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A Year in Review

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To our valued clients:

Looking forward to 2017, we pause to thank you, our valued clients; to reflect on the changes our firm has experienced in 2016; and to recognize the extraordinary contributions of our partners and colleagues.

Last year was, by far, our firm's most successful year; we grew by more than 60% in 2016. With 100 professionals across eight offices, from London to San Francisco, we now also have a presence in Miami, Minneapolis and Denver. Our native language speaker capabilities have increased to 18 languages, including Mandarin and Russian, and we have significantly expanded our expertise relative to Latin America.

Howard Scheck, previously the Chief Accountant of the SEC's Division of Enforcement, joined StoneTurn in Washington, DC in 2016. Additionally, we welcomed two colleagues to our partnership - Sean Tuttle, who leads StoneTurn's Forensic Technology group from Boston, and Neil Zoltowski of our IP practice in San Francisco.

Our partner, Jonny Frank, was appointed by the U.S. Department of Justice ("DOJ") as the Independent Compliance & Business Ethics monitor of a major global bank, which is tremendous recognition for his work and reputation in the area of internal controls and compliance. In 2016, StoneTurn also acted as the forensic adviser to independent compliance monitors appointed by the National Highway Traffic Safety Administration, New York State Department of Financial Services and DOJ.

We continue to have the very good fortune to work with tremendous clients on a range of challenging and complex dispute matters, investigations and monitorships. Of course, we could not achieve any of this without our outstanding team, for which we are always grateful.

We wish all of our clients the very best for 2017, and extend many thanks for your continued support.



