mr. Bell sends an email entitled *Notice of Filed Motion and Request for Good Faith Cooperation – Bell v. Bell, 2022 DR30458. Exhibit 2.* Attached to the email was a letter, demanding that Mr. Freedberg (1) retract and "correct" his July 17, 2023, expert rebuttal report; (2) cooperate with regulatory and judicial review boards in Mr. Bell's actions against Freedberg and all other parties in the Dissolution Matter; (3) Disclose alleged Conflicts within the Rebuttal Report; (4) Avoid any "future concealment" under the threat of potential criminal action; and (5) Engage with Mr. Bell in settlement discussions in advance of a threatened civil action.

April 9, 2025: Mr. Bell provides undersigned counsel with a *Resolution Position Statement*, framed as an invitation to negotiate down his impending civil complaint against Mr. Freedberg. In the statement, Mr. Bell demanded financial compensation for alleged damages stemming from the Rebuttal Report, Mr. Freedberg's formal declaration of non-existent external pressures that shaped the contents of the Rebuttal Report, and a retraction or correction of the opinions included within the Rebuttal Report. **Exhibit 3.**

April 14, 2025: Mr. Bell emails undersigned counsel demanding they force Mr. Freedberg into retracting his anticipated April 16, 2025, expert report, set for disclosure in the reconsideration of Dissolution Matter. In this correspondence, Mr. Bell threatens "*I've been forthcoming and within the bounds of the law. But the longer this goes on, the deeper the hole. You're not just up against me anymore. You're up*

against the **Colorado Supreme Court, DORA, AICPA, and the Boulder County Police Department**. *I am—frankly—the one person who can help minimize the damage to Mr. Freedberg and I am willing.” Exhibit 4.*

April 15, 2025: Mr. Bell provides his *Final Opportunity for Civil Resolution*, demanding payment in the amount of \$250,000, and Mr. Freedberg’s withdrawal from the Dissolution Matter, in exchange for dropping potential civil claims against Mr. Freedberg.

April 17, 2025: Mr. Bell contacts undersigned counsel, accusing Mr. Freedberg of intentional misrepresentation, in the Dissolution Matter.

April 19, 2025: Mr. Bell provides undersigned counsel with a written notice of his intent to file civil suit against Mr. Freedberg, a formal records demand, and a draft version of an Office of Attorney Regulation Counsel Complaint against Ryan Dunn and Adam Wiens of Lewis Brisbois Bisgaard & Smith LLP. Within his email, Mr. Bell states, “As we agreed, let’s be direct. ***I am the one you’re dealing with.*** But let’s also be honest—what you’re really looking for is someone to “***handle me.***” That won’t happen. I’m not lost on my way to Oz—I’m exactly where I need to be, with Oz in my ear, holding to ethics I have yet to see in this matter and operating in full compliance with the law and the rules you swore to uphold and that I respect.” **Exhibit 5.**

April 24, 2025: Mr. Bell provides a settlement demand memorandum, now seeking a \$350,000 lump sum payment and formal rescission of the Rebuttal Report and subsequent April 17, 2025, amended Report.

The Boulder County District Court has repeatedly denied Mr. Bell’s attempts to relitigate the Dissolution Matter and admonished him for his frivolous filings. In its April 17, 2025, Judge Timothy Lee Johnson of the Boulder County District Court officially cautioned Mr. Bell “as to filing frivolous motions which result in expense and harm to the parties.”¹ **Exhibit 6, Order Re: Status of Request for Status Conference and Order Regarding the Issuance of Subpoenas.** Judge Johnson further noted that Mr. Bell’s filing of 80 individual motions in the period between March 14 and April 15, 2025 “could be considered an abuse of process.” *Id.*

In summary, Mr. Bell’s Complaint no. 2025-1756 is no more than an offshoot of his larger campaign to right the perceived wrongs levied against him by his ex-wife and her counsel in the Dissolution Matter. As this response shows below, the allegations included within Mr. Bell’s Complaint are unfounded, inaccurate, and must be dismissed.

