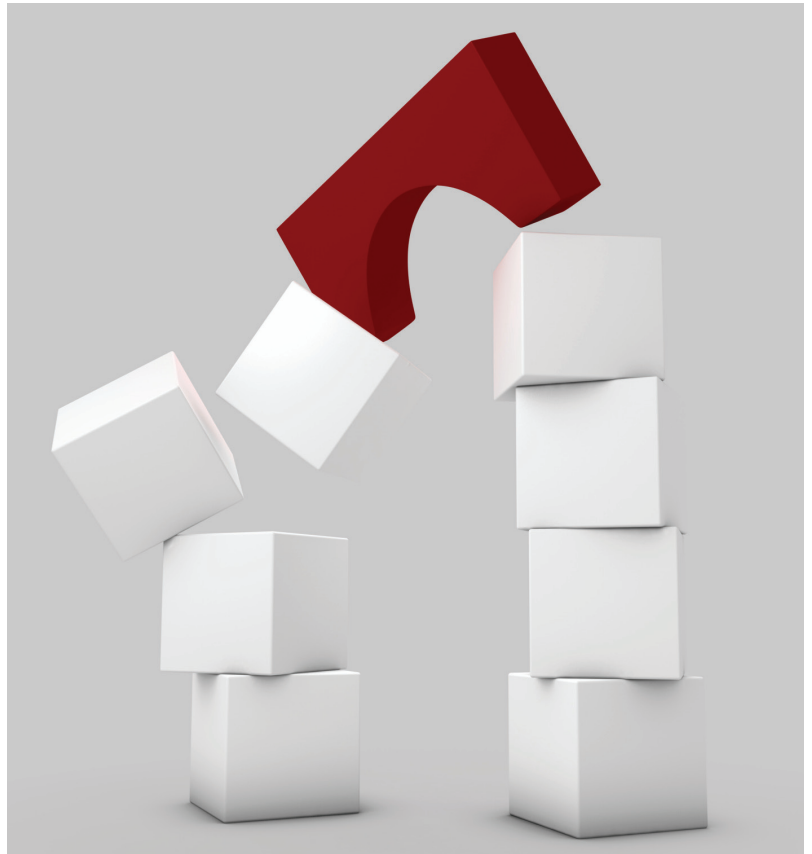


QUALIFICATIONS

Subprime Lending Litigation



- About Analysis Group
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- Real Estate and Mortgage-Lending Disputes
- Class Action Litigation
- Bankruptcy-Related Litigation
- Accounting Litigation Services
- Selected Case Experience
- Selected Academic and Industry Experts
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Experience, Qualifications, and Experts

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The crisis in the subprime mortgage market has led to numerous investigations by federal and state regulators and a growing wave of litigation involving stakeholders at all stages of the lending process.

Disputes continue to arise involving a range of conduct including allegations of:

- Predatory and discriminatory lending practices;
- Inadequate underwriting standards and practices;
- Failure of lenders to meet loan repurchase obligations;
- Improper accounting methods and inadequate internal controls;
- Failure to properly value mortgage-backed securities (MBSs) and collateralized debt obligations (CDOs);
- Improper credit rating and inadequate disclosure of the risks of mortgage-related securities.

Analysis Group has longstanding expertise in the disciplines central to evaluating subprime lending matters – including a deep understanding of the underlying financial instruments involved and of the operations and practices of the various participants in the subprime lending market. Our professional staff and affiliated experts also have significant experience in the analysis of investment suitability and portfolio risk, claims regarding breach of contract and fiduciary responsibility, and bankruptcy-related issues.

Our firm has recently been retained in several confidential matters involving subprime lending in which we are addressing issues including investment suitability, contractual disputes, and disclosure with regard to subprime holdings. Our experience and qualifications in each relevant area are summarized below.

1. About Analysis Group

Analysis Group, Inc. is an economics, finance, and strategy consulting firm with offices in Boston, Chicago, Dallas, Denver, Los Angeles, Menlo Park, Montreal, New York, San Francisco, and Washington, D.C. We have assisted the nation's largest law firms and many of the top Fortune 500 companies on more than 3,500 cases since the company's founding in 1981.

Our staff of more than 500 professionals, most with advanced degrees in economics, statistics, finance, accounting, or management, works closely with a large network of academic experts at leading universities. In our work related to subprime lending litigations, we can draw on the expertise of such authorities as Professor R. Glenn Hubbard, Dean of the Columbia Business School and former Chairman of the President's Council of Economic Advisers, and Charlotte Chamberlain, former Chief Economist and Director of Policy and Economic Research at the Federal Home Loan Bank Board, and author of "Tracking the Subprime Mortgage Market Meltdown."

2. Securities and Financial Instruments

Securities and finance have been a major focus of Analysis Group's work since the firm's inception in 1981. We have worked on some of the most important litigations of recent years, including Enron-related cases involving major financial institutions; *Florida State Board of Administration v. Alliance Capital*, a significant victory for the business of active portfolio management; and *Baker v. American Century Investment Management*, a mutual fund excessive fee action. We provided consulting and testifying expertise in one of the few 10b-5 securities cases to go to trial in the last decade: *In re Clarent Corporation*. Working with leading academics, our teams have been at the forefront of a number of settlements involving alleged mutual fund market timing. We also have many years of experience in conducting analysis and valuation of complex derivative instruments.

Valuation of Derivatives and Other Complex

Financial Instruments – We are experts in applying sophisticated financial tools to value a broad range of financial instruments and derivatives, including mortgage and other asset-backed securities. From our firm's earliest days, we have actively participated in landmark cases involving complex financial instruments including collateralized debt instruments and credit default swaps. We have analyzed questions of risk characteristics and risk transfer for clients including leading investment banks and rating agencies.

Investment Suitability and Risk Assessment – We have provided analysis and testimony in a broad range of cases involving allegations of breach of fiduciary duty or improper implementation of investment strategies, including high-profile litigations. In these matters, we have worked closely with leading academic experts and supported their analyses. In many cases our work has involved analysis of enormous data sets of trading records or other financial information going back a decade or more.

We have assessed appropriateness and risk level of a wide range of investments, including MBSs and CMOs, derivatives, and structured financial instruments. We have employed portfolio theory to assess investment strategy, including assessment of compliance guidelines and restrictions regarding investment accounts. Our work has also involved analysis of the role of corporate governance structure in influencing investment decisions.

Securities Fraud and Stock Price Movements – Over the past 25 years, we have worked in a consulting capacity in some of the largest 10b-5 cases litigated. Many factors influence stock prices, often in complex, interrelated ways that emanate from activities both within and outside of corporate environments. While the specific issues vary from case to case, we are often called on to analyze stock price volatility and evaluate the alleged loss in value attributable to a specific event or announcement. We often employ an event study methodology.

We have applied economic analyses that rely on financial asset pricing models to test for “abnormal” stock price behavior, accounting for changes in the industry and general stock market. For settlement purposes, we have developed a proprietary database of class action settlements as well as a model for guidance in settlement negotiations.

3. Real Estate And Mortgage-Lending Disputes

From our work in the “Winstar” cases arising out of the savings and loan crisis of the 1980s, through the current subprime lending fallout, Analysis Group has developed broad experience in the areas of real estate and mortgage-lending. Our internal experts, working independently and in coordination with our academic affiliates, have used analytical tools from economics, finance, statistics, accounting, and marketing to address questions that arise in disputes involving real estate acquisition and financing transactions. We have extensive experience in matters related to loan origination, securitization, and servicing, including:

- Analysis of lending policies and underwriting practices of banks and thrifts;
- Assessment of underwriting costs and fees of mortgage lenders;
- Investigation of alleged violations of disclosure and anti-kickback provisions of Real Estate Settlement Procedures Act (RESPA);
- Evaluation of variation across regions in real estate conveyance practices and closing costs;
- Assessment of mortgage originators’ loan repurchase obligations;
- Evaluation of prepayment and default risk in mortgage backed securities (MBSs);
- Analysis of risks and valuation of collateralized mortgage obligations (CMOs).

In the context of litigation, we have assessed both liability and damages issues in lender-liability disputes; evaluated allegations of mismanagement, fraud, and anticompetitive activity; and investigated claims of breach of fiduciary duty against bank and other lending officers.