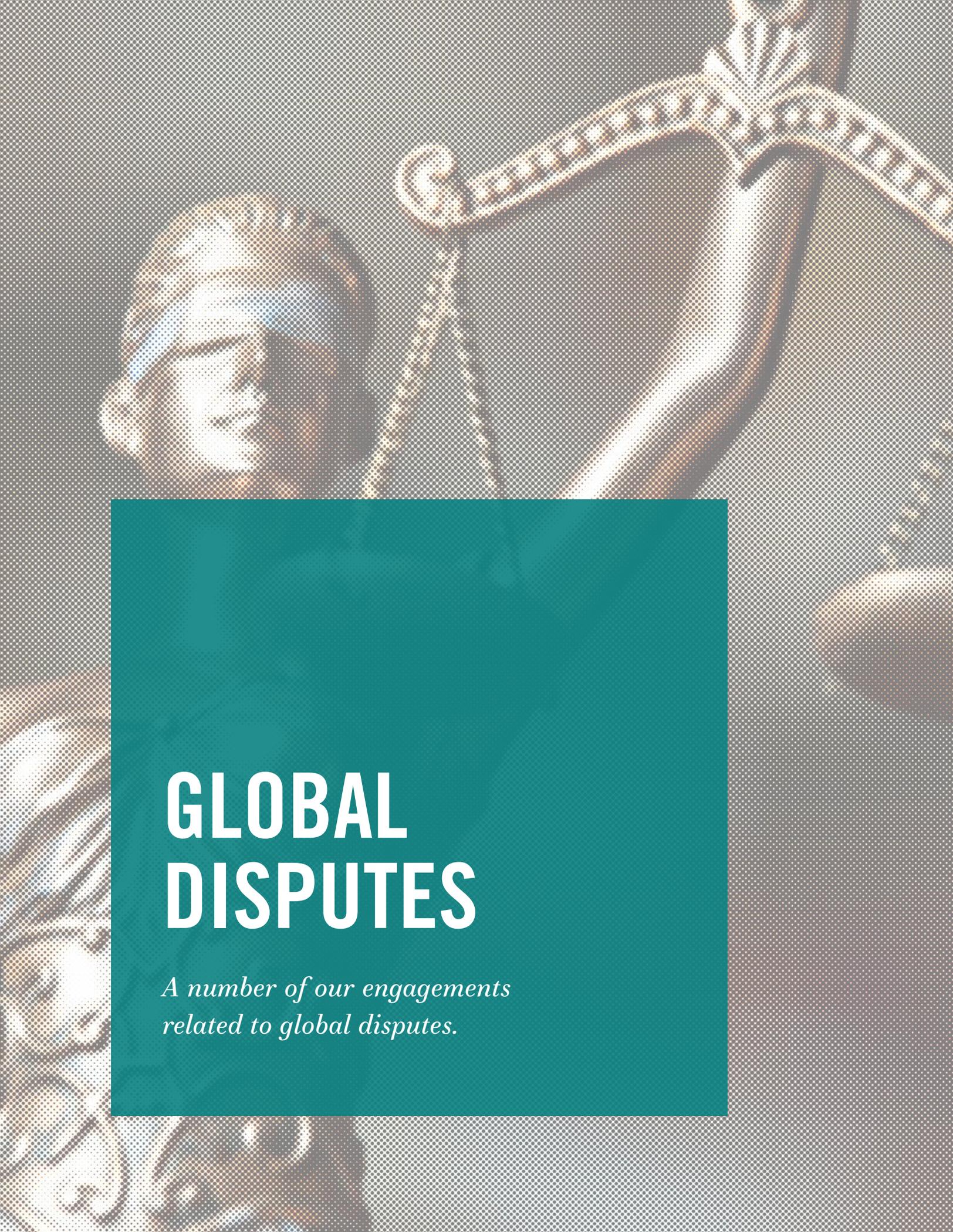
**Simon
Platt**
Chairman



**Christopher
Martinez**
Managing Partner

Matters that Matter

StoneTurn had the privilege to work on a wide range of matters in 2016. Here, we share some notable stories across various industries, types of work and venues.



GLOBAL DISPUTES

*A number of our engagements
related to global disputes.*

Illicit Commission Payments on State Contracts

International Arbitration

Three StoneTurn experts testified before arbitral tribunals in Paris on two linked multi-hundred million dollar international arbitrations adjudicating two connected state contracts and allegations of the payment of illicit agency commissions. We investigated and assessed the alleged commission schemes and analyzed large volumes of financial data to identify relevant patterns and correlations. Together with consideration of relevant non-financial information, we opined as to whether commissions had been paid and, if so, by whom. Our experts gave concurrent evidence (referred to as “hot-tubbing”) in both cases.

Post-Acquisition Dispute involving Accounting Warranties

U.K. Commercial Court

StoneTurn experts provided accounting and valuation advice to the seller of an office services company involved in a multinational dispute. We met with opposing accountants on several occasions to discuss a significant number of alleged breaches of the accounting warranties. We assessed the technical accounting issues and the possible impact of a breach on the valuation of the subject business. Our experts also attended a two-day mediation session and participated in discussions with the mediator. The case settled in mediation and our client achieved a highly positive outcome at a small fraction of the value claimed.



EMPLOYEE- RELATED MATTERS

In 2016, StoneTurn quantified damages on matters arising from key employee departures, with associated claims of customer and business losses and intellectual property theft. These matters settled before trial.

Investigation into Employee Thefts

Forensic Data Analysis

We assisted counsel and their client with an investigation into an employee after the discovery of potential theft over many years. We performed computer forensics and data analysis to identify trends and red flags, reviewed transactional documents and assisted with interviews. The employee ultimately confessed to embezzling through multiple vendors and a related party. We estimated the theft, which occurred over a more than 10-year period, to be in excess of \$5 million. We assisted counsel in presenting our findings to the company's executive committee and to law enforcement.

Damages Claim Analysis

Data Analytics

A leading global data technology company, the Plaintiff in an employment dispute, retained StoneTurn to analyze millions of sales and employment records to quantify many forms of alleged losses related to the departure of a significant number of sales and support personnel, including the gains from use of trade secrets, together with rebuttal of the Defendant's claims. We issued several expert reports and provided deposition testimony.

