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SUMMARY

Joe Anastasi has 38 years of experience analyzing financial damages for matters in litigation and in the area of forensic accounting. He was with Price Waterhouse for over 23 years; after that, as a partner at Deloitte, he served as the firm's global practice leader for forensic investigative services and as the deputy national practice leader for Deloitte's U.S.-based dispute consulting practice.

Many of Mr. Anastasi's assignments have led to expert testimony. He has testified in over 60 matters as to financial damages and lost profits. On several occasions, his work has involved consideration of the existence of asset-stripping schemes involving numerous related-party entities, and other alleged fraudulent transactions involving related parties and accounting abuses. He has testified in matters involving billions of dollars of alleged accounting fraud and corporate looting and has led several engagements analyzing the alleged theft of intellectual property.

Mr. Anastasi specializes in financial consulting engagements regarding matters in litigation, insurance claims, business disputes, loan restructuring, bankruptcies, and business planning. Mr. Anastasi has served as the client service leader for providing forensic accounting and investigative services to the largest state pension fund in the United States; and has testified on behalf of the U.S. Department of Justice regarding quantification of damages under the False Claims Act with regard to the acquisition of allegedly defective body armor. Mr. Anastasi is also the author of *The New Forensics: Investigating Corporate Fraud and the Theft of Intellectual Property* (John Wiley and Sons).

EXPERIENCE

Select Structured Finance and Securitization Related Engagements

- In relation to several financial guarantee insurance policies that guaranteed payments with respect to mortgage-backed securities transactions, analyzed alleged systematic underwriting, origination and loan servicing failures with regard to thousands of residential mortgage loans that were aggregated into "loan pools;" and for which the repayment of the security was to be based upon the collection of monthly mortgage payments of mortgages comprising the loan pools;
- Retained to analyze financial damages with regard to an alleged breach of multiple first and second lien mortgage insurance policies issued with respect to several loan pools sold to several special purpose trusts related to several asset-backed securities offerings, and for mortgage portfolios of pooled loans held for investment;
- Retained by counsel for board members of a large subprime lender to lead a project team to develop causation analysis for the decline in subprime mortgaged-backed securities, the rise in early payment defaults and the increase in repurchase requests;

- Provided testimony at trial regarding a comparison of Enron's "Nigerian Barge Transaction Schemes" (criminal indictments) to structured finance securitization transactions entered into by a computer equipment leasing company;
- Led a forensic accounting analysis identifying \$12 billion in fraudulent accounting at Parmalat SpA, the Italian food and dairy giant. Identified massive asset stripping and laundering of account balances. Identified structured financing transactions that were improperly removed from the financial statements (as off-balance sheet financing and/or so-called "equity.") Testimony established looting of \$2 billion; and
- Provided expert testimony and analyzed lost profits in connection with an alleged breach of contract to deliver \$4 billion of mortgage servicing rights.

Select Intellectual Property, Theft of Trade Secret, and Lanham Act Matters

- Testified as to reasonable license fees, lost profits and unjust enrichment for a matter involving alleged copyright infringement related to an appraisal management software system;
- Testified as to lost profits and disgorgement of ill-gotten gains relating to the alleged improper use of linearized power amplifier technology in computer chips used for wireless local area networks;
- Led a forensic investigation establishing the theft of intellectual property, including proprietary software and enabling operating processes. The results of this investigation led to the withdrawal of the competitor from the marketplace;
- Analyzed profits subject to disgorgement involving the alleged unauthorized use of intellectual property by a Fortune 500 defense contractor;
- Testified as to allegedly infringing sales, the disgorgement of profits, and other apportionment issues in several copyright infringement matters. Engagements required the analysis of allegedly infringing sales, the disgorgement of profits, and other apportionment issues;
- Served as the damage expert on a matter involving alleged copyright infringement for a software distributor. This matter required the analysis of patent infringement issues related to five separate software patents and included analyses of lost sales, product line profitability, and apportionment issues;
- Project partner for intellectual property litigation services for two engagements involving parties in the gaming industry;
- Provided intellectual property litigation services for a preeminent microprocessor manufacturer. Analysis included the quantification of infringing sales and lost profits;
- Provided intellectual property litigation services for a manufacturer of specialized multi-layer non-volatile memory cells; and
- Analyzed lost sales and lost profits due to alleged violations of the Lanham Act, and other alleged unfair business practices.