More broadly within the real estate sector our work has included economic impact analysis and feasibility studies of commercial real estate development projects, evaluation of liability and damage claims involving construction defects, estimation of diminution in value arising from environmental contamination, and assessment of demographic issues involving low income housing projects.

4. Class Action Litigation

Borrower class actions make up a large percentage of subprime cases, based on allegations ranging from predatory lending and securities fraud to ERISA violations. We have assisted clients in dozens of class action matters, performing analyses and testifying at deposition and trial. Our work has focused on assessing the economic underpinnings of commonality and typicality arguments to illustrate how causation and damages may require individualized assessments, as opposed to assessments based on common methods of proof for the entire class. In addition, we have analyzed causation and damages issues in a wide range of matters, including mortgage and real-estate cases. We have provided support to leading academic experts in developing these analyses.

Our analyses in class action litigations have included:

- Class certification
 - Assessing representativeness of the named plaintiffs
 - Analyzing commonality of facts and implications for using common methods of proof
 - Determining likelihood of zero damages to a significant number of plaintiffs
- Causation and damages
 - Calculating damages under alternative causation scenarios
 - Assessing whether all members of the class have suffered damages if liability is established
 - Calculating the number of potentially damaged class members
- Settlement
 - Assisting in settlement talks and settlement agreements to ensure targeted and appropriate

relief to damaged class members

Our assessment of class certification claims encompasses a range of approaches. We have employed statistical methodologies to examine the relative benefits and risks associated with use of the product or service in question, and the relative prevalence of damages among users and non-users. We have also conducted analyses that identify conditions consistent with alternative causes of the alleged damages.

In ERISA class actions in which participants in the company's stock fund have sought recoverable losses as a result of the fund's decline in price, our role has included an analysis of the degree to which a company's stock was a prudent investment, a comparison of the percentage of plan assets invested in the company stock fund to the percentage of assets invested in the company stock fund of other 401(k) plans, and a careful review of analyst reports and commentaries concerning the risks and returns of the company stock.

Statistical Sampling for Class Certification – Our use of statistical sampling enables us to make inferences about a population. For example, we can evaluate the quality and reliability of data relative to source documents; select claims or observations for more detailed investigation; and extrapolate analyses from records with adequate information or data to those with missing or erroneous data. Well accepted in litigation and adaptable to the circumstances of specific cases, statistical sampling is useful in a number of applications, including situations in which:

- The population is too large to analyze each data point;
- The cost of analyzing the individual data points is too high;
- Elements of the population of interest may be unavailable;
- Data are missing.

5. Bankruptcy-Related Litigation

Analysis Group has extensive experience in complex and high-profile litigations involving bankruptcy and solvency issues, including some of the largest bankruptcies in U.S. history. Our expertise includes evaluation of the causes of bankruptcy, determination of liability, and damages and deepening insolvency measurement related to the actions of various defendants as well as quantification of damages to particular plaintiffs.

We have conducted research into bank performance and solvency, developed economic models to predict bank failure, valued bank assets, and examined bank regulations and tax laws affecting financial institutions. We have analyzed the values of businesses "but-for" the actions of defendants and contrasted this with the ultimate value of the firms. We have also distinguished between damages claims made on behalf of shareholders and those made on behalf of the bankruptcy trustee.

Our analyses have involved measurement of all types of assets and liabilities, including: purchased mortgage servicing rights, interest rate swaps, bonds, stocks, leases, real estate, collateralized mortgage obligations, and accounts receivable. We have worked on bankruptcy-related cases involving:

Fraudulent Conveyance – Analysis Group has provided a variety of analyses in fraudulent conveyance matters, often through the work of multiple experts on one case. We have provided expert testimony related to solvency issues, reasonableness of financial projections, industry analyses, fiduciary duty issues, capital structure, and evaluation of damages.

Solvency Analysis – Our staff and experts have provided solvency analysis in connection with questions of comparable worth, fiduciary duty, and fraudulent conveyance; in matters involving disputes over reinsurance receivables; and in cases concerning alleged negligence in connection with failed LBOs.

Deepening Insolvency – We have worked on a number of cases involving claims of deepening insolvency – an increasingly influential theory of corporate injury. Plaintiff trustees, receivers, and creditors’ committees have cited the theory to claim damages allegedly suffered at the hands of lenders, accountants and others as a result of wrongfully incurred unpayable debt. These damages may take the form of added financial distress costs, further diminution in the value of the corporation’s assets, or additional debt used to finance failed investments.

6. Accounting Litigation Services

Analysis Group has provided research, analysis, and expert testimony in many complex disputes involving accounting and financial issues. We offer extensive expertise across many industries, as well as proven litigation credentials in accounting, economics, and finance. Our professional staff, which includes Ph.D.s in accounting, as well as CPAs, CMAs, and CFAs, works closely with a network of academic experts who are leaders in these disciplines.

We have examined many complex accounting liability issues. Our work has included analysis of company financial statements to determine compliance with GAAP – for example, we have assessed proper revenue recognition and cost capitalization. We have analyzed whether certain financial information, such as data suggesting an imminent bankruptcy, was publicly available, and have assessed the materiality of adverse events. Our work has also included analysis of firms’ accounting for financial derivatives, in which we have measured the effects of the firms’ choices on their financial statements. We have also provided analyses in various purchase price disputes involving proper calculation of post-closing adjustments.

We conduct damages analyses based on the facts and issues surrounding liability. Our expertise lies in our ability to demonstrate how actions leading to liability also affect the measurement of damages. Our experience includes:

- Assessment of how accounting misstatements affect stock prices and/or compensation of senior officers;
- Measurement of actual losses suffered by large groups of shareholders or debt holders;
- Criticism of plaintiffs’ damages models;
- Analysis of damages in an affirmative fashion – i.e., measuring damages properly under various liability scenarios.

We also have extensive experience serving as arbitrators or expert witnesses in arbitration of accounting disputes.

7. Selected Case Experience

Securitized Assets and Derivative Instruments

Investor Class Action v. Investment Bank; Solvency Analysis

In this case involving a massive credit card securitization fraud, our client, a major investment bank, was granted summary judgment in a class action brought against it by a financial services company. The company had charged-off credit card receivables purchased from card-issuing banks and financed its purchases using lines of credit and asset-backed securitizations. The company collapsed into bankruptcy after its massive fraud was exposed.

In a related matter Analysis Group was retained by Simpson Thacher to analyze the solvency of the financial services company. We also undertook an econometric analysis of its portfolio of securitized credit card receivables. Analysis Group Managing Principals Maureen M. Chakraborty and Richard Starfield and Vice President Gaurav Jetley supported our academic affiliate Professor Stuart Gilson of the Harvard Business School, who filed an expert report and provided deposition testimony.

Credit Default Swaps Analysis in Enron-Related Matter

Analysis Group assessed the impact of a credit default swap on the value of certain Trusts set up jointly by

our client and Enron Corporation. Following the Enron bankruptcy, investors sued our client, focusing on the solvency of the Trusts and claiming they were deceived as to the credit quality of the underlying instruments. Our team, led by Managing Principals Maureen Chakraborty and Marc VanAudenrode, supported our expert, Dr. Michael Koehn, who authored an expert report and was deposed regarding the impact of the credit default swap on the value of the Trusts.

Granite Funds, L.P. v. Donaldson, Lufkin and Jenrette

The Granite Funds, invested primarily in CMOs and MBSs, collapsed following a series of interest rate increases. As a result, broker-dealers initiated margin calls and subsequently liquidated the Funds' portfolios. A Litigation Advisory Board (LAB) created in the bankruptcy proceeding to represent the Fund investors sued Donaldson, Lufkin & Jenrette Securities Corporation (DLJ) and several other financial services firms, alleging that the defendant broker-dealers made improper margin calls on the Funds and conducted bad faith and commercially unreasonable liquidations of the Funds' securities.

Working with Friedman Kaplan Seiler & Adelman, and Berlack, Israels & Liberman, counsel for the LAB, Analysis Group developed analytical models to compute the fair market values of the Funds' portfolios of collateralized mortgage obligations and mortgage-backed securities on the margin call and liquidation dates. The Funds settled their claims against DLJ for more than \$30 million. This settlement followed the Court's ruling that denied the defendants' motions for summary judgment. When combined with a previous settlement with Bear, Stearns & Co. in November 1999, the Funds recovered more than \$70 million.

