

EXHIBIT 3



Howard B. Grobstein, CPA, CFE, CFF
Partner

Area of Expertise

Mr. Grobstein's practice focuses on the following key areas:

- **Fiduciary Positions** – Mr. Grobstein is a Chapter 7 and Chapter 11 bankruptcy trustee, and has acted as a receiver, partition referee, independent board member, chief restructuring officer (CRO), fractional/interim CFO, and responsible officer.
- **Fraud Investigations** – Representations of fiduciaries and private parties in numerous and complex fraud cases with alleged losses ranging from \$25,000 to approximately \$1 billion. Representations include court appointed receivers, monitors, special masters, and private parties in regulatory, equity, and international matters.
- **Forensic Reconstructions** – Regularly acts as forensic accountant in litigation and insolvency matters, reconstructing records related to disputes, litigation, fraudulent conveyances, solvency analyses, and other situations.
- **Litigation Consulting** – Regularly acts as a consulting and/or expert witness in litigation cases and has testified at arbitration, deposition, and in federal and state courts.
- **Insolvency and Dispute Matters** – Member of the Panel of Bankruptcy Trustees in the Central District of California and has been appointed and acted as a Chapter 11 and Chapter 7 trustee, and Chapter 11 examiner and receiver in several cases; represents bankruptcy trustees, debtors, creditors, creditor committees, receivers, special masters, assignees, and attorneys in insolvency cases. Mr. Grobstein has been involved in numerous cases, most of which involved complex forensic or fraud related issues.
- **Neutral Accountant and Court's Own Expert** – Has acted as the court appointed neutral accountant to resolve complicated accounting and financial disputes in state court actions. Has been appointed as the court's own expert as directed by federal bankruptcy judges in bankruptcy matters.
- **See "Examples of Experience" Appendix for specific examples of Mr. Grobstein's experience.**

Certifications and Licenses

- Certified Public Accountant
- Certified Fraud Examiner
- Certified Financial Forensics (AICPA)

Education

- Bachelor of Science; Business Administration, Emphasis in Accounting
California State University, Northridge, 1994



Professional Affiliations

- Past Co-Chairperson of the California Receivers Forum (Los Angeles & Orange County); current member
- Past President of Los Angeles Bankruptcy Forum; current member
- Member of AICPA Task Force for Drafting Questions for the Certified in Financial Forensics Designation
- Member of Association of Certified Fraud Examiners
- Past Member of the Board of Directors and Past Treasurer of Turnaround Management Association
- Member of California Society of CPA's
- Member of American Institute of CPA's

Speaking Engagements

- Participated in seminar at California Receivers Forum on the topic *The Accountant for the Court-Appointed Receiver*.
- Presented a seminar to the Trustee Administrator's Group on searching for hidden assets in Chapter 7 proceedings.
- Participated in a seminar at California Receivers Forum on SEC Receiverships.
- Participated in a seminar at California Receivers Forum on Complex Receiverships.

Publications

- *Fraud Casebook: Lessons from the Bad Side of Business*, July 2007. Co-authored chapter.

Civic and Community Activities

- Member of the Board of Directors, Treasurer, and Chairman of the Finance Committee of Heart of Los Angeles (HOLA), a non-profit organization providing after school programs and tutoring to inner-city youth.

Community Awards

- 40 Under 40 Award; San Fernando Valley Business Journal



Howard B. Grobstein Examples of Experience

Court Appointed/Stipulated Positions

- Neutral Accountant in State Court Dispute – Appointed by Superior Court Judge as neutral accountant to resolve business dispute between two shareholders of computer component company. Issues included alleged diversion of corporate assets, diversion of corporate opportunity, reconstruction of allegedly destroyed accounting records, analysis of tax implications of transactions, and analysis of business operations. Neutral accountant prepared an extensive report on findings and testified at multi-day trial.
- Neutral Accountant in State Court Dispute – Selected and Appointed by State Court Judge to act as neutral accountant to resolve business dispute between a medical practitioner and management company. Reconstructed financial records for several years. Analyzed alleged embezzlement of funds for personal use by management company. Analyzed transactions and related them to management contract to identify potential improprieties. Traced financial activities through accounting records and banking information. Prepared extensive and detailed report on findings.
- Neutral Accountant in State Court Dispute – Stipulated neutral accountant to resolve dispute between partners involving several real estate companies holding numerous commercial real estate properties. Reconstructed and evaluated receipts, disbursements, distributions, tax implications and other matters related to approximately 13 properties covering a 13 year period of time.
- Partition Referee – Acted as Court appointed partition referee in dispute involving family members who commonly owned a commercial property. Negotiated a settlement among the parties involving the liquidation of the asset and allocation of proceeds.
- State Court Receiver – Appointed as State Court Receiver in order to wind down the operations of a liquor distributor. Managed the process of selling remaining inventory from numerous locations across the country. Oversaw intellectual property litigation related to brands.