Damages Claim Rebuttal Analysis

U.K. Commercial Court

StoneTurn performed multiple analyses of a series of complex and detailed loss models on behalf of an insurance company related to the move of a large team of specialist brokers. Specifically, we assessed the lost profits allegedly foregone by the Claimant. The business analysis included extensive and detailed review of financial information concerning a number of separate business units in the U.K. and the U.S., and the application of assumptions as to the hypothetical performance of those businesses.

INTELLECTUAL PROPERTY MATTERS

The IP practice has had a very strong year, with matters across many industries, including the energy, eCommerce, health sciences, high tech, telecommunications and consumer products sectors.

Trade Secret Misappropriation

Market Analysis

A well-known subscription-based network retained us to evaluate and quantify the value of certain trade secrets related to its non-public exchange service, which it asserted had been misappropriated. We conducted in-depth research on the relevant market and assessed the costs incurred by the Plaintiff to develop its exchange service technology and the growth of its network. In addition, StoneTurn performed an in-depth analysis of the Plaintiff's operations and related financial and performance metrics to determine an appropriate apportionment factor to estimate the cost savings realized by the Defendant through its alleged misappropriation.

Patent Infringement Damages

Valuation Analysis

The owner of patents on a rapid fill water balloon kit, which fills more than 100 water balloons in about a minute, licensed the kit for sale through well-known toy and discount retailers worldwide. The product, which won best new toy of 2015 at many conventions across the globe, was the first product to achieve \$1 million in fundraising on Kickstarter. A famous "As Seen on TV" product manufacturer then began to sell an allegedly copied product, and patent litigation ensued. The inventor and their exclusive licensee looked to StoneTurn for assistance with a valuation analysis related to patent infringement damages, including lost profits, price erosion and a reasonable royalty. We produced two reports and participated in a new and growing trend of early damages hearing.

ITC Patent Infringement

Domestic Industry Analysis

A U.S.-based multinational company focused on R&D related to semiconductor packaging technology engaged StoneTurn to provide certain opinions with respect to its domestic industry and licensing activities in connection with a 337 patent infringement action before the International Trade Commission. Specifically, StoneTurn performed an economic analysis of the company's direct and indirect expenditures related to its licensing activities, as well as an apportionment of such expenditures to the asserted patents based upon employee surveys and other relevant metrics. StoneTurn also performed a detailed analysis related to certain of the company's licensees to assess the relative expenditures by these third-parties on licensed products that made use of the asserted patents.

RISKS AND CONTROLS

As the DOJ and U.S. Securities and Exchange Commission (“SEC”) continue to enhance their focus on corporate internal controls, companies and their counsel have retained StoneTurn to analyze and assess the adequacy of various controls and processes on a number of matters. Our work typically falls into one of three categories: pre-incident (preventative); in conjunction with an investigation; or post-incident monitoring or remediation. We continue to consult with clients on internal controls and assist them in strategizing on monitorship risks.

Evaluation of Internal Controls

Remediation

StoneTurn assisted a wholesale distributor to remediate material weaknesses in its internal controls over financial reporting (“ICFR”) related to a captive insurance subsidiary. We applied technical industry-specific accounting principles and assessed the overall controls environment, including the governance structure. Following an internal investigation, we worked with the Board of Directors and executive management to develop and implement a remediation plan. We then monitored the successful execution and progress of that plan. StoneTurn also assisted the company with its relevant internal controls disclosures in its annual and quarterly financial statement filings, and communicated relevant remediation activities and progress to external auditors.

FCPA Diligence

Monitoring

In 2016, we completed a two-year retention as forensic adviser to the monitor of a global energy company. Our work included risk analyses, transaction data analytics, in-country site visits and testing, assistance with interviews and reporting to the DOJ.

