

KEITH MAUTNER, CPA/CFF, CFE, CMA

keithm@fscpa.com

(619) 276-4400

Accounting Certifications

- Certified Public Accountant (CPA)

Passed all four parts of the CPA Exam on first attempt, *before* college graduation. At the time, the *post-graduate* rate for passing all four parts of the CPA Exam on the first attempt was about 3%.

- Certified Fraud Examiner (CFE)
 - Certified Management Accountant (CMA)
 - Certified in Financial Forensics (CFF)
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Summary of Expert Accounting Skills

1. Generally Accepted Accounting Principles ("GAAP"), Generally Accepted Auditing Standards ("GAAS"), and Securities & Exchange Commission ("SEC") Rules and Regulations

- Comprehensive technical knowledge and research abilities:
 - Financial Accounting Standards Board Codification.
 - Public Company Accounting Oversight Board Auditing Standards.
 - SEC Regulations S-K, S-X, and the Securities Acts of 1933 and 1934.
 - Valuation standards.
 - AICPA Code of Ethics.

2. Reports filed with the Securities & Exchange Commission

- Detailed review and analysis of substantially all SEC Forms and Statements.
- Helped prepare and file SEC Forms 10-K, 10-Q and S-4 for public company.
- Combined and consolidated stand-alone financial statements of two public companies for reporting *pro-forma* historical results in post-merger filings.

3. Financial statements, financial reporting and disclosures

- Income statements, profit & loss reports (revenue and expense recognition).
- Balance sheets (valuation and presentation of assets, liabilities & equity).
- Cash flow statements (reconciliation of net income to cash flows).
- Statements of shareholders' equity (changes in the components of equity).
- Debt, equity and hybrid financial instruments, including derivatives.

(con't)

Summary of Expert Accounting Skills (*con't*)

4. Financial statement audits and fraud investigations, e.g., numerous:
 - Industries: High-tech, retail, services, manufacturing, domestic, international.
 - Structures: Corporations, joint ventures, partnerships, sole proprietorships.
 - Transactions: Acquisitions, mergers, sales, tender offers, start-ups, spin-offs.
 - With respect to audits of public companies: Often, the "Auditor's Auditor."

 5. Complex litigation discovery: Strategy and execution
 - Directed fraud investigations, analyzed evidence, identified missing evidence.
 - Focused on novel transactions and/or aggressive accounting with complex issues.
 - Scrutinized audit and review workpapers prepared by public company auditors.
 - Prepared for and attended 100+ depositions of accounting witnesses and individual defendants.
 - Drafted accounting sections in legal briefs, including dispositive motions.

 6. Finance and accounting operations
 - *Accounting, accounts receivable, accounts payable, human resources, employee compensation & benefits and central office operations* – departments managed.
 - *Financial reporting* – internal and external.
 - *Cash flow management* – excess or negative; bank and other credit facilities.
 - *Regulatory compliance* – Federal, State & Local; including taxes and licenses.
 - *Contracts* – administration, negotiation and execution.
 - *Risk Management* – insurance and risk "hedging."
 - *MIS / IT* – network administration and investments in hardware & software.
 - *Employee Profit-sharing Plan* – Control and fiduciary oversight of \$4+ million in plan assets.
 - *Strategic business planning* – long-term and short-term.

 7. Financial Planning & Analysis
 - *Budgeting* – development and oversight of operating and capital budgets.
 - *Forecasting* – revenue, expense and cash flow forecasting processes.
 - *Cost accounting* and other cost allocation models.
 - *Sources of financing* – equity, debt, asset sales, credit and leasing facilities.
 - *Uses of capital* – product development; market penetration; make-or-buy decisions; warehousing; distribution; horizontal and vertical integration.
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Employment

<u>Founding Principal</u>	FAILSAFE CPA, PC (2008-date)
<u>Forensic Accountant</u> (1997-2008, continuous)	Coughlin Stoia Geller Rudman & Robbins Lerach Coughlin Stoia Geller Rudman & Robbins Milberg Weiss Bershad Hynes & Lerach
<u>SEC Reporting Analyst</u>	Alaris Medical Systems (1997)
<u>Chief Financial Officer</u>	Bill Silva Presents; Bill Silva Management (1996-97)
<u>Corporate Controller</u>	Grant General Contractors (1994-96)
<u>Faculty, CPA Exam Review</u>	Becker CPA Review Course (1993-95)
<u>Senior Auditor</u>	Deloitte & Touche LLP (1992-94)

Education

BS Business Administration, Accounting Emphasis: San Diego State University (Dec-91).

