

KETCHUM ADVISORY, LLC

SELECTED CASE EXAMPLES

FORENSIC ACCOUNTING AND COST AUDITING EXPERIENCE

Analyzed SEC allegations of fraud, misappropriation, and commingling of client assets at a cash management firm upon its bankruptcy filing. Allegations included fraudulent movement of client assets into company accounts and use of client assets as collateral to obtain lines of credit for the company's benefit, including subsequent non-disclosure of leveraged positions to customers. Performed detailed funds tracing of customer securities through client and company accounts and analyzed company and client documents, including account statements and bank correspondence.

Analyzed SEC allegations against two former executives of a national retailer for misleading investors in the months preceding the company's bankruptcy filing. Allegations included material misrepresentations and omissions about the company's liquidity and related matters in various SEC filings and analyst calls. Analyzed financial statements, management reports, disclosure statements, and internal company documents, including various measures of liquidity and general accounting practices. Prepared expert report and supporting documentation and analyses.

Analyzed the accounting records of a multi-entity complex to determine the ultimate sources and uses of funds in a breach of fiduciary matter. Analysis included the detailed review of transaction summaries, loan documents, bank statements, QuickBooks files, partnership accounts, among others, related to more than \$100 million in funding to the complex. As part of the engagement, determined the value as well as financial condition of several entities at various points in time in relation to total monies received from various distributions.

Analyzed the financial and accounting records of several businesses to determine the amount of personal benefit paid or disbursed through disguised entries in a partnership dispute. These efforts also included determining the value of the partnership shares without the misuse of funds and subsequent adjustment of the purchase price. Records reviewed in detail included general ledgers and supporting journal entries, bank account statements, QuickBooks files, contracts with various clients, and correspondence between the partners.

Assessed the financial records of a Company to assess uses of cash by various partners in violation of Court-mandated distribution requirements. This analysis involved the detailed review of general ledgers, bank accounts, brokerage accounts, check registers and other supporting accounting data to identify and demonstrate personal benefits for the partners or related business entities to the detriment of others. This effort included the review of alleged business expenditures of the individual partners over several years.

Analyzed financial and accounting records in a fraud matter in which a developer allegedly created a Ponzi scheme for the purpose of obtaining funding for mortgages. Allegations included personal use of funds as well as hidden assets. Analysis involved review of financial records, as well as title and escrow documents. This effort also included the detailed tracing of funds to establish the ultimate sources and uses of monies between the various parties.

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Analyzed the financial and accounting records of a non-profit entity and various subsidiaries to identify fraudulent activities by senior management in the context of a bankruptcy matter. This involved the detailed tracing of funds between the related entities to establish ultimate sources of monies. Identified information available to outside parties at the time of certain transactions.

MUNICIPAL EXPERIENCE

Analyzed and rebutted an owner's alleged lost profits damages and increased financing and operational costs claimed against a municipality as a result of alleged permit and zoning delays. Plaintiffs claimed the construction, zoning, and business permitting approval process for a drug and alcohol rehabilitation facility to open and operate within county limits was delayed. Participated in settlement conference proceedings.

Determined a municipal park district's lost profits resulting from the early termination of a thirty-year lease on park district land. The lessee's lease required fixed, minimum, monthly payments to the park district, plus a share of the lessee's revenue. Calculated the present value of the remaining term of the lease, and ultimately presented findings to counsel and the park district's Executive Director. Worked alongside a third-party architect, consultant, and contractor to evaluate alternative uses for the land and assisted in settlement negotiations.

Evaluated and determined a municipality's tax and economic impact as a result of closing a hotel, re-zoning the property, and operating a tax-exempt non-profit drug and alcohol rehabilitation facility. Analyzed the historical tax and economic impact of the hotel on municipal revenues; reviewed and analyzed the projected tax and economic impact of the non-profit facility, including potential increased emergency-related community costs; and analyzed other potential follow-on economic impacts. Authored expert report and testified in a public zoning hearing.

Analyzed and rebutted a developer's claim for lost profits and diminution in value against a municipality of a newly constructed 30,000 square foot retail development. The developer alleged the municipality interfered with construction, leading to diminution in value, lost rental profits, and increased construction costs. Developed an alternative damages calculation, resulting in a significant reduction to the developer's lost profits claim. Assisted counsel in mediation.

Determined a municipality's increased costs to operate and maintain a newly-constructed wastewater treatment plant. Quantified the costs incurred to repair and redesign the facility, including the increased operations and maintenance costs resulting from defective design and construction.

Analyzed and rebutted claims by an energy company for clean-up and remediation costs incurred resulting from an oil spill within a municipality. Investigated the energy company's claimed costs to remediate the oil spill and compensate local businesses for business interruption losses. Prepared an expert report and assisted counsel and client in preparation for mediation.