Ponzi Cases: Warning Signs & Innovative Solutions

November 8, 2011
@ 12:00 Noon
The King County Bar Association

Cascade Capital Group

Qualifications
• Certified Public Accountants
• Certified Insolvency and Restructuring Advisors
• Certified Turnaround Professionals
• Certified Fraud Examiners
• Ernst & Young Audit Services
• Public Company Executive Experience

Services Offered
• Bankruptcy Trustee
• Receiverships
• Chief Restructuring Officers
• Out of Court Turnaround Specialists/Financial Advisors
• Transaction Advisory
• Sophisticated Financial Modeling
• Forensic Analysis

Agenda
1. Ponzi cases are everywhere
2. Meridian Case Background
3. Warning Signs
4. Legal Issues
5. Innovative Solutions
6. Q&A
Ponzi Cases Attributes

- Ponzi cases come in all sizes, shapes and types
- Most cases, less than $200 million and 200 investors
- Usually associated with a larger dollar trusted investment and transaction with higher yields
- Usually have a strong charismatic leader
- Usually do not have strong management team
- Usually show stable growth over time
- Usually do not start as a Ponzi
- Usually discovered when they run out of money
- Usually have a limited life, less than 10 years
Madoff by the numbers

<table>
<thead>
<tr>
<th></th>
<th>Low</th>
<th>High</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of hours</td>
<td>116,399</td>
<td>116,399</td>
<td>955</td>
</tr>
<tr>
<td>Days in 4 months (5 or 6 days a week)</td>
<td>80</td>
<td>96</td>
<td>90</td>
</tr>
<tr>
<td>Hours Per Day</td>
<td>1,455</td>
<td>1,327</td>
<td>1,190</td>
</tr>
<tr>
<td>Hours worked per Day</td>
<td>8</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Number of Professionals</td>
<td>182</td>
<td>121</td>
<td></td>
</tr>
<tr>
<td>Total Billings</td>
<td>$43,200,000</td>
<td>$43,200,000</td>
<td>$43,200,000</td>
</tr>
<tr>
<td>Number of hours</td>
<td>116,399</td>
<td>116,399</td>
<td>116,399</td>
</tr>
<tr>
<td>Rate Per Hour</td>
<td>$371</td>
<td>$371</td>
<td>$371</td>
</tr>
<tr>
<td>Hours Per Day</td>
<td>1,455</td>
<td>1,327</td>
<td>1,190</td>
</tr>
<tr>
<td>Rate Per hour</td>
<td>$371</td>
<td>$371</td>
<td>$748</td>
</tr>
<tr>
<td>Daily Billings</td>
<td>$540,000</td>
<td>$450,000</td>
<td>$540,000</td>
</tr>
<tr>
<td>Total Billings</td>
<td>$43,200,000</td>
<td>$43,200,000</td>
<td>$43,200,000</td>
</tr>
<tr>
<td>Number of Professionals</td>
<td>182</td>
<td>121</td>
<td></td>
</tr>
<tr>
<td>Billings per Professional</td>
<td>$237,528</td>
<td>$356,292</td>
<td>$237,528</td>
</tr>
<tr>
<td>Number of Months</td>
<td>4</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Billings per profession per month</td>
<td>$59,382</td>
<td>$89,073</td>
<td>$178,585</td>
</tr>
</tbody>
</table>

Madoff Case

- Ponzi law is being written... (great reference information)
- Number of interesting rulings, (but be careful case is a New York case so it is very favorable to banks)
- Litigation is a must given amounts involved but is too expensive for most cases we will come across
- Madoff investors also published a book
  - “The club nobody wanted to join”
- The book has about 30 investor stories
- There are a number of common complaints
  - Nobody told them anything
  - No idea of what the recovery will be
  - No communication of what is going on

This presentation is focused on smaller Ponzi cases

- Be careful before you say “yes”
- Usually more work than you will get paid for
- Usually limited assets and no cash assets
- Usually poor or fraudulent records
- Usually recovery is from “claw backs” and causes of action against professional service firms
- Investors may not have ability to pay claw backs
- Only way to get paid is through “claw backs”
- Case can be administratively burdensome
Meridian Fund Background

