

## FORENSIC ACCOUNTING & ADVISORY SERVICES

# Receiver, Examiner and Trustee Services

## Service Highlights

Our experience in conducting complex financial investigations in receiverships, bankruptcies, wind-downs or involuntary liquidations enables our team to quickly assess a situation and design an appropriately scaled investigation to be performed in a phased and cost-effective manner. In short, we:

- Independently gather and analyze critical information enabling our clients to make informed decisions;
- Provide multidisciplinary investigative teams consisting of former “Big 4” auditors, forensic accountants, former prosecutors, former regulators, former law enforcement officials and computer forensic specialists;
- Bring substantial industry expertise that enables us to offer an informed perspective;
- Have the investigative and forensic accounting expertise required to unravel the most complex financial transactions and trace the movement of assets;
- Concurrently offer industry leading electronic evidence services that identify, preserve and collect relevant information and analyze complex data within enterprise systems;
- Possess extensive experience presenting or testifying as to our investigative results at trial;
- Offer a worldwide presence with offices throughout North America, South America, Europe, Africa, the Middle East and Asia;
- Provide economies and efficiencies gained from numerous prior engagements supporting Receivers, Examiners and Trustees.

**F**TI Consulting has in-depth experience with the investigative, complex data analysis, asset tracing and forensic accounting needs of court-appointed Receivers, Examiners and Trustees. Our professionals have not only supported the work of Receivers, Examiners and Trustees, but we have also been appointed to work in that capacity. We understand the time-critical nature of implementing a plan of action, communicating with multiple constituencies, and managing the inherent complexity of such appointments. We also offer a complete range of electronic evidence capture and review tools that identify, preserve and collect relevant information and empower rapid analysis.

FTI Consulting is a leading global provider of multidisciplinary, independent investigative, forensic accounting, electronic evidence and complex data analysis services to Receivers, Examiners and Trustees. Our professional teams are comprised of former federal prosecutors, law enforcement officials, “Big 4” auditors and senior accountants from within the SEC’s Division of Enforcement and Office of the Chief Accountant; and are coupled with experts in computer forensics, financial enterprise data administration, network security and penetration testing.

### Investigation, Forensic Accounting and Data Analysis

We are retained to recover and analyze enterprise-wide data, independently investigate, gather and document relevant facts, clarify or reconstruct complex financial transactions, apply forensic accounting techniques, and to quantify damages in a variety of receiverships, bankruptcies, wind-downs or involuntary liquidations. We have extensive experience investigating related party transactions and inter-company transfers for evidence of self-dealing or other indicia of fraud, reconstructing financial and electronic records, uncovering and marshalling hidden assets, and preserving accounting books and records for review by Receivers, Examiners and Trustees. We also assist with any ensuing litigation by preserving the chain of custody of recovered forensic accounting and computer forensic evidence, researching the legitimacy of claimants, and in testifying at trial.

In matters in which corporate assets have been misappropriated and moved abroad, we leverage our global platform and are able to conduct investigations throughout North America, South America, Europe, Africa, the Middle East and Asia. Our professionals understand that successful asset searches begin with comprehensive financial analysis to identify all potentially recoverable assets. Once identified, our teams efficiently locate the assets—wherever in the world they may be—by seamlessly combining high-level analytical, fact-gathering, financial forensics and computer forensic technology. We then apply our understanding of local process in jurisdictions around the world to assist legal counsel with the attachment of assets, preventing further unwanted transfers.

Our collective experience in supporting Receivers, Examiners and Trustees in their work enables our team to quickly assess a situation, apply the lessons of our past experience, and design an appropriately scaled investigation to be performed in a phased and cost-effective manner.

### Rapid Response and Control

Taking control of a business being used to perpetuate a fraud requires speed, financial agility and technology. Our investigators and forensic accountants support Receivers, Examiners and Trustees with a complete range of electronic evidence capture and review tools:

- Defensible & Documented Rapid ESI Preservation
  - Collection, managed review and production of electronic data
  - In conjunction with, in advance of, or immediately after law enforcement involvement
- Network Management and Lock Down
  - Ownership of networks: keep trusted resources in, and unauthorized users out
  - Maintain critical systems to keep businesses running
- Financial and Enterprise Data Modeling, Analytics and Reporting
- Computer Forensics & Analysis
  - Deleted file space analysis and reporting for investigation purposes
  - Credentialed experts with proven track record of opinion offering and testimony
- Physical Security & Site Management