Regulatory Investigation

Data Analytics and Expert Testimony

StoneTurn provided forensic accounting assistance in a regulatory investigation and civil litigation involving an alleged scheme by healthcare services entities to alleged kickbacks in violation of the Anti-Kickback Statute. The matter included forensic data analytics to link payments with claims paid by federal healthcare programs and the flow of funds between parties involved in the alleged schemes.

FORENSIC ACCOUNTING

Our Forensic Accounting professionals worked on a number of engagements involving revenue recognition, reconstruction of accounting records, data analytics and investigations, among others.

Accounting Records Reconstruction **Post-Investigation Assistance**

We assisted a registrant to reconstruct its accounting records following an investigation by the Audit Committee into revenue recognition issues. This matter included regular reporting on progress and issues to management, the Audit Committee and the Board, as well as the external audit firm. We assessed the underlying systems, processes, controls, contracts, databases and accounting records to re-compute approximately 100,000 revenue transactions under individual contracts.

SEC Inquiry Response **Accounting Investigation and Reconstruction**

Following an unexpected event at a public technology company, we assisted counsel for the company in responding to various SEC inquiries. Our analyses included revenue recognition, accounting for complex arrangements, adequacy of various disclosures, projections and forecasts. StoneTurn also assisted with interviews and presentations to the Staff.

FORENSIC TECHNOLOGY

Our Forensic Technology professionals are often embedded in our teams on various forensic and expert testimony matters, as well as on a broad range of matters specific to data collection, preservation and analysis.

Forensic Technology

Data Collection, Preservation and Analysis

A property and casualty insurance and reinsurance firm retained StoneTurn's Forensic Technology team on multiple occasions to assist with allegations involving the misappropriation of intellectual property; analyses focusing on pre- and post-merger and acquisition activity; and data collection and keyword analysis related to a reinsurance arbitration. In each case, we worked closely with in-house counsel, the client's in-house IT Security and Compliance team, and different sets of external counsel. Ultimately, StoneTurn successfully preserved and analyzed a significant number of e-mail and business documents from the relevant systems, developed forensic protocols, and issued declarations outlining the methodologies employed for specific tasks.

WHO WE HELP

We had the privilege of working with the following law firms and government agencies last year:*

Babchik & Young . Bailey Brauer . **Baker Botts** . Banner & Witcoff . Barclay Damon
Beck Redden . Beck Reed Riden . **Blank Rome** . Brem Moldovsky . Caldwell Leslie &
Proctor . Casner & Edwards . Choate . Clarick Gueron Reisbaum . Clyde & Co . Collora
Conley Rose . Baker Wotring . Cook, Little, Rosenblatt & Manson . **Covington** . **Cravath**
Cremer, Spina, Shaughnessy, Jansen & Siegert . Crowe & Mulvey . **Crowell & Moring**
Davis Polk . Davis Wright Tremaine . **Dechert** . Dentons . Desmarais . Diamond McCarthy
DLA Piper . Donnelly, Conroy & Gelhaar . Donoghue Barrett & Singal . **Drinker Biddle**
Dunlap, Bennett & Ludwig . Fenwick Elliott . Finnegan . Fisch Sigler . **Fish**
Fitch Law Partners . Fladgate . **Foley & Lardner** . Friedman Kaplan . **Gibson Dunn** . **Goodwin**
Goulston & Storrs . **Greenberg Traurig** . HMDR&S . Herrick Feinstein . Hicks Thomas
Hinshaw & Culbertson . **Hogan Lovells** . **Holland & Knight** . **Jackson Lewis** . **Jenner & Block**
K&L Gates . KaiserDillon . Kazarian Law . Kelley Drye . **Kirkland** . Klarquist
Kralovec, Jambois & Schwartz . Kruckemeyer Law . Lawson & Weitzen . LeClairRyan
Lewis & Llewellyn . **Locke Lord** . Manchel & Brennan . Manion Gaynor & Manning
Marathas Barrow Weatherhead Lent . McGinnis Lochridge . **McGuireWoods** . Merchant & Gould
Mintz Levin . **Morgan Lewis** . **Morrison & Foerster** . Nix, Patterson & Roach . **Nixon Peabody**
Norris, McLaughlin & Marcus . **Norton Rose** . Nutter . Office of the Attorney General,
Massachusetts . Office of the Attorney General, Washington, DC . **Ogletree Deakins**
Olson & Olson . **Paul Hastings** . **Perkins Coie** . Pirkey Barber . Pollack Solomon Duffy
Proskauer . Provost Umphrey Law Firm . **Quinn Emanuel** . Rackemann, Sawyer & Brewster
RMKB . **Ropes & Gray** . **Seyfarth** . Shapiro Haber & Urmey . Sheehan Phinney . **Sheppard**
Mullin . Sherin and Lodgen . Shook . Shore Chan DePumpo . **Sidley** . **Skadden**
Stevens & Bolton . Stewarts Law . **Sullivan & Cromwell** . Travers Smith . Trowers and Hamlin
U.S. Department of Justice . Vedder Price . **Vinson & Elkins** . **Wilmer** . Winstead
Wolf Greenfield . Young Conaway Stargatt & Taylor

