

# 2015

## A YEAR IN REVIEW



StoneTurn Group had the great privilege to work with clients—many long-standing relationships and numerous new ones—on a range of high-stakes matters in 2015.

Our accounting, economics, financial reporting, compliance, valuation, data analytics and forensic technology experts assisted on a range of cases—from complex business disputes to financial investigations—and regulatory issues.

We work with law firms; large public and private companies; federal, state and local governments; investment funds; and non-profit organizations. In 2015, StoneTurn:

- Was retained by 120 law firms;
- Assisted corporations across industries, including chemicals, consumer products, data security, e-Commerce, education, electrical products, energy, financial services, life sciences, healthcare, media and entertainment, private equity, semiconductors, software, technology and telecommunications;
- Was appointed to serve as monitor and forensic adviser to monitors of top tier global companies in banking, oil and gas, and automotive supplies.

The matters featured here are just a few examples of how StoneTurn professionals continue to bring a focus on quality and a creative, collaborative approach to meet your toughest challenges.

**We look forward to working with you.**

Simon Platt, Managing Partner  
StoneTurn Group

# Matters that Matter

## Complex Business Litigation



### Commercial Damages

StoneTurn's experts are often engaged to calculate and evaluate damages claims in a wide range of complex business disputes. In a breach of contract dispute involving the early termination of a long-term professional services contract, StoneTurn was retained to evaluate and provide expert testimony at arbitration on the methodology for calculating damages.

### Auditing Issues

StoneTurn is frequently retained by counsel to assist in the investigation and defense of a variety of audit matters. In one instance, StoneTurn assisted counsel to a financial services company in its evaluation of a large accounting firm's alleged failure to perform its audit in accordance with Generally Accepted Auditing Standards (GAAS). This matter involved analyzing the key documents made available to the auditors, considering the authoritative accounting and audit literature, and assessing the audit firm's response. Our work assisted counsel in developing its strategy for mediation with the audit firm.

### M&A Disputes

StoneTurn professionals serve as expert witnesses and consultants on a variety of post-acquisition disputes involving complex accounting and financial issues. When StoneTurn was retained as a consulting expert to assist in the assessment of allegations of fraud and breach of representations and warranties related to the historical accounting treatment of certain costs, we provided counsel with important input on the disputed accounting, which was used to determine the litigation strategy.

### Forensic Business Valuation

StoneTurn's forensic valuation professionals apply generally accepted approaches and methodologies to assist clients engaged in complex business valuation matters from both dispute and advisory perspectives. An enterprise with more than 30 interrelated entities looked to StoneTurn to serve as a consulting expert and perform a valuation analysis. Our work informed the decision-making around a series of planned transactions with significant tax reporting implications.

## Compliance Controls & Monitoring



### Contract Compliance

StoneTurn works with clients and counsel to develop contract compliance programs, as well as to identify, assess and quantify potential reporting errors and inconsistencies related to existing agreements. In a dispute between two pharmaceutical companies, StoneTurn was retained to assess the financial reports required under a collaboration agreement to calculate profit-sharing amounts. Based upon the requirements set forth in the agreement, StoneTurn tested the historical profit calculations for compliance with the requirements and quantified the potential impact of including certain costs that should have been excluded from the calculations under the terms of the agreement. StoneTurn's independent review helped clarify past issues and prompted more accurate future reporting.

## Monitoring

StoneTurn serves as both a compliance monitor and forensic adviser to government-appointed monitors. StoneTurn was retained, with knowledge and consent of the U.S. Department of Justice (DOJ), to serve as the forensic adviser to a DOJ-appointed FCPA monitor. As part of its role, StoneTurn conducted on-site and desk reviews to assess the effectiveness of the company's anti-corruption controls and compliance with its anti-corruption policies at offices throughout Europe, Asia, Africa and the Americas.