Business Model
1. Eleven real estate investment funds owned and operated by Darren Berg (two funds had 25% owner)
2. Simple easy to understand investment strategy:
   1. Purchased seller financed notes at a discount
   2. Variety of different products, SF, commercial and bridge
   3. Interest rates varied (7.5% to 12%) based upon assumed risk
3. Sourced from Title Companies
   1. Meridian provided servicing software free of charge
   2. Quid pro quo was the Title Companies allowed Meridian to insert his ads into their monthly statements to clients, offering to purchase the notes
4. Surround the company with well recognized
   1. Law Firm
   2. Public Accounting Firm
   3. Brokerage Firms

Business Model
5. Raise capital from accredited investors
   1. Short term, one year notes, easy in and easy out
   2. Interest accrue or receive monthly interest check
   3. Private Offering – no registration/regulation required
6. Pay above market commission for funds raised
   1. Limited number of fund raises (and referral)
   2. Commission structure was high and recurring
   3. Higher commission on higher risk investment
7. Owner surrounded himself with “yes” men
8. He took great care of the employees with bonuses and company parties to build and promote the company
9. He present a very successful business, lived large, yachts, planes, various homes etc.
Findings

- The total theft is over $100 million starting in 2000
- In most cases cash flowed from Funds → MPM → Berg Personal,
- However there were no “rules” in the end and velocity of cash movement increased
  - Direct Bus company disbursements over $17 million
  - Personal disbursements over $82 million
- Berg controlled the cash flow and balance sheets of all Funds
- Berg owned and controlled MPM, the Management and Servicing Agent for the Funds which was responsible for “managing asset acquisitions, underwriting, closing, servicing” (including quoting and collecting loan payoff and interest payments)
- In 2007, Berg purchased PR Investor Services (renamed MPM Investor Services) and internal controls were further adversely effected
- Berg was the majority owner and the only Board Member

How did he steal the money

- Berg constructed and booked “fake loans” to cover up the transfer of money to his personal account
- Berg captured and misdirected cash from the Funds loan payoffs and interest payments through control of MPM and left paid loan assets on the Fund’s balance sheet
- Loans were sold to third parties and remained posted on the Meridian books as a current loan asset
- Loans were foreclosed upon and remained posted on the Meridian books as a current loan assets
- A portion of a loan was purchased, (60 months of payments at a discount) and the whole loan was recorded as an asset
- He approved loans for his partners parents and his parents and he funded the monthly payment
How did he cover up the theft

- MPM Investor Services and Fund accountants were kept separate
- Berg generated loans using loan applications that were not approved, thus having valid title reports, valid appraisals and proper loan to value ratios
- Berg photo shopped bar codes and notarizations
- Berg had letterhead of his bank and generated fake bank statements
- Berg reclassified existing or misclassified initial journal entries in the Meridian accounting record to cover theft
- Berg also did not record some investors to understate the amount of investors owed at a year end
- Berg only audited some but not all of the Funds and did not audit MPM Investor Services

Trustee Conclusion
“Follow the Cash”

- Only reliable source of information is actual bank statements, supporting checks and deposit slips obtained directly from the banks
- Completed detailed reconciliation of bank data from 2004 to 2010 and every receipt and disbursement
- Obtained copies of checks/deposit slips and utilized offshore resources to build this portion of the database
- 150,000 item database is reconciled and complete for all checking accounts from 2004 to 2010
- Lack of adherence to standard accounting practices
- Improper or incomplete coding of entries made it difficult to tie entries to the bank database
- Inconsistent or limited postings on loan servicing systems after the 2007 audit impacts costs of cash flow research

What Was Left?

1. Foreclosed Properties/REO
2. Loan Assets
   1. thought to be $200M+
   2. was only $8.6 million
3. Bus company assets
4. Personal Assets
   1. 2 Yachts: Both Underwater
   2. 2 Jets: Both Underwater
   3. 3 House: All Underwater
   4. Other Operating Companies: Limited Value
**Loan Portfolio Summary**