MKP Master Fund LDC v. Salomon Smith Barney

Analysis Group was retained by the law firm of Cravath, Swaine & Moore on behalf of defendant Salomon Smith Barney (SSB) in a securities litigation

involving the collapse of a hedge fund invested in CMOs and MBSs. MKP Master Fund LDC, faced margin calls in excess of \$100 million from its prime broker, SSB. MKP sued, contending that had SSB not forced the fund to liquidate its portfolio to meet the margin call, the portfolio value would have increased in value more than \$200 million one month later. An Analysis Group team supported our academic experts in demonstrating that deteriorating market conditions and the portfolio composition precipitated the margin call. SSB won summary judgment on all nine counts.

Risk Characteristics of Swaps

Analysis Group supported our academic affiliate Professor Peter Tufano in his testimony in London in a case involving structured financial instruments. Professor Tufano's testimony focused on the extent of variety and innovation in financing, the use of commodity-linked financing, the key elements of structured finance (in particular, the use of Special Purpose Entities, or SPEs), participants in the structured finance market, and illustrations of the use of structured finance by firms and governments. Professor Tufano also analyzed the risk characteristics of the derivatives sold by our client, a leading investment bank. In a 228-page opinion, the judge endorsed the analysis of Professor Tufano and ruled on behalf of our client.

Analysis of Industry Performance and Derivative Valuation

Analysis Group was retained by an investor to value derivative instruments whose values were tied to the performance of underlying portfolios of asset-backed securities, including collateralized debt obligations and mortgage-backed securities, across a variety of industries. The valuation work we performed included researching industry-level performance and the effect this performance had on the portfolio of underlying securities, and the effect of this performance on the value of the derivative instruments.

Securities Fraud

Clarent Corporation 10b-5 Case

Analysis Group helped Ernst & Young achieve a victory in a securities fraud class action trial, one of only a few such trials to go to a verdict in the last decade. The case involved alleged accounting irregularities at Clarent Corporation, a California-based Voice over Internet Protocol (VoIP) company, for which Ernst & Young had done auditing work. Plaintiffs claimed that Ernst & Young was liable for securities fraud and asked for approximately \$125 million in damages.

Retained by counsel for the defendant, Analysis Group critiqued the plaintiffs' damages methodology and estimates. Analysis Group Managing Principal Bruce Deal coordinated our consulting assistance on damages and causation issues, while affiliate Robert Sherwin served as the testifying expert on damages. In his testimony, Mr. Sherwin used a demonstrative exhibit that helped illustrate to the jury how much of Clarent's stock price decline could be attributed to market forces affecting similar companies, independent of fraud. The stock price decline was a key aspect of the plaintiffs' damages claims. After three weeks of testimony, the jury returned with a finding of no liability and no damages against Ernst & Young.

AT&T 10b-5 Class Action

Analysis Group was retained by Sidley Austin Brown & Wood, counsel for AT&T, in a 10b-5 securities class action suit. Shareholders of the company alleged that AT&T and its former chief executive had provided misleading guidance on financial results for the 2000 fiscal year in order to maintain the stock price in advance of an initial public offering for AT&T's wireless unit. Analysis Group academic affiliate Professor George Foster provided economic analysis and deposition testimony regarding the reasonableness of AT&T's financial guidance. Professor Foster analyzed company-specific data from AT&T's budgetary and forecasting systems to determine if these systems were designed properly to provide reasonable estimates. His analysis also included the impact

of external factors on AT&T's forecasting, such as the overall health of the marketplace as of late 1999, when the projections were made, which was prior to the market downturn that began later in 2000; review of industry analyst reports; and past budgets and budgetary mechanisms of AT&T. The plaintiffs had sought \$2.4 billion in damages, but the case was settled for \$100 million after three weeks of trial.

General American Liquidation Litigation

Analysis Group was retained by the Missouri Department of Insurance to analyze damages and causation issues related to the unexpected failure of General American, a large Missouri life insurance company. At issue was the company's exposure to, and public disclosures about, corporate bond valuations, interest rates, and rating agency standards. A series of unusual events led to a liquidity crisis as the company had to liquidate sometimes illiquid bonds that had rapidly decreased in value. The Missouri Department of Insurance had to intervene, with a resulting quick sale of the company. The litigation with the auditors over financial statement disclosures was settled after depositions.

Real Estate and Mortgage-Related Litigation

New Jersey Carpenters Vacation Fund, et al. v. The Royal Bank of Scotland Group, plc, et al.

In a widely covered decision in the U.S. District Court for the Southern District of New York, class certification was denied in a securities class action against Analysis Group client the Royal Bank of Scotland (RBS) and affiliates. Counsel from Simpson Thacher retained Analysis Group in this matter involving allegations of misstatements and omissions in connection with residential mortgage-backed securities (RMBS). Plaintiffs alleged that the defendants omitted material facts and made untrue statements in the offering documents regarding the underwriting standards and practices followed by the mortgage originators.

The Analysis Group team, led by Managing Principals

Richard Starfield and Nicholas Crew and Vice Presidents Adam Decter and Mark Howrey, supported our academic affiliate, who filed an expert report as part of defendants' opposition to plaintiffs' motion for class certification.

Judge Harold Baer, Jr., declined to certify the putative class, which included large institutional investors, stating that individual questions concerning the plaintiffs' knowledge predominated and that a class action would therefore not be the best way to move forward with the case. As reported in *AmLaw Litigation Daily*, with regard to the Rule 23(b)(3) requirements that govern class certification, Judge Baer "concluded that because the defendants could offer evidence of widely different levels of sophistication and knowledge among investors in the putative classes, individual issues predominated over class issues..." The judge stated in his opinion that, "Were I to certify the proposed classes the Court would have to hear significant individualized evidence on, among other things, each purchaser's knowledge and damages. The necessity of hearing all this individualized evidence defeats the requisite superiority of class treatment."

It has been reported that the decision marks the first ruling on class certification among the numerous mortgage-backed securities actions pending in courts across the country.

10b-5 Litigation Involving Subprime Lending by a Major Bank

Analysis Group was retained in this matter involving allegations of violations of Section 10b-5 of the Securities and Exchange Act. Issues included: (1) whether certain subprime lending practices should have been more explicitly disclosed to shareholders; (2) whether certain subprime business practices were abusive; (3) whether restatements of financial statements due to new auditors showed management to be negligent when the old auditors insisted no restatements should be made; (4) whether the bank had suitable levels of loan-loss reserves; (5) whether the loan-loss reserve model for the bank should have been more explicitly disclosed to shareholders; and (6)

whether negotiations by the bank with an attorneys-general group should have been disclosed earlier to shareholders.

Review and Analysis of "A Study of Closing Costs for FHA Mortgages"

In a current assignment, Analysis Group has been retained to evaluate a May 2008 study sponsored by HUD that examines loan fees and closing costs paid by FHA borrowers. The HUD report concludes that African-American and Latino borrowers and those living in areas in which educational attainment is lowest pay more to lenders, title insurers, and closing agents than do other borrowers. The analysis uses a range of econometric techniques and data sources to study a national sample of 7,500 transactions involving FHA-insured loans.

EMC Mortgage Corp. v. Ameriquest Mortgage Co.

Analysis Group was retained by counsel for Ameriquest in a dispute involving Ameriquest's obligation to repurchase certain subprime mortgages from EMC under a series of loan purchase and servicing agreements. Our affiliate, Charlotte Chamberlain, issued an expert report documenting the development and subsequent collapse of the subprime mortgage and mortgage-backed securities markets. Her analysis highlighted how residential real estate prices and developments in the securities markets interacted to force the closure of many subprime lenders.

FDIC v. Bright (First Republic Bank of Dallas)

Analysis Group was retained by attorneys for directors and officers of First Republic Bank of Dallas to help them respond to claims of mismanagement and imprudent lending. We reviewed all aspects of the bank's relationship with its largest borrower, including financial strength of the borrower, collateral for loans, review and approval of loan applications, appraisal policies and procedures, and restructuring of loans.