Two years of coursework in Economics and Communications: University of California at San Diego.

Professional Memberships

- Association of Certified Fraud Examiners (ACFE)
 - Forensic and Valuation Services (AICPA Section)
 - California Society of Certified Public Accountants (CSCPA)
 - Financial Executives Institute (FEI)
 - Institute of Management Accountants (IMA, former Director of Professional Development)
 - American Institute of Certified Public Accountants (AICPA)
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Testimony Provided as Expert Witness

2008

Gerstl vs. Martin, et. al. JAMS Arbitration
JAMS Ref. No.: 1240018922

2009

In re Abraham vs. Gurfinkel, et. al.
Case No. 37-2008-00079217-CU-PO-CTL

Selected Case Settlements (page 1 of 3)

#	Settlement		Settlement contributions:		Judge Magistrate Judge (Mediator)
	Month (principle)	Amount (millions)	Company	Auditors and others	
56	Jul-09	\$ 12.75	Connetics		Judge Susan Illston
55	Apr-09	\$ 22	Accredited Home Lenders Holding Co		Judge Marilyn L. Huff Magistrate Judge Cathy Ann Bencivengo (Judge Layne Phillips – mediator)
54	Feb-09	\$ 7	Basin Water		Judge George H. Wu Magistrate Judge Frederick F. Mumm
53	Aug-08	\$ 13.5	King Pharmaceuticals (derivative)		Judge John S. McLellan, III
50	Jul-08	\$ 895 *	UnitedHealth Group		Judge James Rosenbaum
51		\$ 30	William McGuire ***		Magistrate Judge Franklin L. Noel
52		\$ 0.5	David Lubben		(Judge Daniel Weinstein – mediator)
47	Oct-07	\$ 10.2	Vitesse Semiconductor (derivative)		Judge Manuel L. Real
48		\$ 4	Louis Tomasetta		Magistrate Judge Carolyn Turchin
49		\$ 0.05	Eugene Hovanic		(Judge Daniel Weinstein – mediator)
46	Sep-07	\$ 3.15	Cambrex		Judge Peter G. Sheridan Magistrate Judge Ronald J. Hedges
45	Dec-06	\$ 80	VeriSign		Judge James Ware Magistrate Judge Patricia V. Trumbull (Judge Layne Phillips – mediator)
44	Dec-06	\$ 2	Hanover Compressor		Judge Vanessa D. Gilmore
43	Oct-06	\$ 15	Newmont Mining		Judge Marcia S. Krieger
42	Jun-06	\$ 3.5	Lattice Semiconductor		Judge Ann L. Aiken (Judge Thomas Coffin – mediator)
41	Aug-05	\$ 12	Stellent		Judge Richard H. Kyle Magistrate Judge Arthur J. Boylan
40	Jun-05	\$ 4.6	Vans		Judge A. Howard Matz Magistrate Judge Carolyn Turchin
37	Apr-05	\$ 468 *	Dynegy		Judge Sim Lake
38		\$ 5	Arthur Andersen		
39		\$ 1.05	Citicorp		
20	Jan-05 to Dec-09	\$1,589	million		(page 1 of 3)

* At the time, one of the 10 largest securities settlements ever made.