Select Energy Related Engagements

- Led an engagement analyzing allegations of improper accounting for derivative energy trading activities, including alleged derivative trading that served as disguised financing, and other associated related-party transactions;
- Conducted an investigation of alleged improper energy trading activities on the part of an energy trading subsidiary of a large California public utility;

- Led an investigation related to long-term gas supply contracts and procurement activities of a California public utility;
- Analyzed alleged financial damages regarding the alleged withholding and manipulation of natural gas prices during the California Energy Crisis; and
- Provided damages analysis and testimony with respect to the operation of a uranium mining operation in Australia and damages allegedly suffered from the breach of a long-term supply contract for the provision of yellow-cake uranium to a convertor facility in the U.S.

Select Forensic Accounting and Litigation Support Engagements

- Led several engagements analyzing the financial harm resulting from the corporate raiding of employees and the theft of intellectual property from established corporate entities; the alleged raiding having been perpetrated by parties seeking to enter a market. Led one recent engagement to a successful settlement of over \$40 million. Another recent engagement outcome led to the complete withdrawal of the defendant from the marketplace. Testified in several trials that resulted in multi-million dollar damage awards for clients;
- Led a forensic accounting investigation of a high-tech company involved in the fabrication of sales revenues through the technique of "channel stuffing" and the improper "parking" of inventory and treating this inventory as having been sold. Joe's forensic accounting team coordinated their investigative efforts with that of a parallel FBI investigation;
- Led a forensic accounting investigation regarding allegations of "channel stuffing" and the premature recognition of revenues on the part of a global multi-national consumer products company. Testified in Federal District Court as to the means and method of this fraud and testified as to the discovery of a second set of accounts detailing evidence of the fraud;
- Led a forensic accounting investigation researching the reasons for the demise of a telecommunications firm. Provided testimony regarding the fraudulent reporting of subscriber "line-counts" and the extensive use of fraudulent "round-trip" transactions designed to artificially inflate revenues;
- Led several forensic corporate investigations to determine the existence, or not, of the alleged back-dating of stock-option grants to coincide with the company's lowest stock trading prices;
- Led several corporate investigations in the high-tech industry regarding alleged fraudulent revenue recognition;
- Led a forensic accounting investigation on the reinsurance operations of a Fortune 500 Corporation, including the financial investigation of all aspects of reinsurance placements made by the Managing General Agent of the reinsurance portfolio;
- Retained by a consumer business company to analyze millions of video rental and purchase transactions. Services included intensive computer data mining, reconstruction of transaction records, and statistical sampling;
- Performed a forensic accounting investigation of manufacturing records of a Fortune 50 consumer products company to quantify damages in a litigation matter. Expert testimony was provided;
- Provided litigation consulting services with regards to several securities fraud lawsuits involving merger or acquisition candidates. Subjects analyzed included allegations of material overstatements of financial statements and financial projections;

- Analyzed damages in a breach of contract dispute between two highly visible companies in the ice cream industry. Project required a determination of damages related to distribution (including expansion markets), manufacturing, and storage activities;
- Analyzed the financial implications of an offshore check-kiting scheme, and resultant damages suffered by financial institutions affected. In several other cases, investigated allegations of complex Ponzi schemes, including the diversion of moneys to Caribbean banks; and
- Led several engagements to quantify inventory losses and to compute lost profits on behalf of a medical device manufacturing company.