Litigation Matters

- Shareholder Dispute – Accountant and operational managers to receiver in dispute involving the operation, wind down and sale of four large car dealerships with annual revenues in excess of \$300 million per year. Evaluated operations, closed unprofitable business centers, operated the daily operations until sales took place, negotiated with auto manufacturers, secured and unsecured creditors, auto finance companies, evaluated flooring issues, prepared monthly financial reports, addressed customer purchase issues and evaluated insurance matters. Additionally, determined tax implications of sales of dealerships and real property, managed numerous tax audits and negotiated settlements with taxing authorities. Worked with Department of Labor on 401(k) wind down and resolutions.
- Divorce Proceeding – Retained to conduct forensic accounting and valuations of businesses (mortgage and lending businesses) owned by community and separately. Prepared forensic tracing. Valued several businesses. Determined monthly income, expenses and prepared declarations regarding spousal and child support.
- Divorce Proceeding - Retained to conduct forensic accounting and valuations of businesses (Coffee manufacturing, wholesale and retail businesses) owned by community and separately. Prepared forensic



tracing. Valued several businesses. Determined monthly income, expenses and prepared declarations regarding spousal and child support.

- Engaged by Private university to investigate diversion of grant funds for unauthorized purposes and administration of same. Traced receipt and disbursement of funds, reviewed administrative rolls related to management of funds, calculated damages as a result of the misappropriations, prepared report on findings regarding source and use of funds and mismanagement pursuant to terms of contracts.
- Retained by a major film and television studio to investigate alleged improper diversion of funds by retained management company. Reconstructed multiple years of financial activity and calculated damages due to management company's embezzlements. Testified at deposition on findings.
- Engaged by apparel company to determine damages related to a breach of contract by foreign supplier. Reviewed contractual agreements between supplier and client, identified time of breach of contract and prepared damage calculations based on a determination of sales that likely would have occurred had the contract not been breached. Case settled.
- Engaged by multi-billion-dollar real estate fund to evaluate terms of contract with venture partner. Evaluated transactions related to approximately seven commercial rental buildings. Project included identifying improper transactions and preparing a report on damages resulting from improper reporting of certain expenses.
- Engaged by bank to investigate alleged improper inter-account transfers and embezzled transactions involving 80 different bank accounts under numerous different account names controlled by one person. Reconstructed the activity using source documentation including banking records. Created a tracing analysis and reports identifying particular transactions as requested by counsel. Testified at deposition.
- Engaged by escrow insurer to analyze activity involving the alleged illicit activity taking place in escrow accounts. Prepared a reconstruction and generated reports identifying the disposition of funds.
- Forensic Accountant to Secured Creditor Regarding Lender/Borrower Dispute – Retained by secured creditor to analyze rent rolls and expenses for a shopping mall in order to determine whether the borrower was misappropriating funds or mismanaging the property which resulted in a default on the loan.
- Forensic Accountant to Secured Creditor Regarding Lender/Borrower Dispute – Retained by secured creditors with loan in excess of \$500 million to trace proceeds of loan to determine whether borrower properly utilized cash collateral for property. Traced funds for numerous multi-million dollar advances from lender through ledgers and banking information to determine disposition of funds. Reported findings to lender.
- Zengen, Inc. v. Comerica Bank – Provided forensic consulting on behalf of bank related to monies that were allegedly fraudulently withdrawn or transferred by an officer of the plaintiff's corporation. Analyzed source documents including bank statements, canceled checks, wire notices and other transactions. Traced receipts and disbursements and ultimate disposition of alleged misappropriated funds and reported findings to counsel.
- Forensic Accountant for Non-Profit Organization (Confidential) – Engaged to identify and quantify embezzlement of approximately \$1.7 million by accounts receivable clerk. Conducted a fraud investigation. Prepared a custom database and analyzed daily transactions in order to quantify defalcation. Prepared detailed report on findings for insurance purposes, which resulted in maximum recovery of insurance proceeds on policy. Suspect was sentenced to ten years in prison and deportation.
- I-Haeng Huh v. California Bank & Trust – Retained by counsel for the bank to reconstruct financial activity in 35



bank accounts held at the Defendant in order to determine whether such funds were misappropriated. Traced deposits from foreign accounts to the local bank accounts, reconstructed disbursement activity utilizing source documentation, and prepared detailed reports summarizing findings.

