



Explain the records reflecting our findings to lawyers, judges, juries



Business Valuation



Fraud Investigation



Calculation of Damages



Matrimonial



Financial Services

A Leading Provider of Forensic Accounting and Valuation Services



Business Divorce Litigation

Representative Case - Business Valuation

Determined the fair value of a minority shareholders' collective interest in a business as part of a business divorce litigation case.

A landmark decision was obtained regarding the treatment of the built-in capital gains tax ("BIG") liability for valuation purposes.

[MORE REPRESENTATIVE CASES](#)

The Client:

Holders of a 28% collective interest in a private real estate holding company

The Result:

Landmark decision obtained



We specialize in:

BUSINESS VALUATION

FRAUD INVESTIGATION

CALCULATION OF DAMAGES

BANKRUPTCY

MATRIMONIAL

FINANCIAL SERVICES

Our Services

As experts in **forensic accounting**, our ability to reconstruct financial records and detect evidence of fraud, embezzlement, or misappropriation of funds is critical to situations involving such legal matters.

Our **investigative capabilities** extend to the analysis of confidential information and the development of strategies for the recovery and protection of assets.

Attorneys also rely on us to **compute or rebut claims** for economic damages, and to value tangible and intangible assets.

As **expert witnesses**, we provide knowledgeable, objective input to assist the Trier of Fact (the Judge, Jury, or Arbitrator) in their deliberations. Our success in the courtroom is founded on our ability to teach the judge or jury the intricacies of financial matters, to be instructive without being pedantic, to be authoritative without being condescending, and most importantly, to be believable.

In addition to working with counsel in contested litigation matters, we also **prepare business valuations** for estate and gift tax compliance, financial reporting purposes, contemplated mergers and acquisitions transactions, and shareholder or partner buy-ins or buy-outs.

If you have any questions about our services, please **contact us at (203) 979-3171 or (212) 710-5167**.





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Business Valuation

What's it worth?

Our business valuation services provide a comprehensive analysis of the worth of a business to assist clients with litigation and dispute resolution; mergers, acquisitions, and dispositions; taxation planning and compliance; divorce litigation; financial reporting; bankruptcy and reorganization; and more.

Our team performs valuations of businesses, intangible assets, intellectual property, stock certificates and other securities, along with partnership interests, private debt instruments, options, warrants and other derivative products.



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Fraud Investigation

What's going on?

Financial fraud comes in many modes: embezzlement, misrepresentation, misappropriation of funds, payoffs, kickbacks, identity theft, and so on; but more often than not, a paper trail remains to tell the story of the improper activity taking place.

As experts in forensic accounting, we use our investigative skills, as well as our experience and knowledge in finance and accounting, to follow the trail, to sort through financial records and documents, and identify the improprieties.

Then, as an expert witness, we deliver our findings in a court of law in clear, straightforward, believable terms that judges and juries understand.



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Calculation of Damages

What's the loss?

As CPAs, we're qualified to perform economic damage estimates for commercial cases, including the estimation of lost profits, lost value, lost opportunity, market share erosion, increased costs, mitigation, and restitution.

For civil litigation, our expertise involves the estimation of damages to individuals from personal injury, wrongful death, employment discrimination, or similar circumstances to calculate the loss of earnings, the value of lost fringe benefits, and lost income from other sources.

When damage occurs in business or private matters, we can calculate the amount of the loss and represent our findings in a court of law.



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Bankruptcy

How to recover?

When a business or individual is faced with a possible bankruptcy situation, we help them and their counsel through the process in a methodical fashion, so they may identify the most financially feasible way forward.

We're experienced with the bankruptcy process and will sort through the paperwork and financial issues involved in order to clarify the matter and bring about the best outcome.

If you're considering bankruptcy, let our expertise help ease the situation and guide you to your financial turnaround and recovery.



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Matrimonial

What is where and what is fair?

Our investigation, valuation, and strategic capabilities are effective and beneficial to attorneys and their clients where matrimonial situations — such as divorce proceedings — are concerned. These matters can be stressful and complex, and they require the sensitivity and discretion we've come to be known for over our years of assisting attorneys.

We can uncover hidden, unreported, or deferred income or assets; determine income streams; trace comingled assets; determine disposable income, standard of living criteria, and earning capacity; review lifestyle analysis; and value business entities, professional degrees and licenses.

With care and concern, we help attorneys and their clients get to the bottom of financial concerns regarding matrimonial matters.



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Financial Services

What is obscured?

Our years of experience in forensic and fraud investigation includes providing first rate services for financial companies, such as investment (hedge) funds, private equity funds, and venture capital funds.

In addition to investment fraud investigation, we can perform investor due diligence, provide best practices for hedge funds in accordance with ASC 820 (Accounting for Assets at Fair Value), carry out performance calculations with detailed reporting, perform dispute resolution, arbitration, mediation and litigation services, and provide internal controls and operations.

