



FINANCE SCHOLARS GROUP LITIGATION CONSULTING AND TESTIFYING EXPERTS

MORTGAGE-RELATED LITIGATION

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EXPERTISE IN MORTGAGE-RELATED LITIGATION

Litigation involving mortgage-backed securities continues to dominate legal headlines. Lawsuits have been filed against market participants in all stages of the underwriting and securitization process, including mortgage lenders, underwriters, trustees, issuers, insurers, rating agencies and accounting firms. Many of the defendants in these matters are plaintiffs in other matters, along with investors, shareholders and borrowers.

Across the spectrum of market participants and legal issues, FSG is uniquely positioned to advise legal counsel on these complex matters. Our proven combination of renowned academics, industry experts, retired audit partners and consulting experts makes us the firm of choice to consult with counsel on these high profile disputes and regulatory investigations, and to provide high-quality expert witness services. Our professionals with experience related to mortgage lending, securitization, valuation and disclosures include:

- Prominent finance, economics, statistics and accounting professors from top-tier business schools with strong research records in mortgage banking, securitization, mortgage and fixed-income valuation, risk management, credit analysis and real estate economics;
- Financial industry professionals experienced in fixed income investment analysis, advisory services, valuation and trading;
- Former audit partners possessing real-world experience regarding the accounting, auditing, internal controls, financial reporting and disclosure requirements applicable to investment banks, commercial banks, private equity funds and hedge funds; and
- Litigation consulting experts and forensic accountants with decades of experience assisting attorneys and their clients in complex financial markets disputes.

Our professionals have expertise in the following specialty areas within the mortgage lending and securitization industry:

- Loan origination practices
- Underwriting standards and processes
- Insurance underwriting of loan portfolios
- Loan performance modeling and valuation
- Design, securitization and valuation of asset-backed and mortgage-related products
- Valuation of financial assets, portfolios of financial assets and financial institutions
- Investment suitability, sales and trading practices
- Investment product disclosures
- Credit rating agencies
- Credit analysis and risk management
- Due diligence
- Statistical analysis and sampling
- Accounting and auditing standards applicable to financial institutions
- Loan loss reserves
- Sarbanes Oxley requirements
- Financial and regulatory disclosures

OUR SUBPRIME MORTGAGE EXPERTS

In addition to having strong academic and industry credentials, our professionals are highly experienced testifying experts. FSG experts have testified effectively in numerous high-profile cases and are well-prepared to meet the rigors and requirements of high-stakes financial litigation.

Here are our financial markets and mortgage lending experts.

Marc Vellrath, Ph.D., CFA
Chairman and CEO
Finance Scholars Group

Marc Vellrath serves as a testifying expert in a variety of litigation matters, many of which involve securities, financial markets and financial institutions. He also manages many of the firm's larger engagements, working closely with major clients and with the firm's academic and professional affiliates. He has managed numerous cases requiring the analysis of large sets of complex business data, including datasets with hundreds of millions of records.

Jeffrey S. Andrien, MBA
President
Finance Scholars Group

Jeff Andrien, a former fixed income analyst, managed FSG's work on behalf of the SEC in its civil action against the CEO and CFO of Countrywide Financial. FSG supported three experts in this case, who testified on a range of issues, including materiality, changes in the quality of Countrywide's loan portfolio over time, market efficiency and damages. Jeff teaches finance courses at various business schools and has testified in Federal and State courts, as well as in front of regulatory agencies.

Delores Conway, Ph.D.
Professor of Real Estate
Economics and Statistics
Simon School of Business
University of Rochester

Professor Conway's academic interests include real estate, finance, statistics, and law and labor markets, and her research has been published in leading academic journals. Before joining the Simon School faculty Delores was a tenured faculty member at USC's Marshall School of Business, where she taught graduate courses in statistics, time series, multivariate analysis, regression methods, and market analysis for real estate. She also served as the director of the USC Lusk Center for Real Estate. She has consulted with companies on the application of statistics to a variety of business issues and has served as an expert witness to evaluate statistical evidence in a large number of legal cases.

Elizabeth Kroger Davis, CPA, MBA
Managing Director
Finance Scholars Group

Elizabeth Davis recently led FSG's successful litigation and trial support initiatives in litigation arising from Barclays' acquisition of Lehman's U.S. broker dealer business, focusing on valuation issues related to a \$45 billion of portfolio of mostly illiquid securities, including RMBS, CMBS, ARS, IOs, POs, CLOs, and CDOs. A former large accounting firm



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partner with a background in auditing, forensic accounting and litigation consulting, Elizabeth specializes in providing expert consulting services on high-stakes litigation involving financial intermediaries, large amounts of complex data, and issues pertaining to valuation, trading, financial accounting and auditing.

Kenneth B. Dunn, Ph.D.
Professor of Financial Economics
Tepper School of Business
Carnegie Mellon University

A former Dean of the business school at CMU, Professor Dunn's pioneering research on option-based approaches to the analysis and valuation of mortgages has been published in leading finance journals, and provides the basis for the most widely used method of valuing mortgages and mortgage-backed securities. Transitioning from academia to the investment business in 1987, Ken built one of the largest mortgage groups in the United States, ultimately managing approximately \$75 billion in core fixed assets. Before returning to academia in 2001, Ken was a managing director of Morgan Stanley and co-director of that firm's U.S. fixed income and mortgage team.