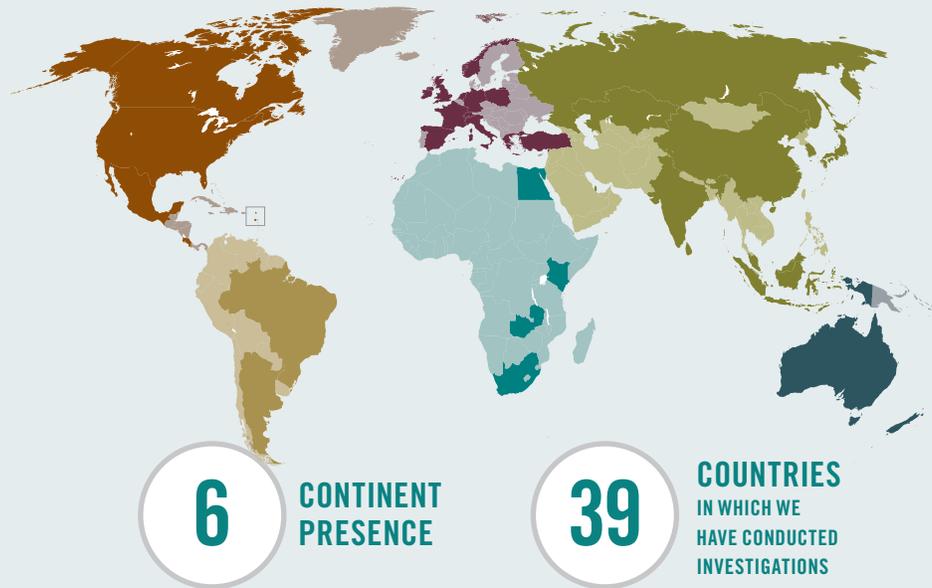
* Am Law 100 firms are in bold.

About StoneTurn

For StoneTurn Group, the notion of “leaving no stone unturned” is not merely a quaint turn-of-phrase. It’s in our name. It’s how we approach every engagement. It’s the principle that guides how we treat you and interact as colleagues.

As a global team of forensic accounting and expert services professionals, we’re passionate about partnering with you to achieve the best possible outcome.

We do this by combining the skills and expertise required to uncover, analyze and present facts critical to your matter and delivering them in a distinctive and engaging way.



AUSTIN . BOSTON . CHICAGO . DENVER . HOUSTON . LONDON
MIAMI . MINNEAPOLIS . NEW YORK . SAN FRANCISCO . WASHINGTON, DC

For more information about our services or to contact one of our professionals, please visit StoneTurn.com