



ELIZABETH KROGER DAVIS, MBA, CPA¹

CURRENT POSITION

Finance Scholars Group, Chicago, Illinois
Managing Director (2009 - present)

PAST POSITIONS

Davis Consulting, River Forest, Illinois
Owner and President (2009)

CRA International, Chicago, Illinois
Vice President (2007 - 2008)

Navigant Consulting, Chicago, Illinois
Managing Director (2005 - 2007)

Arthur Andersen, Chicago, Illinois
Partner (1996 - 2002)

Arthur Andersen, Chicago, Illinois and Houston, Texas
Manager, Senior, Staff Consultant (1983 - 1996)

EDUCATION AND PROFESSIONAL CERTIFICATION

MBA, Concentration in Finance, University of Chicago Graduate School of Business, 1991

BBA, Concentration in Accounting, Southern Methodist University, Cox School of Business, 1984

Licensed as a Certified Public Accountant, 1986 (Texas and Illinois). Currently registered as a CPA in the State of Illinois.

Named to the first-ever listing of Lawdragon 100 “Legal Consultants You Need to Know,” (2009) showcasing the leading providers of strategic and leadership advice.

TESTIMONY AND EXPERT REPORTS

This section lists matters in which Elizabeth Davis submitted expert testimony. Additional significant casework led or managed by Elizabeth Davis follows.

¹ FSG is not a CPA firm



Ross University School of Medicine, Ltd., vs. Brooklyn-Queens Healthcare, Inc., and Wyckoff Heights Medical Center, UNITED STATES DISTRICT COURT, EASTERN DISTRICT OF NEW YORK. Expert report and deposition testimony on economic damages pertaining to breach of contract. (2011)

PROFESSIONAL EXPERIENCE

Litigation, Investigations and Forensic Accounting Matters

Retained by Barclays Bank (Boies Schiller & Flexner LLP) in re: Lehman Brothers Holdings, Inc. et al. Led litigation support team and six-month trial support initiatives related to 2008 bankruptcy of Lehman Brothers Inc. and the resulting \$45 billion acquisition by defendant Barclays of its North American broker dealer business. Primary financial and economic consulting work streams addressed: defending a \$5 billion damages component sought by plaintiffs involving the fair value of thousands of purchased securities including mortgage backed securities, auction rate securities, collateralized loan obligations and other securitized assets; and negative goodwill on the acquisition disclosed by Barclays in its audited financial statements. Of \$5 billion valuation damages sought by plaintiffs, \$0 damages were awarded in 2010.

Retained by DaimlerChrysler Financial Services (Thompson Coburn LLP) to lead litigation support and expert work in defense of claims of alleged lending discrimination sought by Chrysler's dealer network. Compilation of an analytical dataset and subsequent statistical analysis of tens of thousands of financing transactions led to significant settlement savings within nine months of retention.

Various matters on behalf of Arthur Andersen LLP. Advisory partner in dozens of litigation and investigation matters. Provided litigation consulting or investigatory role on legal and regulatory matters involving alleged audit failures and violations of professional standards (GAAP/GAAS). Responsibilities included working paper review, assessment of compliance with policies and procedures, engagement team interviews and matter resolution strategies. Illustrative cases include: a civil/criminal matter pertaining to the forward-looking financial statements issued by real estate limited partnerships; civil litigation involving the unauthorized trading of mortgage-backed securities by a governmental entity; civil and regulatory matters involving revenue recognition of bill and hold transactions for a public company; and civil litigation involving revenue recognition issues of a biotechnology company.

Retained by Grant Thornton (Mayer Brown LLP) in its defense of a broker dealer audit client that allegedly executed sham government securities transactions and conferred tax losses on professional athletes. Work involved forensic reconstruction and financial analysis of trading and re-estimation of tax liabilities. Matter resolved favorably on behalf of accounting firm.

Retained by the Chicago Board of Trade (Kirkland & Ellis LLP) in response to a CFTC enforcement action against the exchange's internal audit division. Led engagement team that reviewed the work papers of the Office of Investigations and Audits (OIA), and subsequently uncovered a fraudulent accounting scheme at a broker dealer that the OIA had been unable to unravel. Case was favorably resolved. Subsequently retained by the OIA to advise on improvements to its policies and procedures to reduce execution risks on future audits.



Retained by Ferruzzi Finanziaria (Sidley Austin LLP) and Deloitte & Touche to assist in an independent investigation initiated by a consortium of Italian banks regarding grain trading losses reported by an Italian subsidiary.

Retained by Ferruzzi USA (Sidley Austin LLP) to lead litigation support team in response to a \$150 million deficiency notice issued by the IRS over the tax treatment of futures and options hedges. Work involved forensic reconstruction of trading models and strategies and was subsequently used by Ferruzzi's outside auditor and tax preparer, PricewaterhouseCoopers, in advantageous settlement with IRS.

Retained by Ferruzzi Finanziaria (Sidley Austin LLP) to lead engagement in response to a CFTC investigation into regulatory reporting issues. Matter favorably resolved based on analytical information and reports provided to regulators.