## Forensic Accounting



### SEC / Financial Reporting Investigations

StoneTurn is frequently retained by counsel of public companies to investigate potential financial reporting and disclosure irregularities. After a large technology company filed for bankruptcy protection, its Counsel to the Special and Audit Committees of the Board of Directors looked to StoneTurn for forensic accounting services. The company faced an inquiry by the U.S. Securities and Exchange Commission (SEC) and the U.S. Department of Justice (DOJ) into a variety of accounting and financial reporting issues. Our team assessed the company's previous evaluation of tangible and intangible assets for impairment, and its internal controls and disclosures regarding accounting for a very complex contract and its forecasting processes. StoneTurn's work provided the company with additional support when presenting the results of its investigation to auditors and regulators.

### Individual Defense

StoneTurn professionals are retained as consulting and testifying experts to assist counsel in the defense of individuals facing civil liability and / or criminal prosecution. In a Federal criminal prosecution related to an alleged Ponzi scheme, StoneTurn provided consulting services, including the detailed review of financial transactions.

### Private Equity and Hedge Funds

StoneTurn assists private equity and hedge funds with a range of potential issues, including responses to regulatory agencies, financial investigations and post-acquisition disputes. A large private equity firm engaged StoneTurn to assist with its response to U.S. Securities and Exchange Commission (SEC) inquiries into management fees and offsets to those fees. StoneTurn assisted the firm in collecting relevant financial information and preparing analyses in direct response to the inquiries, which were used in the resolution of the regulatory action.

### False Claims Act

StoneTurn is engaged by companies, their counsel and the U.S. Department of Justice (DOJ) to assist on a wide range of matters involving potential violations of the False Claims Act. A medical laboratory and research company engaged StoneTurn to respond to regulators' inquiries in a case involving potential violations of the False Claims Act related to the billing of personnel costs to government agencies.

## Forensic Technology and Data Analytics



### Computer Forensics— Employment Litigation

StoneTurn's Forensic Technology practice assists clients and counsel with digital forensic needs in a variety of government and corporate investigations and disputes, including employment litigation matters. A global real estate firm looked to StoneTurn to assist with an allegation involving the misappropriation of intellectual property and breach of contract. We preserved and analyzed multiple employee laptops across the country, along with USB devices and cloud storage repositories, in an effort to locate specific documents relevant to the matter. StoneTurn successfully completed a joint forensic protocol developed by both parties and, ultimately, issued a formal declaration outlining its analysis and device wiping efforts.

### Data Analytics

StoneTurn's Data Analytics practice assists clients and counsel across a wide range of industries with the analysis of complex data sets. These analyses often include the creation of dynamic tools capable of quickly and easily providing information across a range of desired scenarios and inputs, as well as the graphical visualization of the underlying data. In a case involving a "Most Favored Customer" pricing provision, StoneTurn was engaged to quantify the potential economic damages related to an alleged breach of contract. We created a dynamic visual analysis that allowed the client to explore the range of hypothetical damages exposures by manipulating a number of key inputs and assumptions.

## Intellectual Property



### Damage Analyses—Trade Secret

StoneTurn assists in the valuation of trade secret information and the quantification of related economic damages in intellectual property disputes. Counsel for a global technology company retained StoneTurn to provide expert opinion and testimony related to the alleged solicitation of employees and customers, as well as the misappropriation of confidential information and trade secrets, by a major direct competitor that had recently entered the market.

### Damage Analyses—Patent

StoneTurn is retained by clients for strategic assistance with prospective licensing programs, as well to quantify economic damages in connection with patent infringement disputes. In a reasonable royalties case involving alleged patent infringement, StoneTurn was retained by a leading application security company to provide expert opinion and testimony. We issued expert reports and provided deposition and trial testimony that concluded with a favorable damages verdict.

## ABOUT STONETURN GROUP

StoneTurn Group provides forensic and expert witness services to attorneys, corporations and government officials on high-stakes legal and compliance matters.

The firm was founded in 2004, on the premise of meeting clients' fee constraints and demand for experts who value collaboration, prefer hands-on client service, and invest in long-term, trusted relationships. Our team includes former Big Four partners, attorneys and industry alumni.

With professionals located in eight offices across the U.S. and U.K., we provide expertise in Complex Business Litigation, Compliance Controls & Monitoring, Forensic Accounting, Forensic Technology and Data Analytics, and Intellectual Property.

## CONTACT US

For more information about our services or to contact one of our professionals, please visit [StoneTurn.com](http://StoneTurn.com)

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