Select Class Action Litigation Support Engagements

- Analyzed wage and hour compliance at a major restaurant company. Project involved collecting voluminous data, developing a customized database program for analyzing the data and developing specialized metrics for measuring compliance;
- Project manager for providing consulting services to a major California bank in regards to managing a large class-action settlement distribution;
- Led an engagement on behalf of a national rental service provider facing a class action dispute related to late payment processing charges. The analysis involved an assessment of the reasonableness of fees with respect to core processing costs incurred by the defendant. Evaluated the cost structure for processing late payments, including direct and indirect costs such as labor, materials and information systems support;
- Testified with respect to a cost accounting analysis on behalf of a large public university facing a liquidated damages dispute related to housing contract cancellation fees in a class action litigation matter. The analysis and resulting expert report focused on calculating the cost of housing service provision relative to the contract cancellation fee structure; and
- Performed forensic accounting services on behalf of a significant financial institution to determine overtime wages owed to certain classes of employees. Testimony was cited in a California appellate court decision.

Select Matters Involving Business Interruption Claims

- Led an engagement to calculate business interruption losses experienced by several companies stemming from the Loma Prieta earthquake in Northern California, and later, the Northridge earthquake, in Southern California;
- Analyzed lost profits stemming from property and casualty losses experienced by companies involved in manufacturing and/or refinery operations; also analyzed business interruption losses experienced by companies having operations in the Caribbean, Hawaii, Guam and elsewhere around the world as a result of natural disasters, including the provision of testimony in international courts of arbitration; and
- Analyzed damages and/or lost profits for several matters stemming from product contamination, including the provision of expert testimony.

Select Financial Restructuring and Business Planning Engagements

- Testified as to the solvency of a debtor and alleged fraudulent conveyances involving structured financing; including a comparative analysis to the Enron Nigerian barge structured financing arrangement;

- Provided trial and deposition testimony as to alter ego analyses and alleged fraudulent conveyances on several different matters;
- Led a restructuring engagement on behalf of a semiconductor manufacturer. This engagement included monitoring the debtor's weekly and monthly projected cash flows, analysis of the debtor's business plan and restructuring plan, and valuation of business segments and international subsidiaries. Participated in restructuring negotiations with the debtor and its advisors;
- Led a restructuring advisory engagement regarding the bankruptcy of a software system integrator. Project efforts included analyzing debtor's business plan, debt restructuring scenarios, and weekly cash flows. Provided valuation services and courtroom testimony;
- Led a restructuring engagement on behalf of a major PC manufacturer, which filed for Chapter 11. Services included: review of detailed short-term business plans, monitoring the debtor's performance, the resolution of business disputes, and performed valuation services;
- Led restructuring advisory engagements with regard to: a high-tech domestic subsidiary of a Pacific Rim corporation, a large computer retailer, and an aerospace firm. Projects involved review and critical assessment of the company's business plan, valuation of the company and its individual subsidiaries, and participation in the restructuring negotiations;
- Led a restructuring/turnaround engagement for a debtor in the waste management industry. Project involved performance of certain crisis management functions, performance of the treasury function, preparation of detailed business plans for over forty subsidiaries, capital budgeting and oversight, and development of comprehensive business forecast/restructuring alternatives;
- Led a restructuring advisory engagement regarding a publicly-traded company in the waste management industry with operations primarily in the southeast region of the United States;
- Led a restructuring/turnaround engagement involving a fashion jewelry retailer and franchiser. Project involved creditor negotiations, obtaining and negotiating a DIP facility and the emergence from bankruptcy;
- Led a restructuring advisory engagement for a manufacturer and distributor of telecommunication devices;
- Responsible for performing a businessman's corporate acquisition review of several selected target corporate acquisitions;
- Project manager for reviewing the valuation of a mid-sized diversified building products and supply company and consultations regarding proposed liquidation values for an ESOP plan;
- Project manager for an engagement with the U.S. Small Business Administration to provide management consulting services to small businesses throughout California. Consulting services to sixty-nine businesses included market research, financial management, feasibility studies, site selection, marketing, and development of business plans; and
- Project manager for several contracts with the U.S. Department of Commerce to provide management consulting services to small businesses. Prepared a detailed business plan for each business including financial projections, assessment of the client's market and competition, and analysis of historical operating results.