*** Largest securities settlement ever by an individual defendant.

Selected Case Settlements (page 2 of 3)

#	Settlement		Settlement contributions:		Judge Magistrate Judge (Mediator)
	Month (principle)	Amount (millions)	Company	Auditors and others	
36	Oct-04	\$ 6	Daisytek International		Judge Paul Brown
35	Jun-04	\$ 100	Honeywell		Judge Dickinson R. Debevoise Magistrate Susan D Wigenton Judge Pauley (SDNY)
34	May-04	\$ 5.75	TALX		Judge Henry Autrey
33	Feb-04	\$ 7	Sonic Innovations		Judge Paul Cassell
32	2003	\$ 10.5		Auditor (confidential settlement)	
31	Aug-03	\$ 20	Northpoint Communications Group		Judge William Alsup
30	Jul-03	\$ 11.1	SmarTalk Teleservices		Judge Edmund Sargus, Jr.
29	Jul-03	\$ 6.1	CompUSA		Judge Mary Lou Robinson
28	Jan-03	\$ 0.6		KPMG (in re: Hastings Entertainment)	Judge Mary Lou Robinson
27	2002	\$ 2		Coopers & Lybrand (in re: Chantal Pharmaceutical)	Judge William Rea
26	2002	\$ 17 **		Auditor (confidential settlement)	
25	Dec-02	\$ 5.75	Hastings Entertainment		Judge Mary Lou Robinson
24	Nov-02	\$ 8.4	Advanced Lighting Technologies		Judge Donald Nugent Magistrate Judge Streepy
23	Aug-02	\$ 3.4		KPMG (in re: VIsionAmerica)	Judge Campbell Magistrate Judge Griffin
22	Jun-02	\$ 4.25		PricewaterhouseCoopers (in re: Hybrid Networks)	Judge Ronald M. Whyte
15	Jun-02 to Dec-04	\$ 208	million		(page 2 of 3)

** At the time, one of the 10 largest auditor settlements ever disclosed.

Selected Case Settlements (page 3 of 3)

#	Settlement		Settlement contributions:		Judge Magistrate Judge (Mediator)
	Month (principle)	Amount (millions)	Company	Auditors and others	
21	Apr-02	\$ 162 *	Dollar General		Judge Thomas A. Wiseman Jr. Magistrate Judge Joe B. Brown
19 20	Apr-02	\$ 10.1 (combined)	PhyCor	KPMG	Judge Todd Campbell
18	Feb-02	\$ 2.58	VisionAmerica		Judge Campbell Magistrate Judge Griffin
16 17	Feb-02	\$ 11 \$ 0.25	S3 (n/k/a SONICBlu)	Deloitte & Touche	Judge Vaughn R. Walker Judge Lynch (Discovery Referee)
13 14 15	Nov-01	\$ 15 ** \$ 1 (combined)		PricewaterhouseCoopers Donaldson, Lufkin & Jenrette Salomon Smith Barney (in re: SmarTalk)	Judge Edmund Sargus, Jr.
12	Nov-01	\$ 16	P-Com		Judge William Elving
11	Oct-01	\$ 61	Vesta Insurance Group		Judge William A. Acker
10	Oct-01	\$ 5.05	Heartland Wireless Communications	KPMG	Judge J. Manuel Banales
9	Jul-01	\$ 0.04 (bankrupt)	Chantal Pharmaceutical		Judge William Rea
8	Jun-01	\$ 2.7	Mitcham Industries		Judge Vanessa D. Gilmore
7	Jan-01	\$ 9.75		PricewaterhouseCoopers (in re: Transcript International)	Judge Robert Hippe
6	Jul-00	\$ 10.5	Learning Tree International		Judge Audrey B. Collins
5	Jan-00	~\$33.15	Transcript International		Judge Warren K. Urborn
4	Jul-99	~\$ 4.25	Altris Software		Judge Thomas J. Whelan
3	Mar-99	~\$23.8	Hybrid Networks		Judge Ronald M. Whyte
2	Dec-98	\$ 11 **		Deloitte & Touche (in re: Merisel)	
1	Oct-98	\$ 12 **		Ernst & Young (in re: Community Psychiatric Center)	
21	Oct-98 to May-02	\$ 391	million		(page 3 of 3)
56	Oct-98 to Dec-09	\$ 2.2	Billion	TOTALS	

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** At the time, one of the 10 largest auditor settlements ever disclosed.