Retained by Ferruzzi Finanziaria (Sidley Austin LLP) to lead litigation support team in defense of a securities class action alleging market manipulation and hundreds of millions of dollars of damages on thousands of futures market participants. Performed forensic reconstruction of global trading positions in cash, futures and forwards for purposes of analyzing speculative versus hedging positions and testing allegations of inflated market prices given market events and defendant holdings. Work resulted in narrowing of class and favorable settlement on behalf of client.

Retained by First Chicago (now JPMorgan Chase) (Sidley Austin LLP) in litigation involving the "run" on a real estate investment fund stemming from sudden investor redemption requests. Led litigation support team that modeled effects of participants' net asset values under various redemption scenarios and provided strategic advice in settlement negotiations. Client settled at amount below expectations. Subsequently retained to assist in the settlement discussions with the Office of the Comptroller of the Currency (OCC), which were timely resolved.

Retained by Ferruzzi Finanziaria (Sidley Austin LLP) to lead litigation support and three-month trial support initiatives in defense of a regulatory investigation by the Chicago Board of Trade Business Conduct Committee over allegations of market manipulation and multi-million dollar market damages. Performed forensic reconstruction of multi-legged soybean spot, forward, futures, options and CIF/FOB market transactions, and macroeconomic analysis of underlying market fundamentals. Client prevailed against charges. No findings of market manipulation were brought against client.

Retained by the Legal Department of First Chicago (now JPMorgan Chase) to consult on the valuation of employee stock options in regards to pending employment litigation matters.

Retained by Conagra/Armour Swift Eckrich (Pretty Schroeder Brueggemann & Clark) in its defense against patent infringement charges pertaining to the meat processing and packaging division. Led litigation support and trial support team addressing damages. Jury award against client less than one-third the amount requested by plaintiff.

Retained by Commonwealth Edison (Sidley Austin LLP) in response to an EEOC complaint alleging discrimination in the recruitment and hiring of employees. Led litigation support engagement that constructed an applicant flow database and models for over 80,000 prospective employees spanning a half decade. Analytical work used in successful resolution of matter.



Retained by Continental Grain (Sidley Austin LLP) in its corporate investigation of a failed arbitrage trading subsidiary and ensuing multi-district litigation involving the trading fraud perpetrated by this entity. Led litigation support team that performed forensic reconstruction of hundreds of thousands of government securities, repurchase agreements and futures market transactions, and built computer models to test hypotheses of fictitious, fraudulent, prearranged, and tax-motivated trading on customer accounts. Coordinated analytical support for numerous experts. Provided trial support in first counter claim tried against a primary dealer for facilitating the fraud and achieved \$140 million verdict for client. Subsequently participated in settlement discussions with hundreds of investors and achieved favorable resolution of all outstanding matters.

Retained by Drexel Burnham Lambert (Sidley Austin LLP) in conjunction with massive governmental investigation of insider trading in junk bonds by Mike Milken and Ivan Boesky. Led litigation support team in forensic investigation that entailed the review of millions of documents.

Other Consulting Assignments

Retained by the legal department of Walmart to advise on strategic technology initiatives. Developed a benchmarking survey on technology utilization by leading corporate legal departments.

Retained by the legal department of Walmart to advise on attorney compensation in the wake of the 2008 market collapse.

Retained by the General Counsel of General Dynamics to advise on organizational structure and knowledge management. Delivered cutting-edge research to a peer group of Fortune 200 law departments with the highest reputations for innovation. Reported on the impact of law department organizational design on the ability of lawyers to identify, communicate and respond to critical legal and risk-related information.

Retained by legal department of Amgen to perform legal technology benchmarking and make recommendations on investments in matter management and e-billing software. Scope of recommendations included advice on enhancements/modifications to business processes and information flows.

Retained by the General Counsel of Walmart to advise on the transformation of its attorney compensation and performance platform. Repositioned client to attract and retain top talent thru revised career paths, compensation packages and performance structures.

Retained by an international accounting firm to advise on knowledge management and data mining processes to identify patterns in causation factors in litigation matters and other troubled engagements.

Retained by the Association of Corporate Counsel (Dallas, Fort Worth, Houston, Austin and San Antonio chapters) to provide legal compensation surveys compiling trends in salary, bonus and other employee benefits.

Retained by the Association of General Counsels, an organization of Fortune 200 General Counsels, to provide law department compensation survey. Retained to create and analyze statistical



information on thousands of domestic and international law department positions. Study became industry benchmark for leading law departments. Findings presented at annual conference.

Retained by University of North Carolina Chapel Hill to advise on Governmental Accounting Standards Board reporting and disclosure requirements related to derivative investments in its endowment and other funds.

Retained by International Netherlanden Bank (ING) to perform a surprise audit of a futures commission merchant, Quantum Financial Services, and assess compliance with financial covenants. Subsequently retained to perform a business diagnostics review of Quantum to identify opportunities

to enhance revenue and reduce costs over payout structures and floor brokerage operations, and improve both its organizational structure and accounting and business information systems.