- AT&T Wireless Services, Inc. – Employed for the purpose of conducting agreed-upon procedures to determine violation of dealer contract terms. Services involved evaluation of contracts entered into between AT&T and major distributors and identifying breaches of the agreement and quantify damages. Determined inventory sold by client to dealers who allegedly disposed of inventory in a manner inconsistent with contract terms. Prepared damage calculations and reports on findings. Testified at Deposition.
- Ameriquest Financial, Inc. – Engaged by counsel for lender to analyze financial effects of loan made to borrower and foreclosure on property. Analyzed loan history of borrower consisting of nine different loans. Prepared expert report and exhibits.
- Easy Riders, Inc. – Engaged by liquidating trustee to analyze potential preference and fraudulent conveyance transactions. Utilized tracing techniques related to transfers of funds from related entities. Analyzed ordinary course of business between debtor and creditor. Analyzed accounting and tax treatment of debt as it related to issues pertaining to the potential fraudulent conveyance. Prepared expert report and testified in U.S. Bankruptcy Court.
- Markley v. Stearns – Engaged by Court-Appointed Special Master in a dispute involving several members of related LLCs with worldwide real estate holdings. Evaluated the relationship of the accountant to the LLCs for alleged improper activity and prepared report on findings. Testified at deposition.
- Special Litigation Accountant to White Collar Criminal Attorney - Reconstructed financial books and records for individual and related corporations for eight years in order for defendant to properly report financial activities to taxing authorities. Involved the analysis and reconstruction of thousands of transactions. Worked closely with criminal counsel to determine reporting requirements of authorities.
- Warner-Chappell Music – Employed by creditor as expert witness to evaluate and adjust balance sheet provided by debtor to creditor in order to obtain credit of almost \$4 million. Analyzed balance sheet, prepared adjustments based on analysis of documents. Testified in U.S. Bankruptcy Court regarding material misstatements identified.

Services Provided to Fiduciaries (Receivers, Trustees, Special Masters, Monitors, and Provisional Directors)

- SEC Regulatory Case – Accountant to court appointed receiver in federal regulatory action. Reconstructed financial records for approximately 70 bank accounts covering an eight year period of time to identify assets for liquidation by the receiver, potential fraudulent activity, sources of funds and investor identities, determine uses of funds and potential fraudulent transfers, and analyze tax implications of potential fraud scheme. Assisting various federal agencies with investigation into activities of defendants.
- SEC Regulatory Case – Accountant to court appointed receiver in federal regulatory action. Reconstructed financial books and records in order to demonstrate existence of a fraud scheme committed against unsuspecting investors. Created relational database to report financial activities of investors including approximately 35,000 banking transactions. Prepared reports reflecting funds traced in and out of bank accounts in order for Receiver and counsel to pursue claims. Resolved complex tax issues and assisted with negotiation of resolution to tax claims filed against receivership estate.
- SEC Regulatory Case – Accountant to court appointed receiver in federal regulatory action. Reconstructing



financial records related to potential fraudulent investment scheme with multiple locations throughout the United States. Traced funds through numerous bank accounts and prepared relational database to generate custom reports reflecting sources and uses of funds and analyzing potential domestic and international fraudulent transfers.

