

VERIS FROM OCEAN TOMO

ACCOUNTING & AUDITING STANDARDS



When assertions of error in financial statements are made, or when the conduct of professionals is challenged, it is imperative that those assertions and challenges be evaluated by competent professionals who will call it as they see it. That competency and integrity define the practice and professionals of Veris *from Ocean Tomo*.

Our competency is the result of vast accounting and auditing experience. In addition to experience as members of “Big 4” firms, we have remained active in the accounting standard setting process including positions on senior technical committees within the AICPA such as the Accounting Executive Committee and the Financial Reporting Executive Committee. Many of our engagements have involved highly publicized accounting and financial reporting scandals, including allegations of accounting and auditor malpractice. We have provided expert opinions regarding conformity with generally accepted accounting principles and matters such as:

The accounting for and disclosures related to revenue recognition across a variety of specialized industries, special purpose, and variable interest entities, loss contingencies, and asset impairment, among other matters.

- » Fair value accounting for complex financial instruments
- » The historical evolution and application of the accounting principles dealing with risk transfer in
- » Reinsurance arrangements
- » Internal controls over loan origination and underwriting

We have given expert testimony in defense of the presentation of financial statements and in defense of auditor compliance with relevant professional standards. In other circumstances, we have provided expert analysis and testimony that previously issued financial statements had been materially misstated and that auditors had failed to discharge their responsibilities under generally accepted auditing standards.

Offering expert services both for and against financial statement preparers and independent auditors requires careful study and evaluation of the facts, circumstances, and merits of each case, along with a dedication to uncompromising integrity.

The ongoing referrals we have received demonstrate our commitment to these requisites.

WE WILL REMAIN TRUE TO OUR COMMITMENT TO CALL IT AS WE SEE IT.

Featured Engagements

Our track record of results spans over numerous different industry segments. Because our past success provides the best indication of our capabilities, we are proud to feature a few representative engagements and encourage potential clients to seek references from past clients.

Auditor Conduct and Financial Statement Misstatements

Retained in connection with assertions regarding conduct of auditors and financial statement misstatements including:

- » Loss reserving
- » Internal control adequacy
- » Asset valuation
- » Complex derivatives
- » Finite reinsurance
- » Related party transactions
- » Loan losses
- » Liquidity disclosures
- » Disclosures of risks and uncertainties
- » SFAS No. 5: Loss Contingencies
- » Real estate valuations
- » Mortgage loan valuations
- » Solvency measurements
- » Business combinations
- » Goodwill accounting
- » Use of specialists
- » Substance over form determinations
- » Fair value measurements

Revenue Recognition

- » Engaged to assist in evaluation of issues of aiding and abetting as it relates to revenue recognition and related party transactions.

Post-Purchase Price Disputes

- » Engaged in multiple post-purchase price disputes in which Stock Purchase Agreements ("SPA") outlined the terms of the sale and included price adjustment mechanisms. Veris from Ocean Tomo was involved in assisting with both calculating those post-purchase price adjustments as well as evaluating whether the financial statements on which the purchase price was based were free from material misstatement.

Accounting for Special Purpose Entities, Accounting for Derivatives

- » Engaged on one of the most high-profile accounting scandals in history to evaluate the use of and accounting for special purpose entities, as well as the accounting for derivatives and "true sale" transactions. Deposition testimony provided.

Financial Statement Disclosures

- » Engaged in a litigation involving the auditor of a finance company that issued and securitized loans to sub-prime borrowers. The engagement involved examination of the accounting for and auditing of financial statement disclosures related to forbearance, provisions for credit losses and reserves and various aspects of the company's loan securitization activity, including the fair value of certain complex investment securities.

Auditor Malpractice Claims

- » Engaged to evaluate malpractice claims against the auditor of several large bankrupt publicly-traded companies that had been engaged in banking, brokerage, insurance and lending services. Veris from Ocean Tomo evaluated accounting and auditing practices, particularly related to franchise fee revenue recognition and the allowances for uncollectible loans. Veris from Ocean Tomo was subsequently engaged by counsel for the bankruptcy trustee to extract and analyze millions of transactions from the company's management system to support claw-back claims against insurance carriers, franchisees, securitization trusts, banks and other financial institutions.

Investment Company Financial Statements Review and Evaluation

- » Engaged to review and evaluate financial statements of investment companies registered with the SEC under the Investment Company Act of 1940 as well as evaluate the conduct of the auditor in connection with those audits. This review included an evaluation of the adequacy of internal controls as well as the use of portfolio managers, investment advisors and reliance on third party custodians.



CONTACT

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Ms. Avery provides expert witness testimony and leads major dispute resolution engagements, providing forensic accounting and expert witness services in high profile litigations.



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Ms. Miller has significant experience leading forensic accounting and litigation support engagements for public and private sector clients.