<table>
<thead>
<tr>
<th>Status</th>
<th>Total</th>
<th>#</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active</td>
<td>$5,926,783</td>
<td>119</td>
<td>$49,805</td>
</tr>
<tr>
<td>Foreclosure</td>
<td>$2,147,523</td>
<td>22</td>
<td>$97,615</td>
</tr>
<tr>
<td>Default</td>
<td>$497,012</td>
<td>6</td>
<td>$82,835</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$8,571,318</strong></td>
<td><strong>147</strong></td>
<td><strong>$58,308</strong></td>
</tr>
</tbody>
</table>
Factors Contributing to Length of Ponzi

- Berg was highly charismatic
- Berg had an answer for every imaginable question
- Berg surrounded himself with the right professionals
- Berg was in the right Associations and social groups
- Banking Relationship
  - all accounts (personal, Fund, other Berg entities) held by one local bank who specialized in high quality customer service for businesses
  - Transferring funds between all accounts was commonplace. It didn’t trigger red flags at the bank.

Factors Contributing to Length of Ponzi

- Well known, sophisticated investors
  - Big 4 Managing Director
  - Seattle Mortgage Bankers Assoc. President
- Funds were closed from time to time as he “could not find high quality investment” and thus grew funds based upon his need for cash
- 700+ investors, most located in the Pacific Northwest.
- Returns were reasonable based upon business model
- Clean audits were issued for some of the funds, over multiple years from well regarded firm

Growth of Fund Balances
Warning Signs

&

Ponzi Warning Signs

Berg Historical Problems

- Berg convinced his college fraternity brothers to elect him both treasurer and president of the house. That gave him access to the fraternity’s deposits and bank account. $21,000 in dues went missing.
- Alumni advisor: “The fraternity members were not exceptionally sophisticated. They just wanted to be led.”
- It was discovered that Berg had deposited fall-term dues checks into his personal bank account. But he was not charged.
- After college he was a partner in a failed PR firm. Partner stated money was missing. But he was not charged.
- A federal grand jury indicted him on eight counts of bank fraud. Berg was accused of kiting checks over a period in June 1987 between two bank accounts in his name.
- 1987 felony conviction for theft over a $433 bad check to Nordstrom.
- Changed his name and move to Seattle.

The Fraudster: Personal Traits

- Highly Charismatic
- Volatile at time
- Excessive Lifestyle
- Total command and control
- Element of secrecy
- High turnover in administrative positions
- Senior positions had very limited/narrow understanding of “all of the parts” of the business
- Worked with accounting clerks that did as they were instructed, based upon cash transfers.
Ponzi Warning Signs

- Returns
  - High but not unreasonable
  - Consistent, stable growth no hiccups
- Investments
  - Simple, easy to understand conceptually
  - Undisclosed information / “Black Box”
- Does the business model make sense
- Limited Documentation
- Investment isn’t registered
- No independent asset custodian

Ponzi Warning Signs

- Similar Investor Profile “Trust Based Investing”
  - Religion, Race, Geography, Social Club
- Unaudited Related Companies
- Excessive Control by CEO/Founder
- Lack of Governance
  - Board of Directors
  - Audit Committee
- High Staff Turnover
- CFO Absent/Young/Weak

Innovative Case Management Techniques
Innovative Case Management

- Locking down data
- Creditors Committee
- Initial assessment of reality
- Communication Plan
- Use of FBI and DOJ
- Use technology
- Legal matters
- Liquidating Trust

Locking down data

- First day retained a forensic computer firm to lock down all computers (for criminal prosecution)
- Set up server for working copies of all accounting systems and key working documents
- Set up server and transfer all existing email
- Confirmed and clean up access and passwords
- If appropriate request the FBI to execute a search warrant and obtain OCR copies so documents can be searched for key words
- If appropriate obtain copies of all bank statements and check and ship off shore to rebuild cash flow

The Fraudster
(excerpts from a three part series from the Business Journal)

- Frederick Darren Berg arrived in Seattle in 1988 nearly penniless and facing federal bank fraud charges.
- Within two decades, he achieved an exaggerated version of the American Dream.
- Not one yacht, but two. Not just one Learjet, but a pair of them. Not just a pool, but a stone-lined showpiece of a pool on the tip of Mercer Island.
- After picking from the 100 dress shirts in the closet, Berg could drive a $95,000 Mercedes S65 — or a Cadillac Escalade, Porsche 911 Turbo or Porsche Cayenne — to downtown Seattle, where from his 19th-floor office he presided over the 20 companies he owned.
- No surprise that a local business monthly named him, in 2008, one of the city’s Top 25 Entrepreneurs.
Creditor Committee