- Mattel v. MGA – Forensic Accountant to court appointed Monitor. Retained to assist the monitor with analyzing monthly net income reporting and inventory balances on a global basis. Analyzed stand-alone accounting offices in numerous locations worldwide including throughout Europe and parts of Asia. Analyzed internal controls and reliability of financial reporting and provided reports on findings to court appointed Monitor. Evaluated monthly reporting and conducted testing for accuracy. Provided consulting to court appointed Monitor on disputed accounting issues.
- Lehman Brothers Bank FSB v. Beverly Hills Estates Funding et al. – Forensic accountant to equity receiver to reconstruct books and records related to fraud against lenders in mortgage borrowing scheme wherein defendants provided inflated values of home sales/purchases in order to obtain inflated loans. Created databases and custom reports containing thousands of data lines to reflect incoming and outgoing sources of funds. Traced flow of funds in convoluted scheme involving over 40 entities and individuals and over 350 different bank accounts covering a four year period of time. Prepared detailed flow charts and narrative analyses tracing flow of funds. Successfully traced lender’s funds to the fraudulent acquisition of numerous assets including homes, vehicles, aircraft, artwork and wine.
- Wickes Furniture & Master Design, Inc. – Accountant to court appointed equity receiver of the parent company of a large, nationwide furniture retailer and sister company. Reconstructed significant international transactions involving related party companies in Taiwan, Cayman Islands and China, including inter-company loans and transfers of funds in excess of \$46 million. Assisted with operations of affiliated entities. Negotiations of forbearance agreements for secured creditors involved. Provided extensive accounting and tax consultation to the receiver, attorneys and investment bankers with regard to the sales of two large companies with total transaction values exceeding \$200 million. Coordinated financial statement audit of affiliates and consolidated US Parent Corporation. Prepared consolidated group tax returns for federal and multi-state filings for several years. Identified and recovered tax refunds previously unidentified by big 4 accounting firm exceeding \$11 million.
- State of California v. Daniel Gossai – Forensic accountant retained by receiver in a regulatory action to recover and reconstruct books and records related to an alleged fraud against the People of the State of California involving a false high school diploma program preying on foreign immigrants. Reviewed financial records, traced sources and uses of funds and provided relevant information to receiver and the Office of the Attorney General. A database was created in order to maintain all transactions and generate information-specific custom reports.
- Indymac Bancorp – Accountant to Chapter 7 Trustee to conduct forensic analysis and manage tax issues. Reconstructed financial activity between debtor and FDIC seized subsidiary – Indymac Bank N.A. Compiled financial information on potential insider and preferential payment transactions. Managed preparation of complex tax returns including carryback claims. Managed tax issues including analysis of worthless stock deduction, IRS audits and dispute with FDIC regarding substantial refunds.
- Marion “Suge” Knight / Death Row Records – Accountant to Chapter 11 trustee in the Knight case and special accountant to the Chapter 11 Trustee in the Death Row Records case. Conducted royalty audits to determine



whether amounts were due to bankruptcy estates for both cases. Reviewed initial recording and other contracts and prepared damage analyses. Assisted with complex tax issues and negotiations of settlement of IRS claims. Assisted with preparation of avoidance action analysis.

- Smith & Sons, Inc. (APT Ambulance & APT Medical) – Accountant to Chapter 11 trustee for operating ambulance companies. Successfully testified as expert witness on behalf of trustee on the issue of substantively consolidating non-debtor corporations into bankruptcy estate. Created accounting system to accurately report results of operations. Prepared cash flow projections with continuous updates for purpose of assisting trustee with preparation of plan of reorganization. Analyzed tax effects of plan of reorganization.
- Powerlift Corporation – Accountant to Chapter 11 trustee and then Chapter 11 liquidating trustee as forensic accountant in bankruptcy proceeding involving large commercial equipment leasing company. Engagement involved preparing cash flow projections, evaluating operations, analyzing leasing agreements with customers, negotiating settlements of outstanding leases, preparing tax returns, and analyzing unusual transactions between company and insiders.
- Brea Community Hospital – Accountant and Financial Advisor to Chapter 7 Trustee for liquidating hospital. Reconstructed incomplete accounting records to provide accounting, tax and litigation support services to trustee and counsel. Analyzed fraudulent conveyance of multi-million dollar real property and assisted counsel with solvency and litigation support issues. Reconstructed general ledgers to prepare estate income tax returns. Analyzed insider and preference payments and assisted counsel with ordinary course and new value issues.
- Century City Doctors Hospital – Accountant and Financial Advisor to Chapter 7 Trustee for liquidating hospital. Removed, managed, and maintained four server towers containing commingled financial and patient medical records for two years. Established protocol for security and privacy of medical information. Responded to subpoenas and requests for medical records. Conducted investigation into potential insider and preferential payments. Prepared solvency and fraudulent conveyance analyses. Prepared officer compensation study. Completed tax returns on an annual basis and issued K-1s to approximately 400 members.
- APX Holdings, LLC et al. – Accountant and Financial Advisor to Chapter 7 Trustee for liquidating logistics and shipping company. Prepared potential preference analysis involving gross preferences totaling approximately \$165 million. Prepared tax returns involving approximately 15 related companies filing tax returns in 20 different states.
- Granada Hills Community Hospital – Accountant to Chapter 11 and Chapter 7 Trustee for liquidating hospital. Prepared cash flow projections to determine viability of operation. Prepared financial wind down plan in order to cease operations. Prepared analysis of use of loan proceeds as part of fraud investigation. Prepared analysis related to factored receivables involving dispute with secured creditor. Prepared weekly budget to actual analysis for use of cash collateral.