Mortgage Insurance Industry RESPA Cases

In a series of class action suits involving allegations of RESPA violations, Analysis Group was retained on

behalf of the Joint Defense Committee of the mortgage insurance industry. The Joint Defense Committee included MGIC, PMI Mortgage Insurance Company, RMIC, and United Guaranty Corporation, representing approximately 80% of the industry. The plaintiffs claimed that – in exchange for referrals – the insurers offered services to lenders at prices below cost, thus violating anti-kickback provisions of RESPA. The products at issue included GSE pool insurance, contract underwriting, captive reinsurance, and financing arrangements.

Our work involved estimating potential industry exposure and assisting with settlement negotiations; determining whether the products at issue were adequately priced; and identifying differences among the arrangements that necessitated examination on a lender-by-lender and transaction-by-transaction basis. MGIC, PMI, and United Guaranty Corporation settled with the plaintiffs after the Court’s summary judgment ruling. RMIC proceeded with litigation and defeated class certification.

Analysis Group also helped GEMICo address similar allegations. We analyzed GEMICo’s marginal cost of contract underwriting and assisted in the re-pricing of its products.

Ben S. Branch, Trustee of Bank of New England Corporation v. Federal Deposit Insurance Corporation as Receiver of New Bank of New England, N.A., et al.

Analysis Group managed the financial and economic analysis in a fraudulent conveyance litigation involving one of the largest bank failures in U.S. history. We identified and supported numerous academic witnesses to present testimony on the economics of the real estate markets of the 1980s, real estate lending practices, the banking industry, and factors that led to bank failures in the 1980s and 1990s. In particular, we undertook a thorough examination of the Bank of New England’s real estate lending practices and analyzed the public expectations for real estate prices and the change in those expectations over time in the face of what was later identified as a massive decline

in real estate values. We worked closely with several testifying experts from Harvard Business School, Wellesley College, Wharton, and UC Berkeley.

Coachella Valley Housing Coalition v. City of Moreno Valley

Analysis Group supported our academic affiliate, Professor Dennis Aigner, who submitted an expert report on behalf of the plaintiff in this case in which the plaintiff alleged that it was unfairly denied building permits for a low-income housing development. The Analysis Group team used census data and information from public housing waiting lists to perform a variety of statistical analyses of the low-income housing market, including a study of whether minority households are more likely to be low-income than non-minority households. These analyses examined whether discrimination had occurred and estimated the effects of the denial of housing on protected classes.

Commonwealth Court Building, Inc. v. Criimi Mae Services

Working on behalf of Criimi Mae, a commercial mortgage company structured as a REIT, in this matter involving an alleged wrongful failure of a mortgagee to consent to certain conditions surrounding a proposed new lease, Analysis Group examined the commercial space market in Los Angeles and its expected performance over the next decade. In particular, the Analysis Group team valued the prospects that the owners of the building would enter into alternative arrangements, used an option pricing methodology to value the ability to extend the lease, and critiqued the plaintiff’s valuation/damages model. The court dismissed the claims of the plaintiff.

Robins v. Roland

Analysis Group affiliate Robert Sherwin provided trial and deposition testimony regarding the valuation of a land development company and the net payments owed to the departing owners. Working with Greenberg Traurig, LLP on behalf of the remaining owner, Mr. Sherwin’s valuation included forecasting the default rate of the company’s high-interest mort-

gages and the value of land returned to inventory. The court generally ruled in favor of our client.

Additional Relevant Case Experience

Subprime Automobile Loan Portfolio Analysis

Analysis Group evaluated plaintiffs' damages claim relating to the underwriting and loan servicing of subprime automobile loans. The plaintiffs alleged that the servicing company did not properly administer the portfolio of subprime automobile loans, thereby causing excessive loan losses. Our analysis demonstrated that the plaintiffs' financial experts failed to take into account alternative reasons for loan performance. Analysis of the plaintiffs' loan volume, interest income, loan loss rate, and deteriorating industry conditions also demonstrated that the plaintiffs' business plan did not provide a reasonable basis from which to calculate claimed damages.

"Winstar" Damages Litigations

Analysis Group assisted the Federal Deposit Insurance Corporation (FDIC) in analyzing economic issues related to the "Winstar" damages litigation. These cases involved allegations by more than 100 failed savings and loan institutions that the federal government breached its contracts with them by passing the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. Through passage of this act, the plaintiffs claimed, the government revoked the right to include an intangible asset called "supervisory goodwill" when calculating capital for regulatory requirements. In most cases, this goodwill was booked by the plaintiffs in connection with supervised transactions involving troubled thrift institutions. Our role in these cases involved analysis of economic, finance, accounting, and damages/valuation issues.

8. Selected Academic and Industry Experts

Brief biographies of selected Analysis Group academic and industry affiliates are presented below. Full CVs are available upon request.

Real Estate and Mortgage-Lending

Lawrence M. Benveniste; *Dean and Asa Griggs Candler Professor of Finance, Goizueta Business School, Emory University*

Professor Benveniste's areas of specialization include initial public offerings of equity, credit scoring and valuation of subprime loans, portfolios, and securitization. Before coming to Emory, he was Dean of the Carlson School of Management at the University of Minnesota, where he also served as U.S. Bancorp Professor of Finance. He is a former member of the faculties of Boston College, Northwestern University, the University of Pennsylvania, and the University of Rochester. Professor Benveniste worked as a staff economist for the Board of Governors to the Federal Reserve System in Washington, D.C., where he helped develop several significant regulatory initiatives including risk-based capital, which monitors the equity value of commercial banks to protect the deposit insurance system. He is currently on the Boards of Directors of Alliance Data Systems and Rimage Corporation.

Karl E. Case; *Katherine Coman and A. Barton Hepburn Professor of Economics, Wellesley College*

Professor Case's research has focused on real estate, housing, and public finance. He is author or co-author of five books including *Principles of Economics, Economics and Tax Policy and Property Taxation: The Need for Reform*, and has published numerous articles in professional journals. He has also authored several studies that attempt to isolate the causes and consequences of boom and bust cycles and their relationship to regional economic performance. Professor Case is a Visiting Scholar at the Federal Reserve Bank of Boston and a founding partner of the real estate research firm Fiserv Case Shiller Weiss, Inc. He also serves on the Boards of Directors of the Mortgage Guaranty Insurance Corporation (MGIC), Century Bank, and Lincoln Institute of Land Policy. He was elected to the Board of Directors of the American Real Estate and Urban Economics Association in 2003 and is associate editor of the *Journal of Economic Perspectives*.

Charlotte Chamberlain, Ph.D.; *Chamberlain Associates*

Dr. Chamberlain specializes in analysis of complex litigation issues involving securities, banks, and thrifts. Until October 2005, Dr. Chamberlain was a managing director in equity research at Jefferies & Company, Inc. covering financial services—primarily banks, thrifts, market makers, and traders. Prior to joining Jefferies, she was a vice president at Wedbush Morgan, a Los Angeles-based securities firm specializing in West Coast companies. Dr. Chamberlain previously served as vice chair of NewAmerica Savings, where she directed all financial, operations, and regulatory aspects of the bank. Prior to her board participation at NewAmerica, she was executive vice president and director of strategic planning at Glendale Federal Bank, now part of Citigroup. There she chaired the Asset/Liability Committee and was a member of the Operating and Investment Committees. While at Glendale, Dr. Chamberlain was appointed to the Thrift Institutions Advisory Council of the Federal Reserve Board of Governors and the Real Estate Advisory Board for the University of California at Berkeley. Before joining Glendale, Dr. Chamberlain was Chief Economist and Director of Policy and Economic Research at the Federal Home Loan Bank Board. That office was responsible for providing financial analysis to the Board on fixed income and mortgage markets and the thrift industry, as well as forecasts of the costs of thrift failures to the Federal Savings and Loan Insurance Corporation. While at the Bank Board, Dr. Chamberlain authored *Agenda for Reform*, which examined the changes needed in the nation's deposit insurance and regulatory systems to guarantee their viability in a deregulated and highly competitive world. In addition, she has authored numerous articles on mortgage finance, housing, and measuring the equity value of thrifts.