II. RESPONSE TO BELL’S ALLEGATIONS

In the Complaint, Mr. Bell contains that Mr. Freedberg Rebuttal Report and subsequent testimony violated: (1) Colorado’s Forensic Accounting and Expert Witness Standards; (2) Rule 54’s

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objectivity requirements; (3) the AICPA Code of Professional Conduct's Professional Integrity Requirements as described in ET §1.300.001; and (4) Colorado Rule of Evidence 702 and the related Daubert standard's proscribed standards for expert witness testimony. In each instance, Mr. Freedberg's reporting and professional conduct met with and exceeded these professional standards and, accordingly, Mr. Bell's Complaint should be dismissed.

A. Freedberg's Services to Varvel Complied with all applicable Forensic Accounting & Expert Witness Standards

Throughout his engagement, Mr. Freedberg's services to Ms. Varvel conformed to the AICPA's Statement on Standards for Forensic Services No.1 ("SSFS 1") and specifically the general standards required of a Certified Public Accountant established under the "Compliance With Standards Rule" (ET sec. 1.310.001 and 2.310.001):

Pursuant to rules 1.310.001 and 2.310.001 of the SSFS 1, an accountant's duty in providing forensic accounting opinions is to serve the client's interest by seeking to accomplish the objectives established by the understanding with the client while maintaining integrity and objectivity. : "Integrity requires a member to be, among other things, honest and candid within the constraints of client confidentiality. Service and the public trust should not be subordinated to personal gain and advantage. Integrity can accommodate the inadvertent error and the honest difference of opinion; it cannot accommodate deceit or subordination of principle." (ET sec. 0.300.040). Likewise, the AICPA defines objectivity as "state of mind, a quality that lends value to a member's services. It is a distinguishing feature of the profession. The principle of objectivity imposes the obligation to be impartial, intellectually honest, and free of conflicts of interest." Et. § 0.300.050.

Prior to his engagement in the underlying Dissolution of Marriage case, Mr. Freedberg's employer, Six Consulting LLC, established an agreement with Ms. Glassman outlining the nature, scope and limitations of the services performed. Neither Mr. Bell nor any other party identified any conflicts of interest during Mr. Freedberg's involvement in the underlying dissolution matter.

Mr. Freedberg's duties throughout his work with Ms. Glassman were to the public at large, and to Ms. Varvel directly. There were no aspects of Mr. Freedberg's services which undermined or subordinated his service to Ms. Varvel or the public. Mr. Freedberg has no present or prospective interest in any of the property subject to his opinions, his reporting was unclouded by personal financial interest or other bias with respect to the property or parties involved. Likewise, his fee for the forensic services rendered was in no way contingent upon his valuation of Tool studios, or on his opinion of Mr. Bell's gross income.

Mr. Freedberg's provided expert and reporting to assist the Court in understanding the complexities of valuing Tool Studios, Inc., a closely held small business owned by Mr. Bell, and Mr. Bell's sources of income. His worn testimony was subject to cross-examination by Mr. Bell's personal counsel and scrutiny by Judge Nancy Salomone of the Boulder County Court.

Judge Salomone ultimately accepted Mr. Freedberg's valuation of Tool Studio's LLC and Mr. Bell's annual income, finding his weighted incorporation of Tool Studio's and Mr. Bell's 2020

revenue “fittingly more nuanced” and noting that the report itself was “highly credible and compelling.” **Ex.1.**

B. Freedberg was a well-presented and vetted expert per Colorado Rule 702 and his reporting methodology complied with *Daubert* Standards for Expert witnesses

Mr. Bell next complains that Freedberg’s expert reporting and testimony fell beneath the *Daubert* standard and related Colorado Rule of Evidence 702. It is not entirely clear how, and if, these particular complaints fall within the Accountancy review board’s purview. Regardless, Mr. Freedberg’s report meets and exceeds the requirements for expert testimony pursuant to these standards as well.

Colorado Rule of Evidence 702 (“CRE 702”) provides:

If scientific, technical, or other specialized knowledge will assist the trier of fact to understand the evidence or to determine a fact in issue, a witness qualified as an expert by knowledge skill, experience, training, or education may testify thereto in the form of an opinion or otherwise.