Trustee and Fiduciary Services

Highlights of Trustee and Fiduciary Appointments



- William Jordan Investments, Inc. et. Al. – Retained as *Chief Restructuring Officer (“CRO”)* to run, oversee operations of and wind down 26 entities in chapter 11. Businesses involved real estate holdings in numerous states throughout the country, deeds of trust, investments in operating businesses, and entitlement of raw land. Reconstructed books and records in order to determine amounts invested or loaned by creditors and members, monetized numerous assets in various states and stages including REO properties, commercial properties, notes receivable, and others.
- New Meatco Liquidating Trust – Appointed as *Liquidating Trustee*. Entity was a mass wholesale distributor of meat and seafood products. Prosecuted D&O claims and recovered in excess of \$7 million. Prosecuted preference and insider claims in excess of \$1 million.
- Gospel Light Liquidating Trust – Appointed as *Liquidating Trustee*. Entity was a publisher of religious books. Case involved analysis of financial records to determine potential actions against insiders and potential preference recipients.
- LFI Liquidating Trust – Appointed as *Liquidating Trustee*. Prior to the trust being formed, the entities were the subject of a regulatory receivership entitled SEC v. Carver. The trust was created to preserve potential value in highly speculative investments in biotech firms. As trustee, liquidated millions in stock for the benefit of creditors.
- Meteor Games, LLC – Appointed as *Chapter 7 Trustee*. Entity developed video game applications for use on smartphones and other devices. Reconstructed financial records in order to identify and trace the fraudulent use of company capital and assets for the benefit of principles and insiders. Commenced litigation against insiders and ultimately settled claims for the benefit of creditors.
- Diamond Decisions, Inc. – Appointed as *Chapter 11 Trustee* for an apparel manufacturing and distribution company. Discovered potential fraudulent investment scheme involving approximately \$40 million. Performing forensic reconstruction of financial records for purposes of analyzing potential fraudulent conveyances, potential preferential transfers, and other causes of action.
- Welded Fixtures – Appointed as *Chapter 11 Trustee* for manufacturing company. Operated business for several months, prepared projections and budget to actual analyses on regular basis in order to maintain operations. Negotiated settlement with principal which resulted in payment in full to all creditors. Case was subsequently dismissed.
- DIVA Systems Corporation – Appointed as *Chapter 11 Trustee* of company which held a significant library of intellectual property related to video on demand and interactive program guide. Pursued litigation against proposed purchaser of assets who backed out of transaction immediately prior to plan confirmation. Negotiated a settlement with the defendant wherein the estate received \$39.5 million (approximately 1.5 million more than lawsuit). Sold intellectual property and other assets. Successfully confirmed a plan of liquidation and was appointed as Liquidating Agent.
- EonXchange, LLC – Appointed as *Chapter 11 Trustee* of an emissions credits brokerage and optimal transaction software creator. The case involved an entity, its three wholly owned subsidiaries and their managing member. Successfully substantively consolidated three related subsidiaries into the bankruptcy estate and succeeded by stipulation to entirely substantively consolidate the managing member (an individual) into the Debtor’s estate. Negotiated the liquidation of two multi-million dollar pieces of real estate. Performed extensive fraud and forensic investigation used for litigation and prosecution by U.S. Attorney. Referred fraudulent activity to US Attorney resulting in indictment and guilty plea of managing member.



- Namco Capital Group, Inc. – Acted as *Chief Restructuring Officer* at the direction of the Official Committee of Unsecured Creditors. Analyzed and liquidated a portion of \$2 billion in real estate holdings through approximately 100 different entities. Prepared bankruptcy schedules and Statement of Financial Affairs. Prepared monthly operating reports and met other court reporting requirements. Analyzed numerous real property assets in order to determine whether to liquidate, return to lender, or hold. Performed forensic investigation and financial activity of entities.
- Nationwide Beverage Bottling, Inc. – Acted as *Chief Restructuring Officer* for a water bottling plant in a chapter 11 proceeding. Increased production and sales by 300%, reduced costs and renegotiated certain expenses, restructured employee composition and related salaries, negotiated sale of substantially all assets; investigated financial activity of debtor and insiders.
- Examiner – Appointed as *Chapter 11 Examiner* for medical practice. Evaluated operations of the debtor including a review of the assets, liabilities, revenues and expenses for several year period of activity. Evaluated transactions between the debtor and related parties and provided a report to the United States Trustee and the Bankruptcy Court.
- Examiner – Appointed as *Chapter 11 Examiner* in a case involving a garbage disposal company. Conducted forensic analysis in an extremely short period of time and provided report to United States Trustee recommending appointment of a trustee.