George Gau; *Dean, Red McCombs School of Business; J. Ludwig Mosle Centennial Memorial Professor in Investments and Money Management; George S. Watson Centennial Professor in Real Estate; Centennial Chair in Business Education Leadership, University of Texas, Austin*

Professor Gau is a recognized authority in the field of real estate finance, having authored more than 40 publications in leading real estate and finance journals. He has served as an expert witness in major real estate and financial litigation as well as a real estate consultant to a number of government agencies and private corporations. Professor Gau is a past president of the American Real Estate and Urban Economics Association and a past fellow of the Urban Land Institute. Prior to becoming dean, Professor Gau served for ten years as Chairman of the Finance Department in the McCombs School. He is currently Chairman of the Board of Trustees of the Brazos Mutual Funds. He is also a member of the Board of Directors of the Guaranty Preferred Capital Corporation II, the American Association of Individual Investors and The MBA Investment Fund, L.L.C.

Myron Glucksman, Esq.; *President, Myron Glucksman Consulting*

Myron Glucksman, retired managing director in Citigroup's Corporate and Investment Bank, has over thirty-three years of investment banking and legal experience in a broad range of securities, corporate and consumer matters. He currently provides independent expert advice to law firms, investment banks, and companies on structured finance matters including asset- and mortgage-backed securities. His MBS and ABS experiences includes developing Citi's first collateralized mortgage obligation (CMO) and several of its various credit card ABS structures. He recently was a testifying expert on retail credit card and securitization matters and has been an expert witness on various due diligence matters for JP Morgan Chase, Merrill Lynch, and US Bancorp. He has transactional experience in many types of consumer and commercial asset classes as well as having operational and managerial start up experience for several retail credit businesses. He has interfaced with governmental agencies, regulators and rating agencies. Mr. Glucksman has presented to the U. S. Senate Subcommittee on Securities on securitization matters in 1992, and was a lecturer on Current Policy Issues in Securitization at the American Securitization Forum's

annual conference in 2005. Mr. Glucksman is a member of the Bars of New York, New Jersey, and the District of Columbia and admitted to practice before the Supreme Court of the United States.

Julia Leah Greenfield, Esq.; *Independent Consultant, Mortgage Banking Law*

Ms. Greenfield has been in-house counsel with several of the largest nationwide wholesale and retail subprime and Alt A mortgage lenders since 1996. Prior to 1996, she was in-house counsel with several large federal savings banks. Her mortgage banking practice has been focused on federal and state regulatory compliance from origination to servicing, including compliance with federal and state predatory lending, privacy, fair lending, licensing, advertising and consumer protection laws such as the federal Truth-in-Lending Act, Home Ownership Equity Protection Act, RESPA, Equal Credit Opportunity Act, Fair Credit Reporting Act, Home Mortgage Disclosure Act, the Fair Housing Act and the Fair Debt Collection Practices Act, as well as their implementing Regulations and Commentaries. She has developed an expertise in all aspects of subprime and Alt A operations, including loan sales and repurchase demands and nontraditional mortgage loan products. Ms. Greenfield has co-authored two treatises on the federal Truth-in-Lending Act and has lectured on mortgage banking and predatory lending issues.

John J. McConnell; *Professor of Finance, Emanuel T. Weiler Distinguished Professor of Management, Krannert School of Management, Purdue University*

Professor McConnell has served as a member of the Boards of Directors of the Federal Home Loan Bank of Indianapolis, the American Finance Association, and Harrington Bank FSB. He currently serves as a member of the Board of Directors of Los Padres Bank FSB. He has consulted to investment banks, government agencies (including the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, and Department of Justice), and over 50 law firms on such matters as stock and bond prices, corporate valuation, cost of capital, mergers and acquisitions, derivatives, mortgage

backed securities, CMOs, money management practices, and bank and thrift lending and investment practices. He has published over 75 articles that have appeared in leading finance, economics and management journals. He is currently associate editor of the *Journal of Corporate Finance*, the *Journal of Financial and Quantitative Analysis*, the *Journal of Fixed Income*, and the *Pacific-Basin Finance Journal*.

Timothy J. Riddiough; *Director, Center for Real Estate; Professor and E.J. Plesko Chair of Real Estate and Urban Land Economics, University of Wisconsin-Madison*

Professor Riddiough is best known for his work on real options, mortgage pricing and strategy, real estate investment trusts, and land use regulation. He has served as an expert in numerous real estate-related matters in which he has, for example, testified on appraisal and the value of distressed mortgages. He currently serves on the board of directors of several organizations, including ArCap REIT, Inc., EquiBase Capital Partners, and the American Real Estate and Urban Economics Association. He is also a managing editor of *Real Estate Finance*. Professor Riddiough is the past recipient of the best dissertation and best paper awards in Real Estate Economics, and is a fellow at the Homer Hoyt Institute for Advanced Studies as well as the Real Estate Research Institute. He has served as a consultant for numerous organizations, including HUD, GMAC, Wells Fargo, CB Commercial, Equitable Life Assurance, and the State of Wisconsin Investment Board. He teaches courses in Real Estate Finance, Real Estate Capital Markets, and Microeconomics. Professor Riddiough has published over 40 scholarly articles.

Steven L. Schwarcz; *Stanley A. Star Professor of Law & Business, Duke University*

Professor Schwarcz's main areas of scholarship are commercial law, bankruptcy, and international finance and capital markets, where he brings the unique perspective of having been a leading practitioner as well as a scholar. Prior to joining the Duke faculty in 1996, he was a partner at the law firm of Shearman & Sterling and then a partner and practice group chairman at Kaye Scholer LLP, where he represented

many of the world's leading banks and other financial institutions in structuring innovative capital market financing transactions, both domestic and international. He also helped to pioneer the field of asset securitization, and his book, *Structured Finance, a Guide to the Principles of Asset Securitization* (3d edition 2002), is one of the most widely used texts in the field. While practicing law, Professor Schwarcz taught at the Yale, Columbia, and Cardozo (Yeshiva University) law schools. He also founded and was the first Faculty Director of Duke's interdisciplinary Global Capital Markets Center. He has also been an adviser to the United Nations on international receivables financing, a member of the U.S. Secretary of State's Advisory Committee on Private International Law, Visiting Professor at the University of Geneva Faculty of Law, and Senior Fellow at The University of Melbourne Law School. Among other honors, Schwarcz is a Fellow of the American College of Commercial Finance Lawyers and Founding Member of the International Insolvency Institute. He has been appointed advisor to the American Bar Association Business Law Section, 2008-2009.

Kerry Dean Vandell; *Executive Director, Center for Real Estate, University of California, Irvine*

Professor Vandell is currently involved in research on the nature of architecture and urban design as economic amenities, the potential impact of restructuring the mortgage interest and property tax deduction on homeownership, an economic perspective on environmental justice issues, and the valuation of complex real property interests. He has consulted both in the public and private sector and has wide experience as an expert witness on topics ranging from the valuation of complex property interests, mortgage finance, and real estate investment to commercial and residential real estate market dynamics. He is a member of many editorial boards of peer-reviewed journals including the *Journal of Housing Research*, *Land Economics*, and the *Journal of Real Estate Finance and Economics*. He also serves on the Editorial Advisory Board of the Fannie Mae Foundation in Washington, D.C. Professor Vandell, a former President of the American Real Estate and Urban Economics Associa-

tion, has also served as co-editor of the association's journal, *Real Estate Economics*.

Lawrence P. Weiner; *President, Weiner Consulting*

Mr. Weiner has more than eighteen years of experience in the fixed-income securities markets as a portfolio strategist, product specialist, and consultant. He is formerly a vice president and fixed-income securities strategist for Lehman Brothers, where he assisted banks, pension funds, insurance companies, and money managers in security selection and fixed-income portfolio management. Mr. Weiner has also held positions in the mortgage-backed securities department of Morgan Stanley & Co., Inc., including two years in the firm's Tokyo office, where he worked with financial institutions in Japan, Hong Kong, and Singapore. Mr. Weiner has testified extensively in fixed-income, structured finance, and derivatives-related lawsuits and arbitrations. His testimony and consulting work have centered on such issues as suitability, risk assessment, complex security structure and valuation, portfolio strategies, and broker-dealer sales and trading practices.

Susan E. Woodward; *Founder and Chairman, Sand Hill Econometrics, Inc.*

Dr. Woodward, an expert in financial economics, has held prestigious appointments in both academia and government. She has been on the faculties of the University of California at Los Angeles and at Santa Barbara and the University of Rochester's Simon School. She has also served as Chief Economist of the Securities and Exchange Commission, Chief Economist of the Department of Housing and Urban Development, and Senior Staff Economist for Financial Markets and Institutions at the Council of Economic Advisers. While at HUD she was responsible for policy analysis on all housing finance issues. She consults and testifies in the areas of mortgage-lending practices, financial services, mortgage insurance, and securities trading and litigation. Her consulting clients have included HUD, Freddie Mac, Wells Fargo Bank, Mortgage Insurance Companies of America, and GMAC. She is currently completing major assignments for the FHA on real estate closing

costs and for a private national lender in developing new mortgage instruments.