Mr. Freedberg was stipulated as an expert witness by both parties in the underlying matter. **Ex. 1**, at p.1. Further, Mr. Freedberg received a Bachelor of Science Degree with a major in Accounting from the University of Colorado’s Leeds School of Business in 1989 and received his Certified Public Accountant (“CPA”) Licensure in the State of Colorado in 2009. Mr. Freedberg further hold the designations of Certified in Financial Forensics (“CFF”) and Accredited Business Valuation (“ABV”), both promulgated by the American Institute of Certified Public Accountants (“AICPA”)

Mr. Bell’s contention that Mr. Freedberg failed to meet the *Daubert* standard for expert witnesses dovetails with his larger complaint surrounding what he perceived to be the improper or inaccurate assessment of his future earnings, and the income derived from Tool Studios, LLC (“Tool”). In *Daubert v. Dow Chemical*, the United States Court Supreme laid out the definitive test for assessing the reliability of an expert witnesses’ methodology which provides that the reliability of expert methodology hinges on the methodology in question has been tested and widely relied upon.

Mr. Bell contends that Mr. Freedberg’s methodology “lacks consistency with industry standards” and fails to rely on “reliable principles and accepted forensic methodology” both contentions are incorrect. In assessing the assets at issue in the underlying dissolution matter, Mr. Freedberg found that the revenues and earnings of Tool Studios were highly variable during the lookback period. Bell and Varvel’s Joint Expert, Jeremy Harkness, presented Tool Studio’s results of operations during the five years ended December 31, 2018, through December 31, 2022, in his Valuation Report and Charles Bell’s Gross Income during the two years ended December 31, 2021, and December 31, 2022, in his income report.

Mr. Harkness applied a straight average of results from the four calendar years 2018, 2019, 2021, and 2022 (excluding the year 2020) in estimating the cash flows expected to be received by

Mr. Bell from the operations of Tool Studios. Harkness premised the use of the four year's results on the following:

*"We have excluded income from 2020 as the Company has not demonstrated the ability to secure similarly large projects, even on an infrequent basis. Additionally, the processes and systems of the Company currently are not equipped to accept such a large project."*²**[See Bell Exhibit GG page 14]**

In the preparation of his Rebuttal Valuation Report, Mr. Freedberg noted his disagreement with Mr. Harkness' opinions, citing Mr. Bell's deposition testimony regarding Tool Studio's ability to secure large projects and Tool Studio's ability to scale its team size to meet project demands. **[See Bell Exhibit JJ, pages 2 and 3]**

Mr. Freedberg recognized that the results of the year 2020 were less representative when considered within the five-year period 2018 through 2022. However, the results of 2020 did occur and, thus, should be considered in the valuation of Tool Studios and the calculation of Mr. Bell's Gross Income.

Freedberg utilized a consistent averaging methodology in both his Rebuttal Valuation Report and Rebuttal Income Report. The use of a weighted average is an established and accepted methodology among accountants and valuers and is in no way indicative of any wrongdoing or breach of ethical violations.

III. RESPONSE TO ALLEGED FINANCIAL ISSUES IN FREEDBERG'S REPORT

Mr. Bell further argues that the Rebuttal Report utilized nonstandard "custom weighted" methodology that artificially inflated his projected earnings, with the intention of allowing Ms. Varvel to assume the mortgage on their former marital home. As explained below, this assertion fails on two counts.

A. The use of a weighted average for Mr. Bell's 2018-2022 income was the only logical and Proper Methodology

In the Complaint, Mr. Bell describes Freedberg's weighted average as a "non-standard weighted average." Critically, the Complaint does not define a standard weighted average, a necessary predicate to establish a "non-standard weighted average." The application of a weighted average method is dependent on the facts and circumstances of each engagement. Thus, it follows that there is no standard method, and the weighting applied can and should vary from engagement to engagement.

² Tool Studios, LLC Valuation Engagement and Conclusion of Value of Charle Bell's 100% Ownership Interest as of February 28, 2023, signed by Jeremy Harkness and William H. Vincent of Causey Demgen & Moore P.C., page 11.