- Search through investor or creditor data base and request smart strong professionals to join
- Request the Committee to set up a web site for all data and information to be distributed to creditors
- Agree on areas they can and will assist (various)
- Work side by side on design and development of the Liquidating Plan and focus on “FAIR”
- Work with committee members to resolve rogue investors and investor attorneys to obtain support for plan

Initial Assessment of Reality

- Accepted Trustee of cases on July 22, 2010
- Meeting with investors August 30, 2010
- Completed initial assessment of assets
- Outline potential legal issues / case problems
- Communicated nature and extent of loss
- Communicated anticipated recovery and when
- Outline a time line you will be working toward
- Outline the communication plan
- Outline administrative cost

Communication Plan

- Attorneys… relax… let the disclosure begin….
- Heard it first from the Trustee not the News Paper
- Initial meeting August 30, 2010, disclaim everything
- Web site for communication was on a “pull basis”
- Detail monthly new letters on case progress and issues posted to the web site
- Retention of tax advisors to explain in general tax issue and examples of probable impact
- Request assistance on victim letters for criminal trial
- Adjust expectation when more accurate data becomes available and explained adjustment
- Closing presentation after plan approved (recorded)
Utilize Federal Agencies

- We requested DOJ to seized all records
- Shipped files to Virginia, imaged over 500,000 pages
  - Indexed
  - Organized
  - In Electronic Form
  - Scanned using OCR—optical character recognition
- OCR allows for full search capability across all files
- Did result in some delays, and issues…but
- Provides access to files without cost of retention of files
- Allows for the immediate close down of the company operations and reduction of administrative expenses

Data Room / Sharepoint

- Captured and preserve all information in electronic form in searchable indexed “data room”.
- Including but not limited to:
  - QuickBooks files
  - FBI/DOJ seized files
  - Berg’s personal hard drive
  - Email archives
  - Bank databases
  - Investor files
  - Audit workpapers
  - Subpoena/2004 requests
  - Fund marketing/investor solicitation materials
- Secured at a data center, and will be preserved as long as there is benefit.
- Security controls and utilization tracking
- Allows Trustee to share appropriate files with
  - Investors’ Committees
  - Litigation counsel, prosecutors, other state agencies
- Significantly reduces the cost of compliance with discovery requests for Cause of Action

Email / Investor Data Base

- Emails have significant information on timing
- Data organized = Information = Power:
  - Match emails with investor and investment dates
  - Confirming what investors received and relied on for purposes of certain cause of action matters
  - Confirm what investors knew when, which has been and will be useful in claw backs and adjustment of claims
  - Confirm who might have been treated as insider and received redemptions or special treatment
Low Cost Administrative

- Utilize team of offshore labor for highly administrative projects
  - Timely
  - High Quality
  - LOW cost
  - Avoided nightmare of managing 20+ clerks for 3 to 5 months
- Need to find the right team
- Saved estate $300 - $500k and provided quality data for cause of action
Legal Matters

• Ponzi scheme & “Clawbacks”
• Ponzi Start Date
• Discovery Date
• Substantive Consolidation
• Assignment of Cause of Actions
• Convenience Class
• Liquidating Trust
• Distributions

What is a “Ponzi Scheme” and related “clawback” claim?

• A Ponzi scheme is characterized by:
  • No profit or insufficient profit generated from business operations to pay represented returns
  • Fraudster misrepresents fictitious returns to attract new investors
  • Subsequent investors’ principal investments used to pay redeeming investors
  • “Clawback” claims are state or federal fraudulent transfer actions brought after discovery of the Ponzi seeking return of monies received from redeeming investors

Ponzi Start Date

• Ponzi “start date”
  • Date “new money was required to pay old investors”
  • Date at which the funds were “insolvent”
  • Interest accrued before the start date is allowable as part of an investors claim
  • Interest accrued after the start date is deducted from the investors claim as “fictitious profit”
  • Transfers to investors after the start date are potentially recoverable as “clawbacks” based upon fraudulent transfer legal principles
Ponzi Start Date

- Investor Committee reviewed the analysis performed by the Funds Trustee, including:
  - Funds transfers to bus companies were not recoverable.
  - In the fall of 2003, over $4 million of the Funds cash was used to purchase buses. The bus company was never profitable. Thus, the Funds were insolvent starting in 2003.
  - Starting in 2003, additional cash was required to service redemptions and interest payments.
  - In addition based upon current information, we were able to confirm the Funds were insolvent on a balance sheet basis in that liabilities exceeded assets.
- The Investor Committee agreed with the Funds Trustee to use January 1, 2004 as the start date of the Ponzi for plan settlement purposes.