Bankruptcy

John D. Finnerty; *Professor of Finance, Graduate School of Business Administration, Fordham University*
Professor Finnerty specializes in business valuation, securities valuation, solvency analysis, calculation of damages, and litigation support for matters involving valuation disputes, securities fraud, solvency, fairness, breach of contract, breach of fiduciary duty, commercial disputes, and employment disputes concerning the valuation of employee stock options. He has testified as an expert in valuation, securities, and other financial matters in federal and state court and in arbitration and mediation proceedings. He has also testified as an expert in bankruptcy court concerning the fairness of proposed plans of reorganization. A nationally recognized expert in securities and business valuation, Professor Finnerty has published nine books including *Corporate Financial Management*, *Principles of Financial Management*, and *Debt Management* and more than 70 articles and professional papers.

Stuart C. Gilson; *Professor of Finance, Harvard Business School*

Professor Gilson's current research focuses on techniques for valuing bankrupt and distressed companies and on strategies for investing in distressed company securities. He has also investigated determinants of financial leverage and capital structure in highly leveraged or distressed companies and how those firms hire, fire, and compensate their senior managers and directors. For the last five years he has been named one of the nation's top bankruptcy academics by *Turnarounds & Workouts* magazine and is listed in *Who's Who in Economics*. Professor Gilson has written extensively on such topics as corporate bankruptcy and debt workouts, tracking stock, equity spin-offs, corporate downsizing, bank mergers, and employee buyouts. His research has been published in *The Journal of Finance*, *The Review of Financial Studies*, *The Journal of Financial Economics*, *Financial Analysts Journal*, and *Harvard Business Review*, among oth-

ers. He has been cited in *The Wall Street Journal*, *The New York Times*, *Business Week*, *The Economist*, and *U.S. News and World Report*. He won the prestigious Graham and Dodd Award for his article "Investing in Distressed Situations: A Market Survey." Recently, Professor Gilson's collection of case studies on corporate restructuring, *Creating Value Through Corporate Restructuring: Case Studies in Bankruptcies, Buyouts, and Breakups*, was published by John Wiley & Sons.

Securities

Raymond Ball; *Sidney Davidson Professor of Accounting, Booth School of Business, The University of Chicago*

Professor Ball has provided expert testimony in multiple cases involving benchmarking product prices and profitability in the software industry. He is one of the world's leading experts on the relation between financial disclosures and stock prices. His research with Philip Brown on earnings and stock prices received the American Accounting Association's inaugural award for Seminal Contributions to the Accounting Literature. Professor Ball is the author of over 80 papers and has held numerous editorial leadership positions. He is co-editor of *Journal of Accounting Research*; former editor of *Journal of Accounting and Economics*; and was founding editor of *Australian Journal of Management*. He is associate editor of *Journal of Contemporary Accounting and Economics*; member of the editorial board of *European Accounting Review*; former associate editor of *Journal of Banking and Finance*; and a former editorial board member of *Journal of Business Finance and Accounting*. He is a trustee of Harbor Funds.

Steven Grenadier; *William F. Sharpe Professor of Financial Economics, Graduate School of Business, Stanford University*

Professor Grenadier specializes in investment analysis, including finance theory and portfolio management. His research interests include the applications of option-pricing theory; real estate development, finance, and economics; the interaction of game theory and option pricing. He has published numer-

ous articles in finance and economics journals and spoken at dozens of academic and business conferences. He also has received several awards including the prestigious Smith Breeden Prize awarded annually for the best paper by the *Journal of Finance*. Professor Grenadier currently serves as a Director of E*Trade Funds and as a Senior Economist to Financial Engines, Inc., an online investment adviser.

R. Glenn Hubbard; *Dean; Russell L. Carson Professor of Economics and Finance; Co-Director of Entrepreneurship Program, Graduate School of Business, Columbia University*

Professor Hubbard is a leading expert in public economics, corporate and institutional finance, macroeconomics, and industrial organization. From 2001 to 2003, he served as Chairman of the President's Council of Economic Advisers. A frequent speaker, Professor Hubbard has presented his research at economic conferences throughout the world. He has served as a consultant to several government and international agencies including the U.S. Department of Treasury, U.S. International Trade Commission, The World Bank, Board of Governors of the Federal Reserve System, Federal Reserve Bank of New York, and the Congressional Budget Office. Professor Hubbard has written over 90 scholarly articles and has edited volumes on international tax policy and financial markets. He is the author of the widely used textbook, *Money, the Financial System, and the Economy*. Professor Hubbard was the 1998 recipient of the Western Finance Association's Best Paper Award for Corporate Finance.

Robert A. Sherwin; *Analysis Group*

Mr. Sherwin has testified in more than 60 matters involving such topics as securities, antitrust, tax, regulatory, patent infringement, capital adequacy, and commercial damages matters. He has considerable expertise in valuing and analyzing securities and other ownership interests, including partnerships, and has testified on these matters in litigation. In *Trammell Crow v. Peterson*, which involved a Trammell Crow senior partner's interests in approximately 1,800 partnerships involving more than 2,000 proper-

ties, Mr. Sherwin testified regarding valuation, taxation, and roll-up of "under-water partners." He also twice testified in court in the matter of *Executive Life Insurance Co.* regarding the estate's considerable investments in more than one thousand companies, including several limited partnerships. In other trial testimony, he opined concerning tax deductions and tax recapture issues in a land development partnership. Mr. Sherwin was also a valuation consultant to the Irvine Company in a dispute with a minority shareholder regarding the value of that company's extensive real estate holdings in Orange County, California. He has also provided deposition testimony in *Bank Brussels Lambert v. Chase Manhattan Bank*. Mr. Sherwin has worked on such large-scale securities cases as the Drexel Burnham Lambert and Executive Life bankruptcies. He is a member of the American Economic Association and the American and Illinois Bar Associations.

René M. Stulz; *Everett D. Reese Chair of Banking and Monetary Economics and the Director of the Dice Center for Research in Financial Economics, Fischer College of Business, Ohio State University*

Professor Stulz is an expert on the measurement of the cost of capital, corporate valuation, valuation of securities in illiquid markets, stock and bond prices, derivatives valuation and uses, mergers and acquisitions, risk management, banking, and capital structure. He is a past president of the American Finance Association and of the Western Finance Association, and a fellow of the American Finance Association, of the Financial Management Association, and of the European Corporate Governance Institute. He was the editor of the *Journal of Finance* for twelve years. He is on the editorial board of more than ten academic and practitioner journals. Further, he is a member of the Asset Pricing and Corporate Finance Programs and the director of the Risk of Financial Institutions Group of the National Bureau of Economic Research. Professor Stulz has published more than sixty papers in finance and economics journals, including the *Journal of Political Economy*, the *Journal of Financial Economics*, and the *Journal of Finance*. His published research deals with topics such as the benefits and

costs of leverage, spin-offs and asset sales, the determinants of liquid asset holdings of firms, secured debt, bank loans, the pricing of exotic options, credit risks, the cost of capital, the market for corporate control, corporate governance, the performance of firms issuing debt and equity, the determinants of firm capital structures and liquid asset holdings, the use of derivatives in risk management, capital flows, and financial globalization. He is the author of a textbook titled *Risk Management and Derivatives* and has edited several books, including the *Handbook of the Economics of Finance*.

Accounting

John M. Lacey; *Ernst & Young Research Fellow, Professor of Accountancy, School of Business, California State University, Long Beach*

Professor Lacey's research and professional interests focus on the implications of financial accounting standards for business outcomes. As Chairman of the Real Estate Committee of the American Institute of Certified Public Accountants (AICPA), Professor Lacey was responsible for the proposal, drafting, and presentation of accounting standards on real estate issues. As a member of the Accounting Standards Executive Committee of the AICPA, he voted to clear the S&L Accounting and Auditing Guide, which established the generally accepted accounting principles that must be followed by all savings and loan institutions. While on the Executive Committee he also voted on accounting for real estate syndication income and on criteria for determining whether collateral for a loan has been in-substance foreclosed. He has provided expert witness testimony on the financial accounting treatment of real estate transactions and the recognition of profits on real estate sales, including testimony in cases involving major real estate companies, financial institutions, and failed S&Ls. His testimony experience includes serving on behalf of a CPA firm as an expert on a case involving the audits of a group of limited partnership real estate companies involving allegations of fraud and over-valued assets.