A reasonable interpretation of Mr. Bell's proposed "traditional average" would require that Mr. Freedberg use a straight average for the entire lookback period. If the Rebuttal Report utilized a straight average for 2018 through 2022, Mr. Bell's gross annual income would total \$238,340, rather than the \$197,200 offered in the Rebuttal Report. Accordingly, Mr. Freedberg's use of a one-half weight to Mr. Bell's 2020 earnings did not "artificially inflate" Mr. Bell's reported income and accurately reflects his income from 2018 to 2020.

Furthermore, it should be noted that for the year ended December 31, 2023, Mr. Bell reported wages and passthrough income from Tool Studios totaling \$266,003 annually or \$22,167 monthly (W-2 wages \$84,023 plus Schedule E income \$181,920), exclusive of any adjustments. This amount is \$5,734 per month greater than the \$16,433 finding of the Court in its Permanent Orders.

B. Mr. Freedberg did not consider Ms. Varvel's ability to assume the mortgage to the marital home into account when authoring his report.

Mr. Bell next alleges that the \$3,000 in spousal maintenance awarded to Ms. Varvel directly aligns with the income shortfall Varvel needed to qualify for her mortgage, and that she needed approximately \$111,000 annually to assume mortgage. Mr. Freedberg never addressed the mortgage nor any income necessary to qualify for a mortgage. His calculation of Bell's income was made independent of any consideration of Ms. Varvel's ability to assume the loan.

C. Mr. Freedberg was under no obligation to independently verify the financial records upon which he based his opinions.

Mr. Bell's Complaint states that Mr. Freedberg's deposition testimony indicates that he did not independently verify Ms. Varvel's financial records before using them in his analysis, and that this lack of confirmation violates AICPA forensic standards. As a starting point, Mr. Freedberg never provided deposition testimony in the Dissolution Matter. Likewise, Mr. Freedberg provided the following disclaimer in all his expert reporting:

This report may be used only in connection with the matter defined above and is not intended for and may not be used for other purposes or by anyone not directly involved in this matter. It is based solely upon the information received to date, we have accepted this data without independent verification or confirmation unless otherwise noted. To the extent that new information becomes available, revisions to this report may be appropriate.

Exhibit 7, *Jay Freedberg's 4.16.25 Income Report*, at p. 8.

Carol Glassman and Ms. Varvel engaged Mr. Freedberg to provide rebuttal comments, findings, and opinions related to the Valuation of Tool Studios and the Analysis of Charles Bell and Alyson Bell's Income prepared by Jeremy Harkness of Causey Demgen & Moore P.C. the Parties' jointly engaged expert. He was not engaged to provide any attestation or verification procedures related to the Dissolution Matter. Mr. Freedberg was not engaged to, nor did he conduct an Audit or perform any Accounting and Review services related to the Dissolution Matter. The services he

provided related to the Dissolution Matter were subject to SSFS 1. SSFS1 does not require that Mr. Freedberg perform an independent verification of Tool Studios financial data or the personal income data of Mr. Bell and Ms. Varvel.

Mr. Bell further claims that “AICPA forensic standards require due diligence in financial verification before expert opinions are presented in court.” SSFS 1 does not provide a “due diligence” standard, but references the General Standards Rule, as outlined by ET §§ 1.300.001 and 2.300.001. These standards require professional competence and the exercise of due professional care, adequate planning, and supervision, and for experts to obtain sufficient relevant data. Mr. Freedberg followed the General Standards in this engagement, and in every other engagement.

Likewise, while the NACVA Professional Standards are inapplicable to violations of the Accountants Practice Act because Mr. Bell referenced them in his Complaint, we will analyze those here. Section IV(C) Development Standards – Reliability of Data of the NACVA Professional Standards states, “A member/credentialed designee may rely upon information provided by any source without corroboration if disclosed in the report.”³

Mr. Freedberg’s Rebuttal Valuation Report stated, “We have generally relied upon the presentation of historical financial information (2018 - 2022) and adjusted historical financial information (2018 – April 30, 2023) provided in the CDM Report in the preparation of our rebuttal valuation.” **See Bell Exhibit JJ, page 6.**