Creditor & Debtor Representations

- FirstFederal Financial Corp. – Accountant and Financial Advisor to Debtor, the parent company of a community bank seized by the FDIC. Managing preparation of complex tax returns including carryback claims. Managed tax issues including analysis of worthless stock deduction, IRS audits and dispute with FDIC regarding substantial refunds.
- Harrington West Financial Group, Inc. – Accountant and Financial Advisor to Debtor, the parent company of a community bank seized by the FDIC. Managing preparation of complex tax returns including carryback claims. Managed tax issues including analysis of worthless stock deduction, IRS audits and dispute with FDIC regarding substantial refunds.
- E-Styles – Accountant retained jointly by Debtor and Creditor Committee of a company that sold baby and child development toys and products. Worked with administrator to reconcile bifurcation of pre- and post-petition accounts payable. Reconciled true-up amounts related to sale of assets pursuant to bankruptcy order. Reconstructed financial activity to prepare income, sales, and payroll tax returns. Preparation of avoidance action analyses. Appointed as post-confirmation disbursing agent.
- PPA Holdings, LLC – Performed financial advisory services for the Official Committee of Unsecured Creditors. Prepared massive cash flow projections for numerous entities holding income generating real estate, working closely with committee and counsel to analyze Debtor expenses on a monthly basis.
- Fatburger – Retained by the Official Committee of Unsecured Creditors to perform forensic analyses pertaining to the Debtor's pre- and post-petition operations of the owner of numerous fast food burger outlets.
- Custom Food Products, Inc. – Engaged by the Unsecured Creditors Committee and Bondholders Committee to analyze officer compensation, debt and equity restructuring and preferential payments. Provided in-depth



industry study on comparable officer compensation. Worked with debtor-in-possession and financial advisors to evaluate proposals for debt and equity restructuring totaling in excess of \$100 million. Performed potential preference analysis with total payments exceeding \$26 million.

- Franchise Pictures, Inc. – Accountant to Debtor-in-Possession & Unsecured Creditor Committee for Film Production Company. Engaged as forensic accountant to evaluate transactions between numerous related parties. Extracted data from computer system and analyzed transactions. Evaluated film and production related costs as part of film library valuation.

Summary of Testifying Experience

- Smith & Sons, Inc. – United States Bankruptcy Court - Testified as expert witness in the Central District of California on behalf of a Chapter 11 trustee on the issue of substantively consolidating non-debtor corporations into the bankruptcy estate. Prepared analyses indicating that the finances of the Debtor and those of the two non-Debtor entities were so entangled that to untangle them would have been impossible or cost prohibitive.
- Warner-Chappel Music v. Stephen Call – United States Bankruptcy Court – Engaged by creditor to prepare expert report on evaluation of a balance sheet prepared by Debtor, which was used to obtain credit of approximately \$4 million. Reconstructed balance sheet of individual and prepared all required adjustments. Testified in the Northern Division of the Central District of California on findings.
- Markley v. Stearns – Superior Court of California, Los Angeles – Engaged by Special Master to evaluate transactions between a group of related LLCs and their accountant. Testified at deposition regarding multi-million dollar loan transactions and the related interest charges between the accountant and his clients.
- AT&T Wireless Services, Inc. v. Worldwide Wireless, Inc. – Superior Court of California, San Diego – Engaged by corporation to identify fraudulent use and transfer of inventory in order to benefit from incentive program. Testified at arbitration on findings.
- Easy Riders, Inc. – United States Bankruptcy Court – Engaged by liquidating trustee to analyze certain aspects of potential preference and fraudulent conveyance transactions. Employed tracing techniques related to transfers of funds from related entities. Analyzed ordinary course of business between debtor and creditor. Analyzed accounting and tax treatment of debt as it related to issues pertaining to the potential fraudulent conveyance. Prepared expert report and testified at deposition in U.S. Bankruptcy Court.
- Federal Grand Jury Testimony (July 2006) – Engaged by Office of the United States Attorney as summary witness in real estate fraud action. Reconstructed financial records, traced use of funds, and identified assets and specific transactions associated with illegal activity.
- Federal Grand Jury Testimony (March 2007) – Engaged by Office of the United States Attorney as summary witness in real estate fraud action. Reconstructed financial records, traced use of funds, and identified assets and specific transactions associated with illegal activity.
- United States of America v. Joseph Babajian et al. (July 2009) – Testified at Federal trial as summary witness on behalf of the United States of America. Reconstructed financial records, traced use of funds, and identified assets and specific transactions associated with illegal activity.



RECEIVERSHIPS & TRUSTS

Grobstein Teeple provides specialized consulting in the areas of litigation and insolvency consulting including forensic accounting and fraud investigation, expert witness and litigation support, receiverships and trusts, family law, and restructuring and insolvency consulting. We provide services to companies and individuals dealing with complex issues that require specialized financial expertise.

Let us know how we can make an impact for you and your team.

As a result of disputing partners, potential insolvency, government seizure, or creditor default, receivers can be appointed by state and federal courts to act as a fiduciary and are granted custodial responsibility over the property and assets of the entities or individuals involved.