Select Real Estate Consulting Engagements

- Provided litigation consulting, forensic accounting analyses, and expert testimony services with regard to real estate partnership disputes, including the preparation of a final accounting upon the dissolution of the partnership;

- Provided damages analysis for several different matters with regard to apartment projects, condominium development projects, several substantial residential real estate development projects, a mixed-use (high-rise apartment and commercial) development project, and for other commercial real estate development projects. Provided litigation consulting services to a developer of a proposed major hotel. Developed pro forma cash flow projections and a valuation of a limited partnership interest;
- Project manager for the design of a financial modeling system designed to analyze a proposed six-million square foot commercial mixed use project in Tampa, Florida;
- Responsible for the structuring of financial projections for real estate limited partnership securities offerings for apartment projects in Monterey, California;
- Project manager for the preparation of a current value statement for a diversified real estate developer utilizing traditional income capitalization and market comparison appraisal methods. Real estate assets included a shopping center, retail and commercial real estate, developed land, and apartment buildings;
- Project manager for the design and implementation of financial models to provide cash flow projections for a 500-acre area real estate development project, a 260-acre Sacramento area project, and a 1600-acre Florida project. The developments encompassed over 2,500 housing units, six different development phases, and required 10 years for project completion. Presented and developed substantive financial analyses and findings; and
- Participated in the design and development of a financial forecasting system for the U.S. real estate division of a Canadian corporation. This system included four separate financial models to facilitate projections for residential housing, land, commercial, and condominium conversion projects. For another developer, provided the conceptual design of a computerized financial model to evaluate a proposed four-tower, high-rise apartment complex, and for other real estate developers provided a custom financial modeling system to analyze proposed single family residential and apartment projects; and served as project manager for the development of a corporate organizational study and strategic plan for a real estate developer.

EDUCATION

B.S.	The Pennsylvania State University
Studies in International Business and Economics	University of Cologne, Germany

CERTIFICATIONS

Certified Public Accountant
Certified in Financial Forensics
Certified Fraud Examiner

PROFESSIONAL AFFILIATIONS AND BOARDS

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants
- Association of Certified Fraud Examiners
- Bay Area Bankruptcy Forum - Former Member of the Board of Directors
- Midsummer Mozart Festival - Former Chairman of the Board

BOOKS AND PUBLICATIONS, PRESENTATIONS AND PAPERS

Books and Publications

- *The New Forensics: Investigating Corporate Fraud and the Theft of Intellectual Property*, New York: John Wiley & Sons, Inc., (2003).
- "Business Interruption Insurance Claims"; *Litigation Services Handbook: the Role of the Financial Expert*, (Chapter 34); New York: John Wiley & Sons, Inc., Fourth Edition (2005).
- "Business Interruption Claims;" with Ed Westerman; *Litigation Services Handbook: The Role of the Financial Expert*, (Chapter 34); New York: John Wiley & Sons, Inc., Third Edition (2001).
- "Business Interruption Claims;" *Litigation Services Handbook: the Role of the Accountant as Expert*, (Chapter 15); New York: John Wiley & Sons, Inc., Second Edition (1995).
- *An Illustrated Guide to the Use of the Risk-Compensated Discounted Cash Flow Method for Use in Insurance Rate Regulation*; California Insurance Commission; Proposition 103 Public Hearings.

Presentations and Papers

- *Forensic Accounting in Today's Global Business Environment*. U.C. Berkeley, Haas Graduate School of Business; Global Financial Services, Berkeley, California (November, 2008, 2009, 2010 and 2011).