Regarding Mr. Bell’s Gross Income, Freedberg’s Rebuttal Income Report stated, “On July 17, 2023, we issued a Rebuttal Valuation Report related to the 100% ownership interest in Tool Studios, LLC held by Charles Bell. We incorporate our comments, findings, and rebuttal opinions contained [in] that Rebuttal Valuation Report by reference.” **See Bell Exhibit JJA, page 1**

Mr. Bell and Ms. Varvel both had the opportunity to work cooperatively with Mr. Harkness during the development of his valuation opinions. Likewise, Mr. Harkness solicited questions and comments from Mr. Bell and Ms. (Bell) Varvel related to his draft reports. If Mr. Bell believed that the financial information upon which Mr. Harkness based his opinions was inaccurate, he was afforded the opportunity to request a correction or engage his own rebuttal expert to present financial information he believed was accurate if Mr. Harkness was unwilling to adjust his report.

IV. Other Issues Identified

Following the Dissolution Matter, Mr. Bell has indicated that the accounting books and records of Tool Studios may contain errors. The accounting books and records of Tool Studios are the responsibility of Mr. Bell as the controlling owner of the entity.

Mr. Freedberg was not engaged to, nor did he, provide any attestation or verification procedures related to the Dissolution matter. Likewise, he was not engaged to perform an Aud or

³ Professional Standards, National Association of Certified Valuators and Analysts® (NAVCA®) Section IV(C) Development Standards – Reliability of Data, page 6. **[Appendix B]**

any Accounting and Review services and did not do so. All services Mr. Freedberg provided and continues to provide related to the Dissolution matter were subject to SSFS 1.

Mr. Freedberg's Valuation of Tool Studios and calculation of Charles Bell's Gross Income were primarily based on information contained in the Harkness Report and in a copy of Mr. Harkness' file provided by Carol Glassman, Esquire.

A comparison of inputs used in the valuation of Tool Studios and the calculation of Mr. Bell's Gross Income is presented in Schedule 1 attached to this letter.

A. Incorrect Presentation of Website Expenses 2018-2022

There was an incorrect presentation of "Website Expenses" during the years 2018 through 2022 in Mr. Freedberg's Rebuttal Valuation report Schedule 2 compared to Mr. Harkness' Valuation Report. He has identified the cause of this difference was due to a sum equation replacing the amounts reported in the Harkness Valuation Report's Schedule 2. This typographical error was not identified in his review of the Valuation Report prior to production.

Nevertheless, this typographical error had no effect on either the Conclusions of Value as of either February 28, 2023, or April 30, 2023, or Mr. Freedberg's opinions of Charles Bell's Gross Income. The Net Operating Income reported on Schedule 2 matches that of the Harkness Reports and provides the foundation of further analyses and adjustments.

B. Balance Sheet Presentation as of December 31, 2022

There was a discrepancy in the balance of sheet presentation as of December 31, 2022, between the Rebuttal Valuation Report and Mr. Harkness' Valuation report, owing to varying balance sheet dates the dates the balance sheet was exported from Tool Studios' QuickBooks accounting software as presented in **Appendix C**. Any difference in these account balances had no impact on Freedberg's valuation of Mr. Bell's interest in Tool Studios as of February 28, 2023, or April 30, 2023.

C. Claimed Omission of Financial Losses from 2021 and 2022

Mr. Bell claims that "Freedberg omitted financial losses from 2021 and 2022, shifting weight to earlier years to artificially inflate reported income." This statement is inaccurate and contrary to Schedules presented in Bell Exhibit JJ – Rebuttal Valuation Schedule 5, Bell Exhibit JJ Rebuttal Schedule 8, and Bell Exhibit JJA Rebuttal Income Schedule 2.

The Schedules listed above illustrate that the years 2018 through 2022 were considered in Mr. Freedberg's analysis and that the years 2021 and 2022 received the same weight as the years 2018 and 2019.

D. Claimed Omission of SBA Loan Payoff

Mr. Bell claims Harkness' financial records included this obligation, but Freedberg excluded it, falsely inflating cash flow." This statement is inaccurate and contrary to a comparison of Schedules presented in Bell Exhibit JJ – Rebuttal Valuation Schedule 1, page 10 and Bell Exhibit GG Schedule 1, page 24.

