



# John Sullivan

Senior Managing Director  
Forensic & Litigation Consulting

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## Education

B.S., Accounting, Bentley  
College

## Certifications

Certified Public Accountant

## Associations

American Institute of  
Certified Public  
Accountants

John Sullivan has more than 25 years of accounting and auditing experience across a variety of industries, including government contracting, manufacturing, high-technology, biotech and professional services. He is an expert in the application of generally accepted accounting principles in the United States (“US GAAP”). He has been retained to lead numerous accounting investigations and has served as an expert in litigation matters involving the application of US GAAP across a variety of issues including; business acquisition disputes, revenue recognition, long term construction accounting, the restatement of previously issued financial statements, acquisition accounting, insurance and reinsurance matters and damages assessments among others.

Earlier in his career, Mr. Sullivan was an audit partner with Arthur Andersen. He was also the partner in charge of Andersen’s New England Transaction Advisory Services practice. In that role, Mr. Sullivan was responsible for coordinating and executing all aspects of each engagement including financial and tax due diligence, acquisition structuring, negotiation and closing issues and post-closing and integration issues.

## Securities and Litigation Matters

- Served as an expert for revenue recognition of multiple element arrangements in a dispute between two pharmaceutical companies.
- Served as an expert in criminal litigation against the senior executive of a publicly traded retail company. The allegations included revenue recognition for real estate transactions and inappropriate capitalization of expenses in order to inflate income.
- Served as expert in class action litigation against an insurance broker regarding revenue recognition and related disclosures in accordance with GAAP.
- Served as an expert in class action litigation against directors and officers involving the financial statement restatement of a publicly traded company and the misapplication of GAAP related to accounting for long-term contracts and reserves for loss contracts in accordance with SOP 81-1.
- Retained in matter involving criminal litigation against senior executives of a publicly traded financial services company. The allegations included inappropriate revenue recognition of highly complex financial instruments.
- Retained a litigation matter against a publicly traded company regarding a financial statement restatement. Allegations by certain employees related to an intentional

violation of GAAP by senior executives and financial harm to employees as a result of the alleged fraud.

- Served as an expert in a litigation matter with the SEC regarding a company's repurchase of shares from employees and the alleged benefits to the company for these transactions.
- Serves as an expert in multiple qui tam matters regarding the actual of costs of services incurred by healthcare providers.

#### **Accountant Liability**

- Engaged in a matter involving litigation against an accounting firm regarding compliance with GAAS and going concern disclosures as well as the application of GAAP including valuation allowances.
- Served as an expert in litigation against an accounting firm regarding compliance with GAAS and the application of GAAP including acquisition accounting, claims reserves and valuation allowances.
- Served as an expert in litigation against an accounting firm regarding compliance with GAAS as well as the application of GAAP including inventory valuation; accounting for long-lived assets, foreign currency translations and valuation allowances.
- Retained in litigation against an accounting firm regarding compliance with GAAS and going concern disclosures as well as the application of GAAP including impairment for goodwill and other long-lived assets.
- Retained in litigation against an accounting firm regarding audits performed on a Chinese based company publicly traded in the US pursuant to a reverse merger.
- Served as an expert in litigation against an accounting firm regarding the quality and usefulness of financial statements and related information provided to the buyers of a business.
- Served as an expert in litigation against an accounting firm regarding compliance with GAAS as well as the application of GAAP including consolidation, going concern and related party disclosures.

#### **Investigations**

- Conducted investigation for Board of Directors of a multi-national technology services company. Issues addressed included revenue recognition for multiple element arrangements, accounting for judgmental reserves and segment reporting in accordance with IFRS.
- Conducted special investigation for the Board of Directors of a publicly traded software company and assistance with an SEC investigation regarding revenue recognition.
- Retained to conduct a special investigation for the Board of Directors of a publicly traded government contractor regarding allegations of financial reporting improprieties and internal control deficiencies. The allegations focused on revenue recognition for long-term contracts and reserves for loss contracts, accounting for stock options, income taxes and other matters.
- Conducted a special investigation for the Board of Directors of a publicly traded builder of power generating facilities and equipment regarding allegations of financial reporting improprieties. The allegations included revenue recognition and accounting for loss contracts pursuant to SOP 81-1.
- Retained in an SEC investigation of a hedge fund regarding the accounting for life-settlement contracts and revenue recognition of interest and related fee income.
- Performed special investigation for the Board of Directors of a publicly traded multinational insurance company, under the auspices of the DOJ and SEC, to identify and assess certain complex insurance and reinsurance transactions entered into by the company with the underlying purpose to circumvent GAAP and to present the results directly to the SEC.
- Conducted special investigation for the Board of Directors of a government sponsored entity that provides access to home mortgages for US citizens. Reviewed and assessed the company's internal controls and corporate governance functions as well as several areas associated with the company's mortgage portfolio and related activities.

- Retained to conduct an investigation of the misappropriation of cash for an insurance company. The perpetrators had access to the company's bank accounts for several years and disguised fraudulent transfers of cash as customary vendor payments.
- Engaged to perform special investigation by the Board of Directors of a publicly traded media company regarding allegations of intentional violations of GAAP.

#### **Accounting Advisory**

- Assists public companies with the process of restating previously issued financial statements.
- Provides expertise on the application of US GAAP for a wide range of issues including revenue recognition, accounting for judgmental reserves and estimates, contingent liabilities, complex debt and equity transactions and acquisition accounting among others.
- Provide US GAAP accounting and financial reporting guidance to US publicly traded companies on a continual basis.

#### **Acquisition Disputes**

- Served as an expert in an acquisition dispute regarding the value of pre-paid licensing fees and the estimated future revenue streams of the products associated with the licensing arrangements. The buyer claimed that the licensing fees were not accounted for in accordance with US GAAP.
- Engaged as expert in an acquisition dispute regarding revenue recognition and contractual allowances due for a healthcare provider to managed care providers and health benefit plans. Among other things, the buyer alleged that the reserve for uncollectible accounts receivable was not accounted for in accordance with GAAP.
- Retained in acquisition dispute regarding the purchase of the life and disability insurance business by a multinational reinsurance company. The buyer alleged that certain claim reserves were not accounted for in accordance with US GAAP.
- Performed damage analysis regarding an alleged breach of representations and warranties by the seller in a business acquisition. The buyer alleged that the seller altered its normal sales practices and accelerated the sale of products immediately prior to the closing date and thereby reduced the value of the business acquired.
- Served as arbitrator in a dispute regarding contingent consideration for a business acquisition. The acquisition agreement contained a purchase price adjustment based on three years of operating results of the business post-closing. The dispute included the accounting for certain assets in accordance with US GAAP.
- Served as expert in a matter involving investors in a public company. Issues included accounting for inventory and certain equity instruments in accordance with GAAP, materiality in accordance with SAB 99 as well as financial reporting for internal control deficiencies and the restatement of the Company's Form 10-Q's and 10-K.
- Retained in dispute regarding the proper accounting for warranty and other judgmental reserves and their impact to the purchase price calculation included in the acquisition agreement.
- Engaged as expert in a dispute regarding working capital as defined in the acquisition agreement as well as the proper presentation of certain pension obligations in accordance with GAAP.