

KEITH MAUTNER, CPA/CFF, CFE, CMA

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(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

2009

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

2008

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

Settled Cases

Total 1998 – 2011: 64 settlements for \$ 2.4 billion

Page 1 of 4: **2007 – 2011: 17 settlements for \$ 1.2 billion**

#	Settlement		Settlement contributions:		Judge Magistrate Judge (Mediator)
	Month (principle)	Amount (millions)	Company	Auditors and others	
64	Apr-11	\$ 4.0	Signalife, aka Heart Tronics		Judge J. Michelle Childs
63	May-10	\$173.0	Maxim Integrated Products		Judge Patricia Trumbull
62	Apr-10	\$ 14.9	American Service Group		Judge William J. Haynes, Jr.
61	Jul-09	\$ 12.8	Connetics		Judge Susan Illston
60	Apr-09	\$ 22.0	Accredited Home Lenders HC		Judge Marilyn L. Huff Magistrate Judge Cathy Ann Bencivengo (Judge Layne Phillips – mediator)
59	Feb-09	\$ 7.0	Basin Water		Judge George H. Wu Magistrate Judge Frederick F. Mumm
57 58	Dec-08	\$ 21.5 (combined)	Bruce Karatz Gary Ray (in re: KB Homes-derivative)		
56	Aug-08	\$ 13.5	King Pharmaceuticals (derivative)		Judge John S. McLellan, III
53 54 55	Jul-08	\$895.0 \$ 30.0 \$ 0.5	UnitedHealth Group ¹ William McGuire ² David Lubben		Judge James Rosenbaum Magistrate Judge Franklin L. Noel (Judge Daniel Weinstein – mediator)
50 51 52	Oct-07	\$ 10.2 \$ 4.0 \$ 0.1	Vitesse Semiconductor (derivative) Louis Tomasetta Eugene Hovanic		Judge Manuel L. Real Magistrate Judge Carolyn Turchin (Judge Daniel Weinstein – mediator)
49	Sep-07	\$ 3.2	Cambrex		Judge Peter G. Sheridan Magistrate Judge Ronald J. Hedges
48	Jul-07	\$ 7.5	Caremark (derivative)		

¹ One of the 10 largest securities settlements.
² Largest securities settlement by an individual.

Settled Cases, con't

Page 2 of 4: 2003 – 2006: 14 settlements for \$ 720 million					
#	Settlement		Settlement contributions:		Judge Magistrate Judge (Mediator)
	Month (principle)	Amount (millions)	Company	Auditors and others	
47	Dec-06	\$ 80.0	VeriSign		Judge James Ware Magistrate Judge Patricia V. Trumbull (Judge Layne Phillips – mediator)
46	Dec-06	\$ 2.0	Hanover Compressor		Judge Vanessa D. Gilmore
45	Oct-06	\$ 15.0	Newmont Mining		Judge Marcia S. Krieger
44	Jun-06	\$ 3.5	Lattice Semiconductor		Judge Ann L. Aiken (Judge Thomas Coffin – mediator)
43	Aug-05	\$ 12.0	Stellent		Judge Richard H. Kyle Magistrate Judge Arthur J. Boylan
42	Jun-05	\$ 4.6	Vans		Judge A. Howard Matz Magistrate Judge Carolyn Turchin
39 40 41	Apr-05	\$ 468.0 \$ 5.0 \$ 1.0	Dynegy ³	Arthur Andersen Citicorp	Judge Sim Lake
38	Oct-04	\$ 6.0	Daisytek International		Judge Paul Brown
37	Jun-04	\$ 100.0	Honeywell		Judge Dickinson R. Debevoise Magistrate Susan D Wigenton Judge Pauley (SDNY)
36	May-04	\$ 5.8	TALX		Judge Henry Autrey
35	Feb-04	\$ 7.0	Sonic Innovations		Judge Paul Cassell
34	2003	\$ 10.5		Auditor (confidential settlement)	

³ One of the 10 largest securities settlements.