The Schedules listed above illustrate that my historical balance sheet as of December 31, 2020, are identical to the historical balance sheet as of December 31, 2020, presented in the Harkness Report.

E. Misclassification of PPP Loans

Mr. Bell claims, "**IRS guidelines exclude forgiven PPP loans from taxable income**, but Freedberg incorrectly classified it as taxable income." This statement is inaccurate and contrary to Schedules presented in Bell Exhibit JJ – Rebuttal Valuation Schedule 3, page 12, and Bell Exhibit JJA – Rebuttal Income Schedule 1, page 4.

The Schedules listed above illustrate that PPP loans were excluded from the calculation of Adjusted Net Income (pretax).

F. Fraudulent Addbacks I

Finally, Mr. Bell claims that "**Duplicate check entries, misclassified loan repayments, and improper business expense classifications** were used to inflate net cash flow." **See Bell Exhibits TTA and DD**

The add-back of \$150,000 was an adjustment presented in the Harkness Valuation Report Bell Exhibit GG, page 26. In the preparation of Bell Exhibit JJ- Rebuttal Valuation Schedule 3, page 12, and Bell Exhibit JJA – Rebuttal Income Schedule 1, page 4, I adopted the adjustments made by Mr. Harkness. Mr. Freedberg rebuttal comments, findings and opinions were focused on the exclusion of the year ended December 31, 2020, in the calculation of average net cash flow to equity and the calculation of Charles Bell's Gross Income. His opinions related to this issue were supported by the deposition testimony of Charles Bell, referenced in Bell Exhibit JJ, pages 2 – 3.

Mr. Bell further states that the add-back of \$150,000 "contradicts the 2020 tax returns". Expenses reported on an income tax return are often adjusted for the purpose of valuation and the calculation of Gross Income, because they are not considered "ordinary and necessary". If Mr. Bell believed that the financial information upon which Mr. Harkness based his opinions was inaccurate, he was afforded the opportunity to request a correction or engage his own rebuttal expert to present financial information he believed was accurate if Mr. Harkness was unwilling to adjust his report. He did not do so.

It should be noted that Mr. Harkness' identification of the \$150,000 add-back was based on information contained in the Tool Studios General Ledger for the year ended December 31, 2020, Bell Exhibit TT, rows 2278 – 2310.

The only historical item that could have affected the Rebuttal Report's Conclusion of Value and Charles Bell's Gross Income are the potentially duplicated entries of Check 2152 and Check 5985, in December 2020. Mr. Freedberg's analysis produced within the Motion to Modify matter reveals that an adjustment for the potentially duplicated checks would not have materially altered his calculations of Mr. Bell's income.

V. CONCLUSION

Mr. Bell's Complaint is rife with inaccuracies and conclusory statements and must be dismissed for several reasons. To start, the weighting methodology Mr. Freedberg utilized in his Rebuttal Report applied standard techniques regularly employed by accountants and evaluators. He utilized this method based on his experience and judgment as a Certified Public Accountant. His opinions were based on sufficient relevant data and were properly disclosed.

Additionally, Mr. Freedberg never established an accountant-client relationship with Mr. Bell. He was engaged by Carol Glassman and Alyson Bell to provide rebuttal comments, findings and opinions related to the valuation of Tool Studios and Mr. Bell and Ms. Varvel's income as provided in the Harkness report.

Mr. Freedberg was not engaged to provide and did not provide any attestation or verification procedures related to the Dissolution Matter. Mr. Freedberg was not hired to provide and did not provide an Audit, or any Accounting and Review services related to the dissolution matter. All services Mr. Freedberg rendered were subject to SSFS 1.

Finally, Mr. Freedberg had no prospective or contemplated financial interest in the businesses or property which his reports examined, and his fee was in no way contingent upon the outcome of his reports.

We respect your consideration of this matter. As detailed above there is no evidence that Mr. Freedberg violated his ethical obligations as a Certified Public Accountant at any point during his engagement with Ms. Varvel and Ms. Glassman. Mr. Freedberg therefore requests that Mr. Bell's Complaint be dismissed in its entirety.

Very truly yours,

s/Adam B. Wiens

Adam B. Wiens of
LEWIS BRISBOIS BISGAARD & SMITH LLP

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