Discovery Dates

- Ponzi “discovery date”
  - The date upon which transferees are on “inquiry notice” of the fraud or insolvency of the debtor.
  - Need to look for “red flags” in various forms.
  - Need to look at unusual distributions by Fund.
  - Discovery Date has significant legal impact on “clawback”.
  - Necessary to determine whether transferees can carry burden of “good faith” defense to “clawback” claims.

Discovery Date

- Ponzi discovery date vs. bankruptcy date
  - This is a very important decision.
  - Take the time to ensure you have the right date.
  - Can eliminate a fair amount of work in recovery of money.
  - In most cases, will effect the amount of “clawback” vs. adjustment of claim amount.
  - Payments received after discovery date but before bankruptcy filing deemed to be early distributions under the Plan.
Discovery Date

• The analysis performed by the Funds Trustee, including:
  – Based upon “red flags” including but not limited to:
    • Berg issued to investors a letter in August 2009 stated the Funds were unable to pay redemptions and would make interest only payments
    • Litigation filed by a major investor in September, 2009
    • Some investors were getting principal; Berg told others “no”
  – The Discovery Date of September 1, 2009 is the date on which the Ponzi scheme and associated theft were deemed discovered by the general public
  – This was based in part on the fact that some investors were taking action to obtain redemptions of their investment
  – However, we are also pursuing investors that had information that was not publically available

Graph on History of Interest Payments

Substantive Consolidation (“SubCon”)

• The Liquidating Plan consolidates all Funds because:
  – Berg clearly commingled the Funds
  – There was a lack of corporate formality
  – New money was used to fund interest payments of other Funds
  – Repayment of loans was not returned to the respective Fund
  – There are missing bank statements and the Funds Trustee cannot tie down all the ownership of some assets
  – The acquisition of PR Investor Services a/k/a MPM Investor Services resulted in a complete elimination of any internal controls on transfer of cash or loan assets
  – The expense of unwinding, even if possible, is prohibitive
  – The Plan granted enhanced recoveries to some constituents to avoid expense of litigation of substantive consolidation
Assignment of Causes of Actions

- One of the potential material recovery for investors is causes of action against, auditors, banks and other professionals
- Be careful...
- Case law on trustee standing to pursue assigned claims needs to be carefully addressed in the plan
- In some cases investors may not want to assign cause of actions due to potential tax benefits of abandoning the claims
- IRC safe harbor rules for 75% and 95% write off of their investment and past profits
- Keep in mind their tax recovery may be their biggest recovery

Convenience Class

- A great number of creditors elected convenience class treatment in the balloting process: 15% capped at $3K
- Convenience class should be larger to reduce number of creditors and to give them finality for emotional and tax purposes
- The Liquidating Trustee distributed to each investor a summary of claims with all adjustments
- Investors will given be given a 30-day notice to amend their Convenience Class election (in or out) based upon the amount of your approved claims after having an opportunity to examine the proposed adjustments to claims
- The plan is to pay the Convenience Class before December 2011 to allow for completion of tax write off, close the case emotionally and reduce the number of investors participating in the 5 year liquidation of assets

Liquidating Trust

- All assets are place in a trust for the benefit of creditors
- The FMV of assets are determined as of the date of plan confirmation and result in a taxable event
  - 75% safe harbor rule
  - 95% safe harbor rule
- This can be administratively burdensome process
- The transfer of assets into a liquidating trust qualifies as a disbursement for calculation of Trustee Commission under the § 326 of the Bankruptcy Code
- After the effective date of the plan, the Liquidating Trustee can be paid on a hourly basis for pursuing causes of actions and liquidation of assets
Distributions under the Plan