George Foster; *Paul L. and Phyllis Wattis Professor of Management; Director of the Executive Program for Growing Companies, Graduate School of Business, Stanford University*

Professor Foster's teaching and research interests are new venture globalization strategies, sports business management, strategic cost analysis, and business modeling in litigation analysis. He is active in venture capital and the Silicon Valley business community. He serves on the board of several start-ups and is an adviser to entrepreneurs. He is author or co-author of seven books or monographs including *Financial Statement Analysis and Cost Accounting: A Management Emphasis*. Professor Foster is also author or co-author of over 30 articles and has received multiple research awards from academic and business associations. Companies he has worked with include Apple Computer, ARCO, Australian Stock Exchange, Borland, DEC, Exxon Corporation, Frito-Lay, Hewlett Packard, McDonald's Corporation, and PepsiCo.

Timothy S. Lucas; *President, Lucas Financial Reporting*
Mr. Lucas, former Director of Research and Technical Activities at FASB, specializes on issues related to GAAP. His engagements have included consulting with corporate management on problems identified with past accounting that might require restatement, as well as appropriate accounting for prospective transactions. He has also worked with legal counsel as an expert in both testifying and consulting roles in various civil and criminal legal proceedings and SEC investigations. Mr. Lucas, supported by Analysis Group, served as an accounting expert in *Venture Capital Firm v. Home Furnishings Company* where he conducted research regarding whether various accounting treatments were consistent with U.S. GAAP. He is also a former Chairman of the Emerging Issues Task Force at FASB, a group of top accounting professionals that met to debate and resolve financial reporting issues.

Stephen G. Ryan; *Professor of Accounting and Peat Marwick Faculty Fellow, Stern School of Business, New York University*

Professor Ryan has taught courses in the areas of

accounting, valuation, and financial statement analysis and on accounting and valuation issues in the entertainment, media, and technology industries. His primary research areas include accounting measurement, accounting-based valuation, and financial reporting by financial institutions. Professor Ryan has published in numerous journals including *The Accounting Review*, *Journal of Accounting*, *Auditing and Finance*, *Journal of Accounting Research*, *Review of Accounting Studies*, *Accounting Horizons* and *Financial Analysts Journal*. He is also the author of *Financial Instruments and Institutions: Accounting and Disclosure Rules* (John Wiley & Sons, 2002). Professor Ryan currently serves on the Financial Accounting Standards Advisory Council. He has testified in several cases including a recent case in which his expertise was used in the valuation of a large group of movie theaters.

9. Selected Professional Staff

Brief biographies of selected Analysis Group professional staff are presented below. Full CVs are available upon request.

T. Christopher Borek, Managing Principal; *Ph.D., economics, Cornell University, European Union Diploma, Institut D'Etudes Politiques de Paris, M.A., economics, Cornell University*

Dr. Borek specializes in the application of microeconomic theory, finance, and statistics to litigation and complex business problems. He has managed economic analyses in numerous complex corporate litigations, including cases involving securities fraud and corporate governance issues. Much of his work, both consulting and research, has addressed new technologies and consumer products. Dr. Borek's doctoral research examining employee stock ownership plans was described in *The Handbook of Labor Economics* (Volume 3b) which summarizes important contributions to the field in the prior decade. He has provided consulting support to numerous corporations, leading law firms, the U.S. Department of Justice and numerous States' Attorneys General. Dr. Borek is also a Senior Policy Fellow in the Center for Business and Public Policy at Georgetown Univer-

sity's McDonough School of Business and previously held positions with Ernst & Young's Corporate Finance practice and Chernivtsi State University in Ukraine. He is currently assisting counsel in a number of matters involving stock options and backdating, including investigations by the Department of Justice and the Securities and Exchange Commission, as well as related lawsuits.

Maureen M. Chakraborty, Managing Principal; *Ph.D., economics, University of Notre Dame; B.A., economics, Colby College*

Dr. Chakraborty has extensive experience applying economics and finance to problems arising in complex business litigation and bankruptcy. Her areas of expertise include analyzing stock price movements, assessing market competition, valuing closely held companies, and developing and evaluating complex damage models. Dr. Chakraborty has provided consulting and expert witness services in matters involving antitrust, breach of contract, business interruption, employment disputes, fraudulent conveyance, intellectual property, securities, and successor liability issues. She has also provided consulting assistance relating to transfer pricing disputes. Examples of Dr. Chakraborty's litigation and consulting engagements include providing economic analyses of issues involving structured finance, stock and bond valuation, damages, and solvency to major financial institutions in a number of Enron-related litigations; evaluating anticompetitive behavior and allegations of consumer overcharges for software products; analyzing the effects of a corporate restructuring on a company's ability to satisfy its asbestos-related liabilities; developed models to analyze how much profit from the sale of certain pharmaceutical drugs in the United States should be attributed to the U.S. subsidiary, thus subject to U.S. tax; and developed and evaluated models to assess the lost profits in a number of security broker raiding cases.

Nicholas I. Crew, Managing Principal; *Ph.D., management with a specialization in finance, John E. Anderson Graduate School of Management, University of California, Los Angeles; B.A., mathematics, Rutgers College, Rutgers University*

Dr. Crew applies his background in finance and mathematics to matters involving valuation and damages calculation, with particular emphasis on the valuation and risk analysis of complex financial securities and derivatives including corporate bonds, currency derivatives, and mortgage-backed securities. His case experience includes providing analysis and valuation of a MBS hedge fund in *Granite Funds, L.P. v. Donaldson, Lufkin and Jenrette*. He also specializes in analyses related to 10b-5 securities fraud cases and stock price behavior. In non-litigation matters, Dr. Crew has performed pricing analyses, risk assessment, and real option valuation for clients in the pharmaceutical and electric utility industries. He has published research on regulatory policy and risk management.

Mark H. Eglund, Managing Principal; *M.B.A., finance, John E. Anderson Graduate School of Management, University of California, Los Angeles; B.A., mathematical economics, Pomona College; CFA*

Mr. Eglund specializes in financial and environmental issues pertaining to litigation, with a focus on investment suitability. He directs the firm's risk management consulting work, which provides comprehensive risk analyses of investment portfolios for private and public clients. He led the team that valued the failed Orange County derivatives portfolio for the California State Auditor's Office. Mr. Eglund has conducted numerous analyses requiring calculation of discounted cash flows for determining lost earnings, profits, and asset and business values. He has valued a broad range of financial instruments and evaluated the impact of various factors on stockholder wealth. In the environmental area, he has conducted studies to evaluate the impact of hazards such as asbestos, lead, and soil contamination on property values. He has provided expert testimony in many environmental matters and published his research in leading environmental and real estate journals.

Elizabeth A. Evans, Principal; *J.D., University of Alabama; M.B.A., finance, accounting, and statistics, The University of Chicago Graduate School of Business; B.A., University of Alabama; CPA; CFA; CMA*

Ms. Evans, an economist and lawyer specializing in finance and accounting, has been involved in many matters related to mortgages and real estate. For example, for Lomas Mortgage USA (LMUSA), once one of the country's largest mortgage servicing-rights firms, she assisted in demonstrating that LMUSA officials had disposed of assets for below-market prices. She has also estimated changes in the value of real estate holdings and purchased mortgage servicing rights that resulted from the delay in declaring bankruptcy. More recently, she has contrasted forecast and actual CPR and PSA prepayment rates for mortgage pools. Ms. Evans has supervised and performed general damage analyses and developed discount rate and cash-flow analyses for the purposes of determining lost profits or royalties. She has also valued various types of assets, liabilities, projects, and firms. Ms. Evans has evaluated revenue-recognition policies and analyzed the effects of accounting choices and GAAP on financial statements and stock prices in securities cases. Prior to joining Analysis Group, Ms. Evans spent several years as an attorney in the private sector, and worked for the Attorney General's Office of the State of Alabama.