Performed financial statement audits of banks, savings and loans, hotels, and real estate developers and operators. Also specialized in performing information systems reviews in support of complex audits. Illustrative clients included First City Bank of Houston, University of Chicago Hospital, Continental Airlines, University Savings and Loan, Ben Franklin Savings, the Houstonian Hotel, and Romanek Properties.

Other Professional Experience

Global Risk Management partner at Arthur Andersen with international responsibilities to drive strategic alignment, risk management and cost reduction strategies across matrix structure of functional groups, firm management and the business operators/partners. Delivered firm's first international knowledge management initiatives, including the creation of a data mining function to analyze litigation and other troubled client engagements, identify patterns in causation and recommend policies and procedures to reduce recurrence.

Partner seconded to Arthur Andersen's Global Risk Management Executive Committee to monitor risk management action plans of the business units to peer reviews and compliance audits.

Partner leading Arthur Andersen's firm wide initiative to analyze risks associated with dozens of international mergers, acquisitions, alliances, joint ventures, equity deals and new country expansions totaling about \$420,000,000 in investments. Responsibilities varied, but typically included an emphasis on deal quality control, integration execution management and identification of best practices.

Interim CFO/COO responsibilities for Arthur Andersen's legal department, a \$100-250+ million, 100-person international law department. Implemented top-down enhancements to the department's organizational structure, technology solutions, financial reporting policies and procedures, and management of outside counsel. Migrated service model from outside counsel to dedicated, in-house support, tripling headcount about twelve months and creating cost savings by reducing law firm expenditures and strategically outsourcing non-core activities.



Arthur Andersen partner liaison between the legal department and professional indemnity insurance representatives regarding the litigation portfolio, costs, risk benchmarks, and firm-wide risk management initiatives. Liaison responsibilities extended to status/management of cases.

Advised on the wind-down of Arthur Andersen's insurance consortium, the start-up of a captive program, and the solicitation of reinsurance bids for certain attest and non-attest risk portfolios.

Accounted for the coverage and collection on matters and performed financial modeling on various loss scenarios for the firm's captive insurance company.

Selected to perform the Litigation Services Quality Review Program of Andersen's Washington D.C. Specialty Consulting Practice.

ARTICLES/INSTRUCTOR/LECTURER/PANELIST

"A Brief Overview of Trends in PCAOB Inspection Reports: What Every Practitioner Should Know," with Joe Moravy, in PLI Course Handbook, Basics of Accounting for Lawyers 2011: What Every Practicing Lawyer Needs to Know (2011)

"Turning Litigation Data into Litigation Intelligence," National Organization of Women Lawyers Fourth Annual General Counsel Institute, November 6, 2008, New York, NY.

"Report on the Third Annual National Survey on Retention and Promotion of Women in Law Firms," The National Association of Women Lawyers, November, 2008.

"Managing Outside Counsel: From Bill Review to Benchmarking," Mitratch Interact Legal and Compliance Technology Forum, October 3, 2008, Marina del Rey, CA.

"Risk Management: How to Stay Ahead of the Next Big Development," The Sixth Annual DELVACCA General Counsel Forum, 2008, Philadelphia, PA.

"Early Case Assessment and Preliminary Damages Analysis," Mitratch Interact Legal and Compliance Conference, September 9-11, 2007, Phoenix, AZ.

"Business Intelligence," Mitratch Interact 2007 Conference, September 9-11, 2007, Phoenix, AZ.

"Managing Matter Management," International Legal Technology Association, March 2, 2007, New York, NY.

"Risk Management is Good Management," The National Association of Women Lawyers Third Annual General Counsel Institute, November, 2007, New York, NY.

"2006 Association of General Counsel In-House Legal Department Survey," The Association of General Counsel, October 2006, Washington D.C.

"How to Manage Document Retention and Destruction Issues in Illinois-Role of Inside Counsel," Lorman Education Series, June 22, 2006, Chicago, IL.



"10 Common Electronic Discovery Risks: How to Avoid Them, Fix Them and Learn from Them,"
Greenberg Traurig Annual Conference, May 19, 2006, Kohler, WI.

"Litigation Matter Management and Technology Trends," Jenner & Block (1999), Chicago, IL.

"Andersen Technology Platform and Litigation Case Assessment," DuPont In-House Legal
Department, (1999), Wilmington, DE.

"Statistical Sampling and Regression Analysis," 3-day course presented to Provident Life and
Accident Insurance Company and the law firm of Steel, Hector and Davis LLP, St. Charles, IL.

"Partner/Manager Statistical Sampling;" developed and taught three day sampling course for
Andersen partners and managers (1993, 1994, 1995)

"Statistical Sampling and Regression Training;" developed and taught three day sampling and
regression analysis course for Andersen seniors and staff (1993, 1994)

CONTACT INFORMATION

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Intellectual Property • Marketing • Valuation

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FSG provides consulting and expert witness services related to complex issues in accounting, economics, finance, intellectual property, marketing, and valuation. Our experts include prominent professors from leading universities and experienced, highly-credentialed staff professionals, including CPAs, CFAs, MBAs, and PhDs.