GT has extensive expertise as receivers and working with receivers in the following areas:

- Accounting
- Operations
- Tax preparation, compliance, and controversy
- Forensic accounting
- Litigation support
- Wind-down of operations
- Liquidation and asset monetization
- Expert witness testimony

GT's professionals regularly take on the roles of receiver, provisional director, partition referee, financial advisor to the receiver, or financial advisor to an outside party related to the receivership.

GT has been employed as the liquidating trustee, estate trustee, disbursing agent and financial advisors to trustees. In addition, GT has extensive experience preparing liquidating trust tax returns and all related filings.

GT offers its receivership and trust clients guidance on:

- Tax implications
- Trust formation
- Financial accounting support
- Distribution calculations



- Lavian v. Boodaie – Superior Court of California, Los Angeles (June 2010) – Testified as percipient witness regarding the existence of a potential Ponzi scheme in a large real estate investment company.
- Conrad Asher v. Rhinox – Superior Court of California, Los Angeles (February 2012) – Testified as arbitration hearing regarding damages related to contractual dispute and corporate opportunity involving licensing of products.
- Chalant II, LLC v. The Restful Group LP et al. – United States Bankruptcy Court (May 2013) – Testified as an expert witness for Creditors regarding reconstruction of financial activity and tracing of funds related to investments made, transfers between related parties, and disposition of funds.
- James H. Donell as Permanent Receiver for NewPoint Financial Services, Inc. v. Nixon Peabody LLP- Testified as percipient witness regarding reconstruction of financial records previously prepared.
- United States Bankruptcy Court, San Jose (May, 2014) – Testified as an expert witness in the Northern District of California on behalf of a Debtor in a fraudulent transfer dispute with the Trustee. Reviewed documents provided and prepared analysis of the transfers. Testified at trial on the findings of the analysis.
- Superior Court of California, Los Angeles, (June 2014) – Engaged by financial institution as expert witness in embezzlement action. Reconstructed financial records, traced use of funds, and identified assets and specific transactions associated with illegal activity. Testified at deposition.
- Superior Court of California, Los Angeles, (November 2014 and December 2014) – Engaged at direction of Court as Neutral Accountant to resolve issues between parties involved in dispute associated with dissolution of business. Testified as Neutral Accountant over multiple days based on report on findings.
- Superior Court of California, Los Angeles, (June 2015) – Engaged by a court-appointed Receiver to evaluate the records of several entities to determine ownership percentages which were subject of dispute in a divorce proceeding. Testified as to the gross cash flows available for spousal support based upon outside valuations and cash flows of the various entities.
- Superior Court of California, Los Angeles, (January 2016) – Engaged by Defendant as an expert witness in a partnership dispute involving multiple commercial buildings. Involved reconstructing income, expenses, contributions and distributions to partners. Traced funds between business and personal bank accounts. Prepared expert report and testified at deposition.
- United States Bankruptcy Court, Los Angeles, (June 2016) – Acting as Chapter 7 Bankruptcy Trustee and testified as a percipient witness in a case brought by a creditor against the Debtor’s principal.
- United States Bankruptcy Court, Santa Barbara, (April, 2016 Deposition; July, 2016 Trial) – Engaged as expert witness for Debtor-in-possession to testify on matters related to remainder estate valuation and life estate issues as they relate to alleged damages asserted by a creditor. Testified at deposition.
- United States Bankruptcy Court, Santa Ana, (June 2016) – Engaged by Chapter 7 Trustee and subpoenaed by the Office of the United States Trustee to testify on issues related to the OUST objection to discharge of Debtor. Reconstructed shipping and receiving information, inventory balances and wire transfers between the Debtor and alleged overseas vendors. Testified at deposition.
- United States Bankruptcy Court, Los Angeles, (August 2016) – Acting as Liquidating Trustee and testified at trial as a percipient witness in action against former member of Debtor for fraudulent transfer.
- Superior Court of California, Los Angeles, (November 2016) – Engaged as expert witness by Plaintiff in



shareholder dispute and corporate dissolution action. Reconstructed financial records related to embezzlement and theft of corporate opportunity by shareholders. Testified at deposition.