D. Lee Heavner, Managing Principal; *Ph.D. and M.B.A., The University of Chicago Graduate School of Business; B.S., economics, Massachusetts Institute of Technology*

Dr. Heavner has consulted on a wide variety of finance and antitrust matters. In recent matters, Dr. Heavner supported an expert opinion on the commercial reasonableness of a securitization program. He also supported an expert in the evaluation of projections for the housing and home mortgage businesses. His finance experience also includes matters involving investment suitability, portfolio management, mutual fund fees, retirement plan fees, securities fraud, and market efficiency. Dr. Heavner formerly taught economics and finance at Tulane University's A.B. Freeman School of Business.

R. Jeffrey Malinak, Managing Principal; *M.B.A., finance and accounting, the Graduate School of Business, University of Texas; B.A., social sciences, Stanford University*

Mr. Malinak is an expert in financial economics and accounting, and has particular expertise on issues related to securities, breach of contract, regulatory economics and antitrust. In the securities area, he has frequently addressed issues such as the use of trading data to estimate securities fraud damages, the calculation of damages per share in 10b-5 matters, and the impact of market forces and firm-specific information on publicly-traded securities. He has prepared analysis and expert reports on damages issues in support of experts in 10b-5 securities fraud cases and has testified in deposition and at an arbitration hearing on economic damages issues. Prior to joining Analysis Group, he was a principal of Putnam, Hayes and Bartlett in Washington, D.C.

Martha S. Samuelson, President and CEO; *M.S., management, MIT Sloan School of Management; J.D., Harvard Law School; B.A., Yale University*

Ms. Samuelson is an expert in antitrust, finance, and valuation, combining her training in finance and economics with five years of experience as a practicing trial attorney. A key aspect of her work is the direction of economic analyses for large-scale litigations. Recently, she has managed economic analyses pertaining to all aspects of the financial crisis, including the foreseeability of insolvency; the foreseeability of the performance of equity, debt, and money market-like instruments; and the predictability of housing price declines and securitized mortgage performance. Additionally, she has managed economic analyses in *Discover v. Visa and MasterCard*; *American Express v. Visa, MasterCard, and Issuing Banks*; and in numerous Microsoft competitor and indirect purchaser cases. She has also worked on issues of class certification, antitrust liability, and antitrust damages in a broad set of other high technology and financial services cases. She has also analyzed complex currency derivatives in private arbitration. Ms. Samuelson has served as an expert in many phases of litigation, including development of economic and

financial models; preparation of testimony; development, presentation, and review of pretrial discovery; and critique of economic and financial analyses of opposing experts. She has sponsored successful testimony on a range of economic topics in both bench and jury trials. Ms. Samuelson served as a Vice Chair of the American Bar Association's Trial Practice Committee of Antitrust Law, and sits on the Board of Directors of Boston Medical Center.

Laura B. Stamm, Managing Principal; *M.S., management, MIT Sloan School of Management*

Ms. Stamm has provided expert testimony on economic, financial, and accounting analyses in a broad array of complex commercial litigation matters. In addition to serving as an expert, she has managed cases involving the valuation of financial instruments and has provided valuation analyses of privately-held companies. She has extensive consulting expertise including assistance with pretrial discovery, development of economic and financial models to analyze damages, and preparation of expert reports and testimony. Ms. Stamm is a Certified Public Accountant and a member of the Massachusetts Society of Certified Public Accountants, where she has served on the litigation support committee. She is currently assisting counsel in a number of matters involving stock options and backdating, including investigations by the Department of Justice and the Securities and Exchange Commission, as well as related lawsuits.

Richard M. Starfield, Managing Principal; *M.B.A., finance, Graduate School of Business, Columbia University; Bachelors of commerce and accounting, University of Witwatersrand, Johannesburg, South Africa*

Mr. Starfield specializes in the application of economics, finance and accounting to problems in complex business litigation. He provided overall management of the mortgage insurance cases involving allegations of RESPA violations, and has significant experience in litigation involving claims under federal and state fraudulent conveyance statutes. He was responsible for the overall management of all aspects of the financial and economic analysis in a fraudulent conveyance litigation involving the Bank of New

England failure, one of the largest bank failures in U.S. history. He also testified in one of the Winstar cases. A core component of his Analysis Group role is the direction and management of large-scale cases, particularly those involving securities, including some of the major settlements emerging from the Enron bankruptcy. Mr. Starfield has also presented damages analyses in bankruptcies and numerous investment bank litigations involving 10b-5 and Sec. 11 violations. He has extensive experience in investigations of fraud and cases involving accounting-related issues, in which he has performed in-depth review and forensic analysis of records. He was formerly a Senior Manager in the Dispute Analysis and Corporate Recovery Services group of Price Waterhouse, and is a Chartered Accountant of South Africa, a member of the South African Institute of Chartered Accountants, and an Authorized Public Accountant in the United Kingdom.

Bruce A. Strombom, Managing Principal;

Ph.D., economics, University of California, Irvine; B.A., economics, San Jose State University

Dr. Strombom is an expert in quantitative and statistical analysis, the estimation of commercial damages and the valuation of privately held companies, derivative securities and other assets. He has performed research and testified in matters involving antitrust, breach of contract, fraud, intellectual property, labor and employment, real estate, securities and tax issues. His experience includes analysis of loss causation and damages in bankruptcy matters, investigation of predatory lending claims against a subprime originator, and evaluation of the loan repurchase obligations of a mortgage lender. He is co-author of reports on real estate conveyance practices, closing costs and competition in title insurance markets. Prior to joining Analysis Group, Dr. Strombom led the valuation practice of a middle-market merger and acquisition company that valued hundreds of privately held companies annually. Earlier he was a Manager in the Financial Advisory Services group of Price Waterhouse LLP.

Keith R. Ugone, Managing Principal; *Ph.D., economics, Arizona State University; M.A., economics, University of Southern California; B.A. economics, University of Notre Dame*

Dr. Ugone's experience in the subprime area includes analyzing underwriting and loan servicing of subprime automobile loans to address plaintiffs' allegations that the servicing company did not properly administer the portfolio of subprime loans. He has frequently evaluated lost profits and valuation-related issues using large databases and complex computer models. Damage models constructed or analyzed by Dr. Ugone have included such components as lost sales analyses, incremental cost analyses, assessments of profitability, assessments of the capacity to produce additional units, the competitive business environment in which a damage claim is made, claimed lost business value, and claimed reasonable royalties. In addition to damages-related analyses, he has conducted economic impact assessments, cost/benefit and risk assessments, and multiple fraud and criminal-related engagements involving alleged embezzlement, Medicare fraud, and overcharge damages. Dr. Ugone has testified at trial and in deposition more than 100 times.

Ted Laguerre, Vice President; *Completed Ph.D. coursework in management, MIT Sloan School of Management; M.B.A., Boston University; B.A., economics, Dartmouth College; CPA*

Mr. Laguerre has managed case teams in matters involving securities (equity, fixed income, and derivative), valuation, financial analysis, mutual funds, accounting, and general damages. Some of the recent cases that he has managed include: estimating the effects of a company's marketing and R&D efforts on its stock price performance; estimating the damages associated with an allegedly improper early redemption of debt securities; estimating the effect of short-term trading in a mutual fund complex; and analyzing a company's methods of accounting for financing transactions and their effect on its perception by the financial markets. Prior to joining Analysis Group in 1999, Mr. Laguerre worked with clients in a consulting capacity at Price Waterhouse and Arthur

Andersen, in their Audit (high tech and mutual funds) and Strategy, Finance and Economics (valuation and financial modeling) practices, respectively, and as a senior financial analyst for Staples.

Mike Nguyen, Vice President; *M.B.A., finance and accounting, John E. Anderson Graduate School of Management, University of California, Los Angeles; B.S., mathematics, University of California, Los Angeles*

Mr. Nguyen specializes in financial and statistical issues pertaining to litigation and other complex business matters, with a particular focus on business valuation. He has conducted damages assessments in cases involving securities, real estate, breach of contract, statistical sampling, and investment suitability. He has performed numerous valuations of business enterprises that are used in strategic advisory and litigation settings. Within the real estate sector, Mr. Nguyen has performed valuations of real estate developments and analyzed issues related to low-income housing. ■