- To reduce cost of claw back litigation and to ensure a fair allocation among all creditors we:
  - Made adjustments to investors claims to reduce the claim by amounts of paid interest rather than seeking affirmative recoveries of payments
  - We did not reduce the claims on account of distributions received after the discovery date. But we treated distributions after the discovery date as an early distribution under the liquidating plan vs. a reduction in claims
  - This was very significant for investors that pushed hard and obtained partial redemptions as their partial redemptions were treated as a distribution under the plan.
  - This approach also allows for more equitable treatment for investments that were pre-tax retirement accounts and thus not able to receive interest before or after the discovery date

---

### Exhibit D
Example of Individual Claim Calculation

<table>
<thead>
<tr>
<th>Period Calculation</th>
<th>A</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Investment as of January 1, 2000</td>
<td>$100,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>Accrued Interest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>10%</td>
<td>$10,000</td>
</tr>
<tr>
<td>2001</td>
<td>10%</td>
<td>$11,000</td>
</tr>
<tr>
<td>2002</td>
<td>10%</td>
<td>$12,100</td>
</tr>
<tr>
<td>2003</td>
<td>10%</td>
<td>$13,310</td>
</tr>
<tr>
<td>Loss Interest Paid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Accrued and unpaid interest as of Ponzi start Date</td>
<td>$46,410</td>
<td>$0</td>
</tr>
<tr>
<td>Total Claims as of start of Ponzi Date, January 1, 2004</td>
<td>$100,000</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>10%</td>
<td>$14,641</td>
</tr>
<tr>
<td>2005</td>
<td>10%</td>
<td>$16,105</td>
</tr>
<tr>
<td>2006</td>
<td>10%</td>
<td>$17,716</td>
</tr>
<tr>
<td>2007</td>
<td>10%</td>
<td>$19,487</td>
</tr>
<tr>
<td>2008</td>
<td>10%</td>
<td>$21,436</td>
</tr>
<tr>
<td>2009 Up through September 1, 2009</td>
<td>10%</td>
<td>$15,720</td>
</tr>
<tr>
<td>Less Elimination of Profit (interest from January 1, 2004)</td>
<td>($105,104)</td>
<td>($57,500)</td>
</tr>
<tr>
<td>Less Interest Paid 2004 to September 1, 2009</td>
<td>($0)</td>
<td>($57,500)</td>
</tr>
<tr>
<td>Total Claim Amount as of September 1, 2009</td>
<td>$146,410</td>
<td>$42,500</td>
</tr>
<tr>
<td>Interest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated Recovery % (after interest adjustment)</td>
<td>24.9%</td>
<td>24.9%</td>
</tr>
<tr>
<td>Estimated Recovery Amount</td>
<td>$36,510</td>
<td>$10,598</td>
</tr>
<tr>
<td>Cash Paid after September 1, 2009 to June 30, 2010</td>
<td>$0</td>
<td>($8,333)</td>
</tr>
<tr>
<td>Total Amount to be Distributed</td>
<td>$36,510</td>
<td>$2,265</td>
</tr>
<tr>
<td>Summary of Recovery</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest from 2004 to September 1, 2009 (Ponzi discovery date)</td>
<td>$0</td>
<td>$57,500</td>
</tr>
<tr>
<td>Total Amount to be Distributed</td>
<td>$36,510</td>
<td>$2,265</td>
</tr>
<tr>
<td>Summary of Total Recovery for Accrual and Pay Investors</td>
<td>$36,510</td>
<td>$59,765</td>
</tr>
<tr>
<td>% of Original Investment</td>
<td>37%</td>
<td>60%</td>
</tr>
</tbody>
</table>
Summary

- Be careful before you take on a Ponzi case
- The administrative cost of Ponzi cases can be prohibitive and recovery potential is uncertain
- Only way to be successful is to design efficiencies into the whole process from the start
- Technology is key to driving forensic cost down and ensuring quality of the analysis for cause of actions
- Open, honest and direct communication is essential to help investors understand and emotionally deal with the loss
- The Meridian Liquidation Plan was successful over 80% of the 700 creditors voted and 100% of the creditors voted in favor of the liquidating plan

Q&A

Contact Information:
Mark Calvert
mark@cascadecapitalgroup.com
206.909.3636