Jay Hartzell, Ph.D.
Chair, Finance Department
McCombs School of Business
University of Texas – Austin

Professor Hartzell is the Executive Director of the Real Estate Finance and Investment Center at UT's McCombs School of Business. His research focuses on real estate finance, corporate finance and corporate governance, and has been published in leading academic journals. He is a member of the Board of Directors of the American Real Estate and Urban Economics Association.

Hilary Kramer, MBA
Professional Affiliate
Finance Scholars Group

An investment specialist with 25 years of experience in equity research, asset allocation, risk assessment, and portfolio management, Hilary Kramer started her career as an analyst at Morgan Stanley. She then joined the structured finance division of Lehman Brothers, specializing in asset-backed securitization. She has served financial institutions in a consulting capacity, working as a senior strategist at investment manager Montgomery Asset Management, at hedge fund Montgomery Partners, and at Freddie Mac.

Michael LaCour-Little, Ph.D.
Professor of Finance
California State University,
Fullerton

Professor LaCour-Little's primary area of interest is real estate finance. Prior to joining the faculty at Cal State Fullerton, Michael was a senior executive in the mortgage industry for approximately ten years, and an adjunct professor of real estate finance at Washington University. During that time, he was involved in mortgage valuation, loan performance modeling and validation, and risk management. He has



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written extensively on the housing and mortgage markets, and testified before Congress as an expert on the Home Mortgage Disclosure Act.

John J. Lynch, CPA, MBA
Professional Affiliate
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John Lynch is a former partner in Deloitte & Touche's financial services industry practice. Over the course of his career as an auditor he served a variety of financial clients, including Goldman Sachs, Merrill Lynch, the Federal Reserve System, Sanford Bernstein, U.S. Trust, Salomon Smith Barney, Greenwich Capital, MetLife, Dresdner Bank, and Allen & Company.

Joseph Moravy, CPA, MBA
Managing Director
Finance Scholars Group

Joe Moravy has over 34 years of audit experience in the financial services industry as a partner at two of the world's leading accounting firms. Since 2008 he has provided expert witness services based on his years of hands-on audit experience as engagement partner for major banks, mortgage banking companies, securities and futures firms, investment funds and exchanges. He is an expert in Sarbanes-Oxley 404 reporting requirements and other internal controls and reporting responsibilities.

Timothy H. Savage, Ph.D.
Principal
Finance Scholars Group

Tim Savage is an economist who specializes in the application of advanced statistical and econometric methods in litigation matters. In the area of applied finance, he has conducted numerous fair-lending analyses focused on credit pricing and terms, as well as empirical evaluations of materiality.

Richard H. Stanton, Ph.D.
Professor of Finance
Haas School of Business
University of California
at Berkeley

Professor Stanton is recognized internationally for his widely cited research on mortgage markets and term structure modeling, as well as his more recent work on mutual funds and valuing employee stock options. Among the many topics Richard has written on are prepayment behavior and the valuation of mortgage-backed securities, strategies for dynamically hedging MBS, models of mortgage choice, and the role of credit default swaps in the subprime mortgage crisis.

Lawrence P. Weiner, MBA
Professional Affiliate
Finance Scholars Group

A former Wall Street fixed income strategist, Mr. Weiner's expertise extends to some of the most complex and specialized areas of the fixed income markets. He has knowledge and industry experience in the underwriting, analysis, and marketing of complex structured securities, such as collateralized debt obligations (CDO's, CBO's, CLO's, and CLN's), asset-backed securities (ABS and CMO's, including subprime RMBS), commercial mortgage-backed securities (CMBS) and derivative instruments, such as interest-rate swaps and credit default swaps (CDS).



OUR FIRM

Finance Scholars Group is a privately-held consulting firm. We provide litigation support, expert testimony and economic consulting services. With offices in New York, California, Illinois, Texas and Washington DC, we operate through an integrated business model that combines the expertise of our full-time, seasoned consultants—most with MBAs, CPAs, CFAs or PhDs—with an affiliate network of recognized academic and industry professionals. We provide every client with access to the full resources of the firm and our entire expert team, regardless of where the case is venued or the client is located. This business model provides us with a range and diversity within our expert group to meet clients’ needs across the full spectrum of business issues.

We are passionate about providing the highest quality consulting services to our clients. We employ dedicated professionals who thrive in an intellectually demanding environment and reinforce our culture which emphasizes client service, collaboration and collegiality. Our senior litigation consultants and testifying experts believe in a hands-on approach to serving our clients. We are actively engaged in each assignment, typically working with lean and focused project teams. While our senior consultants and experts leverage work when it benefits our clients from a cost or efficiency perspective, they remain intimately involved in each project from start to finish.

Most importantly, our personnel are committed to our consulting methodology which emphasizes:

- Sound, research-based analysis;
- Well-supported findings and opinions;
- Clear and concise reports and presentations; and
- Credible and convincing testimony.

Our business structure parallels the structure of leading business schools and their faculty. Our experts are colleagues in a single “faculty” and offer consulting and expert witness services in six primary academic disciplines:

- Accounting and Auditing
- Economics
- Finance
- Intellectual Property
- Marketing Analytics
- Valuation

Many of our consultants and experts additionally focus their personal practices on one or a handful of specific economic sectors, including banking, biotechnology, energy, financial markets, retail, real estate and telecommunications.

For more information, contact Marc Vellrath, Chairman and CEO, at 925-258-9600 or Jeff Andrien, President, at 512-703-4600.



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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, M.B.A.'s, and Ph.D.'s.

FSG is not a CPA firm.