Settled Cases, con't

Page 3 of 4: 2002 – 2003: 16 settlements for \$ 265 million					
#	Settlement		Settlement contributions:		Judge Magistrate Judge (Mediator)
	Month (principle)	Amount (millions)	Company	Auditors and others	
33	Aug-03	\$ 20.0	Northpoint Communications Group		Judge William Alsup
32	Jul-03	\$ 11.1	SmarTalk Teleservices		Judge Edmund Sargus, Jr.
31	Jul-03	\$ 6.1	CompUSA		Judge Mary Lou Robinson
30	Jan-03	\$ 0.6		KPMG (in re: Hastings Entertainment)	Judge Mary Lou Robinson
29	2002	\$ 2.0		Coopers & Lybrand (in re: Chantal Pharmaceutical)	Judge William Rea
28	2002	\$ 17.0		Auditor ⁴ (confidential settlement)	
27	Dec-02	\$ 5.8	Hastings Entertainment		Judge Mary Lou Robinson
26	Nov-02	\$ 8.4	Advanced Lighting Technologies		Judge Donald Nugent Magistrate Judge Streepy
25	Aug-02	\$ 3.4		KPMG (in re: VIsionAmerica)	Judge Campbell Magistrate Judge Griffin
24	Jun-02	\$ 4.2		PricewaterhouseCoopers (in re: Hybrid Networks)	Judge Ronald M. Whyte
23	Apr-02	\$162.0	Dollar General ⁵		Judge Thomas A. Wiseman Jr. Magistrate Judge Joe B. Brown
21 22	Apr-02	\$ 10.1 (combined)	PhyCor	KPMG	Judge Todd Campbell
20	Feb-02	\$ 2.6	VisionAmerica		Judge Campbell Magistrate Judge Griffin
18 19	Feb-02	\$ 11.0 \$ 0.2	S3 (n/k/a SONICBlu)	Deloitte & Touche	Judge Vaughn R. Walker Judge Lynch (Discovery Referee)

⁴ One of the 10 largest auditor settlements disclosed.

⁵ One of the 10 largest securities settlements.

Settled Cases, con't

Page 4 of 4: 1998 – 2002: 17 settlements for \$ 205 million						
#	Settlement		Settlement contributions:		Judge Magistrate Judge (Mediator)	
	Month (principle)	Amount (millions)	Company	Auditors and others		
15 16 17	Nov-01	\$ 15.0 \$ 1.0 (combined)	PricewaterhouseCoopers ⁶ Donaldson, Lufkin & Jenrette Salomon Smith Barney (in re: SmarTalk)		Judge Edmund Sargus, Jr.	
14	Nov-01	\$ 16.0		P-Com		Judge William Elving
13	Oct-01	\$ 61.0		Vesta Insurance Group		Judge William A. Acker
11 12	Oct-01	\$ 5.0	Heartland Wireless Communications KPMG		Judge J. Manuel Banales	
10 9	Jul-01	\$ 0.04 (combined) (bankrupt)	Chantal Burnison Fred Reinstein (In re: Chantal Pharmaceutical)		Judge William Rea	
8	Jun-01	\$ 2.7	Mitcham Industries		Judge Vanessa D. Gilmore	
7	Jan-01	\$ 9.8	PricewaterhouseCoopers (in re: Transcript International)		Judge Robert Hippe	
6	Jul-00	\$ 10.5	Learning Tree International		Judge Audrey B. Collins	
5	Jan-00	~\$33.2	Transcript International		Judge Warren K. Urborn	
4	Jul-99	~\$ 4.2	Altris Software		Judge Thomas J. Whelan	
3	Mar-99	~\$23.8	Hybrid Networks		Judge Ronald M. Whyte	
2	Dec-98	\$ 11.0	Deloitte & Touche ⁷ (in re: Merisel)			
1	Oct-98	\$ 12.0	Ernst & Young ⁸ (in re: Community Psychiatric Center)			

Total 1998 – 2011: 64 settlements for \$ 2.4 billion

⁶ One of the 10 largest auditor settlements disclosed.
⁷ One of the 10 largest auditor settlements disclosed.
⁸ One of the 10 largest auditor settlements disclosed.