## Our Representative Experience

- In this historic and internationally publicized case, FTI Consulting was retained by the Liquidation Trustee of Bernard L. Madoff Investment Securities to provide global investigative fact-gathering, forensic accounting, complex financial and enterprise data analytics, electronic discovery, econometric analysis/expert witness and trial services in regard to the largest reported Ponzi scheme in U.S. history.
- FTI Consulting was retained on behalf of the Receiver in a multi-billion dollar fraud investigation involving Stanford Financial Group, a global group of financial services companies. FTI Consulting's role, on behalf of the Receiver, included the following activities: assisting the Receiver in collecting, marshalling and controlling the assets and records of the Estate; performing the collection of electronic data for employees located around the globe; assisting efforts to recover cash and other liquid assets for the benefit of the Estate; providing support and assistance to regulatory bodies including the SEC, the Department of Justice and other governmental agencies.
- A Senior Managing Director of FTI Consulting was appointed by the U.S. District Court for the Southern District of New York to be the Receiver of Mount Vernon Money Center, LLC (MVMC) and all of its related businesses after the owner was arrested for conspiring to commit mail and wire fraud. The MVMC group of companies specialized in the service and cash stocking of 6,200 ATM machines throughout the New York metropolitan area and included an armored car division as well as a central alarm monitoring company. FTI Consulting was appointed on a Friday night and by Saturday had a full staff including former prosecutors, economic consultants, accountants and computer forensic specialists on site to take control of the Mount Vernon Money Center and its related businesses. FTI Consulting quickly evaluated the financial condition of the businesses, safeguarded the businesses' assets, and put in place a regimen of procedures to pay existing staff and critical suppliers, transfer servicing of ATMs to another vendor on an interim basis, and assess and document the losses to victims that ran into the tens of millions.
- FTI Consulting was hired by the court-appointed Receiver in United States v. Marc Dreier to serve the Receiver as the consultant in connection with the search for and recovery of assets that could be liquidated to repay the victims of a fraud scheme that at its center sold \$700 million worth of bogus promissory notes to investors, and bilked hedge funds and other investors out of at least \$400 million. Dreier, a New York lawyer and founder of the law firm Dreier LLP, pled guilty and was sentenced to 20 years in prison and ordered to forfeit \$746 million and pay \$388 million in restitution to victims. FTI Consulting provided our investigative services to the Receiver to identify and safeguard more than \$100 million in assets.
- FTI Consulting served as financial advisor to the court appointed Joint Official Liquidators ("JOLs") of the SPhinX Funds. The SPhinX Funds family was comprised of more than 25 investment funds with over ten strategies. The Funds' assets under management peaked in 2005 at approximately \$2 billion.
- Following a voluntary petition under Chapter 11, FTI Consulting was appointed the Responsible Officer for Sharp International Corporation, a wholesaler of low-end watches manufactured in Asia and sold to "big box" retailers and electronic stores. Immediately following our appointment, FTI Consulting uncovered an accounting fraud involving the booking of fictitious sales for phantom products. FTI Consulting's forensic accountants and fraud investigators conducted employee interviews, reviewed the remains of the company's minimal books and records and recovered certain deleted electronic data to quantify the fictitious revenue recorded and to prepare restated financial statements based on the valid revenue figures to successfully recover significant assets from insiders, third party defendants and IRS tax refunds for the unsecured creditors.
- FTI Consulting was engaged by a court-appointed temporary Receiver of Sagam Capital LLC to assist in prepping and issuing a court ordered preliminary report pursuant to a Preliminary Injunction and Order Appointing Receiver, Freezing Assets and Granting Other Relief. Based on the SEC's allegations of fraud and improper trading activities, FTI Consulting was retained as forensic accountants and financial advisors to assist the Receiver with an investigation. One of FTI Consulting's primary tasks was to assist with the determination of all money, assets, funds, securities, and real or personal property received or disbursed by, or for the direct or indirect benefit of, the Defendants.
- As the SEC approved accountant to the Receiver of New Age Financial Services, FTI Consulting wound down the business of an investment manager involved in a ponzi scheme. His businesses included, among other things, investment partnerships, a broker/dealer operation and real estate holdings.
- FTI Consulting has conducted numerous fraud and forensic investigations involving embezzlement, Ponzi schemes, self-dealing by company executives and other forms of misappropriation of corporate assets. These investigations have involved tracing of missing funds, identification and quantification of misappropriated assets, identification of responsible parties and assistance with insurance claims to recover losses incurred.



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CRITICAL THINKING  
AT THE CRITICAL TIME™

### About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organizations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. FTI Consulting professionals, who are located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management and restructuring.

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