- Superior Court of California, Los Angeles (February 2018) – Engaged as expert witness by Plaintiff in dispute regarding alleged unpaid commissions by wholesale apparel manufacturer. Testified as to damages which included unpaid commissions, bonuses, travel and show expenses.
- Superior Court of California, Los Angeles (August 2018) – Engaged as expert witness by Defendant to opine on the net worth of an insurance company and its parent company.
- Superior Court of California, Los Angeles (August 2018 Deposition) – Engaged as expert witness by Defendant/Cross Complainant to analyze accounting records, trace funds, evaluate potential embezzlement, quantify potential theft of corporate opportunity, and calculate damages related to a partnership dispute.
- Superior Court of California, Los Angeles (October 2018 Deposition and Trial) – Engaged as expert witness by Defendant/Cross Complainant to analyze accounting records, trace funds, evaluate potential embezzlement, quantify potential theft of corporate opportunity, and calculate damages related to a partnership dispute.



Kermith Boffill, CPA

Partner

Area of Expertise

Mr. Boffill is experienced with providing tax advisory services related to consumer bankruptcy and corporate entities as well as individuals and going-concern companies. While providing expert tax service to bankruptcy estates, trustees, debtors and creditor committees, Mr. Boffill oversees the tax compliance of the firm and analyses of potential consequences related to specific transactions and how they affect shareholders, members, bankruptcy and receivership estates. Mr. Boffill has been employed to analyze tax implications related to all matters of transactions. In addition to bankruptcy related work, Mr. Boffill also has tax experience in a range of industries including large medical practices and hospitals, car dealerships, manufacturing, real estate investment and wholesale.

Mr. Boffill practice focuses on the following key areas:

- **Tax Consulting** – Analysis of complex issues and the effect of outcomes on company owners. Mr. Boffill has advised all types of clients engaging in a wide array of transactions; from transactions involving the acquisition of equipment to multi-million-dollar transactions. Advising high net worth clients is also an important focus: this typically involves estate planning, providing for college, retirement, or increasing and preserving wealth.
- **Tax Compliance**– Performed analysis of tax implications related to exchanges, sales and basis reconstruction for many cases. Mr. Boffill has also worked on large real estate holding corporations, partnerships and individuals – with investors both domestic and international. In addition to implications of the real estate itself, Mr. Boffill has advised international clients on ways to take advantage of treaties by implementing an investment scheme to take advantage of tax treaty benefits.
- **Audit Representation** – Mr. Boffill has represented many taxpayers during tax audits by various agencies. The knowledge and use of the tax code is paramount and extensively relied on to defend positions before the IRS. Mr. Boffill has successfully represented clients before the IRS, FTB, BOE and other agencies in audits ranging from small (\$10,000 or less) to multi-million-dollar audits.
- **Neutral Accountant** – Mr. Boffill also acts as a neutral accountant for court appointed Receivers to manage a business and oversee its operations on behalf of the Receiver.

Certifications and Licenses

- Certified Public Accountant

Education

- Bachelor of Science, Accountancy, California State University, Northridge



Professional Affiliations

- Member of CALCPA

Speaking Engagements

- Presented to and advising banks, investors, clients and other institutions on the Tax Cuts and Jobs Act of 2017.

Kermith Boffill Examples of Experience

- **Receivership Estates** – Provide tax consulting and preparation for receivership estates including regulatory and equity receiverships. Services include addressing consequences of the formation of the receivership, tax implications related to significant transactions impacting the receivership, estate beneficiaries, the receiver and the federal government.
- **Medical Hospital and Medical offices and Practitioners** – Prepared and assisted with correctly filing and amending pre-petition and post-petition returns for hospital institutions. Assisted Medical Practitioners with implications of various tax issues related to their practices – especially with respect to new tax law and strategies related to mitigating some of the adverse effects of the changes.
- **Real Estate**– Structured deals with international investors and domestic investors. A complex deal was structured where the investment made by international taxpayers, was categorized in the most tax beneficial way. An existing Treaty between the US and Israel was used and resulted in a lower effective tax rate for all investors. The deal started with one property and currently expanded to 10 multi-unit residential properties in various states.
- **Manufacturing** – Worked on all types of manufacturing clients in many types of industries. Kermith has overseen the preparation of tax returns and analyzed transactions for small to large entities. Kermith also has worked on the financial statement audit of tax provisions and assisted clients in their preparation.
- **Services** – Assisted lawyers, stock brokers, money managers, and other professionals with setting up the structure of their organizations to maximize benefits related to taxes and other areas indirectly related to taxes. These include pension and retirement plan implementation, estate planning and ultimately, implement ways to take advantage of new tax laws.
- **Benefit Plan Compliance** – Represented various Benefit Plans that were audited by the IRS for various reasons and successfully negotiated resolutions beneficial to our clients.
- **Car Dealership** – Represented a court appointed Receiver as his neutral accountant. Mr. Boffill was responsible for day to day operations of a dealership group - a \$300 million dollar operation. His duties were: analysis of previous transitions, tax analysis of complicated transactions and consulting with the Receiver, managing operations and cash flow.