Where financial services are concerned, we can uncover the financial matters underlying litigation cases, as well as advise fund managers during the course of their daily business activities.



jbbonora@FairfieldFVS.com

John M. Bonora

ASA, CPA/ABV/CFF, CFE, MBA

John M. Bonora is a founding Partner of Fairfield Forensic and Valuation Services, LLC. Mr. Bonora has over twenty five years of experience advising litigation counsel, the courts, Chapter 11 Debtors and Chapter 7 Trustees. He has directed numerous engagements and prepared expert reports related to alleged fiscal improprieties, the valuation of shareholder interests, the calculation of economic damages, the determination of solvency, and the recoverability of alleged fraudulent transfers and preferential payments. Mr. Bonora has provided grand jury, deposition, hearing, arbitration and trial testimony. He has also served as a troubled business workout specialist, including directing the turnaround and successful reorganization of an equipment distributor.

Mr. Bonora is an Accredited Senior Appraiser by the American Society of Appraisers and is Accredited in Business Valuation and Certified in Financial Forensics by the American Institute of Certified Public Accountants. He earned an MBA from the Harvard Business School and is both a Certified Fraud Examiner and a Certified Public Accountant.

Licenses and Certifications

Accredited Senior Appraiser (ASA)

American Society of Appraisers, 2010

Accredited in Business Valuation (ABV)

American Institute of Certified Public Accountants, 2004

Certified in Financial Forensics (CFF)

American Institute of Certified Public Accountants, 2010

Certified Fraud Examiner (CFE)

Association of Certified Fraud Examiners, 1994

Certified Public Accountant (CPA)

State of New York, 2003

Education

Graduate level accounting courses

Baruch College, 2000 - 2002

Master in Business Administration

Harvard Business School, 1976

Bachelor of Science, Engineering

Tufts University, 1971

Professional Experience

Gettry Marcus Stern & Lehrer, CPA, P.C.

Director, 2010 – 2012

Marks Paneth & Shron, LLP
Director, 2008 – 2010

Margolin Winer & Evens, LLP
Director, 1999 – 2008

United Intelligence Group
Managing Director, 1987 – 1999

Employed in the private sector, including General Electric, 1976 - 1987

Professional Affiliations

American Bankruptcy Institute (**ABI**)

American Bar Association (**ABA**), Associate Member
Business Law, Family Law and Litigation Sections

American Institute of Certified Public Accountants (**AICPA**)
Forensic and Valuation Services Section

American Society of Appraisers (**ASA**)

Association of Certified Fraud Examiners (**ACFE**)

New York State Society of Certified Public Accountants (**NYSSCPA**)
Business Valuation and Litigation Services Committees

Fairfield County Bar Association (**FCBA**) and Westchester County Bar Association (**WCBA**)
Associate Memberships

Harvard Club of New York

Published Articles

"Fresh-Start Reporting, An Opportunity for Debtor Companies Emerging from Bankruptcy", American Bankruptcy Institute (ABI) Journal, 07/2009

"Fresh-Start Reporting, An Additional Challenge for Bankruptcy Counsel", The Bankruptcy Strategist, 10/2009

"Daubert Challenges to Economic Damages Claims", Gettry Marcus Stern & Lehrer, 2011

"Properly Preparing Your Expert Witness For Testimony", Gettry Marcus Stern & Lehrer, 2011

"Book Review of: A Practical Guide to Bankruptcy Valuation" reprinted with permission from the ABI Journal, 05/2013

Lectures and Presentations

"Basic Accounting", Presented to Anderson, Kill & Olick, LLP, New York, NY, 03/2003

"Protecting the Rights of Minority Shareholders in Closely Held Corporations", Presented to New York Law School, New York, NY, 03/2005

"Business Planning" and *"Preparing the Financial Plan"*, Presented at SCORE (previously known as the Service Corps of Retired Executives) Business Plans Seminars, New York, NY, 02/2007 and 06/2007

"Factoring Fraud and Inventory Fraud", Presented to Commercial Finance League, New York, NY, 03/2007

"Turnaround, Restructuring and Bankruptcy Services in Troubled Times", CPE presentation to Marks, Paneth & Shron, LLP, 05/2009

"Business Valuation Applications and Approaches", CPE presentation to Marks, Paneth & Shron, LLP, 09/2009

"Lost Profits Damages", Joint CLE & CPE presentation sponsored by the New York State Society of CPAs Foundation for Accounting Education, 10/2013



jklausner@FairfieldFVS.com

Joseph A. Klausner

CPA

- Proven track record of executive management of global service businesses.
- Key financial advisor to international and regional businesses in the areas of distribution, manufacturing, construction, advertising and business services.
- More than 47 years experience in public accounting within a major international accounting firm.
- Extensive knowledge in working with Boards of Directors and business executives.
- Business advisor to closely held and developing businesses.

Education

Baruch College, BBA – 1963

Certified Public Accountant – licensed 1966

Professional Experience

2013 – Present	Fairfield Forensic and Valuation Services, LLC - Managing Director
2010 – Present	Joseph A. Klausner, CPA - Managing Director
1963 - 2010	BDO USA, LLP, New York, NY Senior Partner

Focused as a business and tax consultant and as an assurance partner to over 10 public companies and to many large closely held businesses.

- Served as Presiding member of Board of Directors, Vice Chairman and Regional Managing Partner
- Responsible for operations of over 1,000 professionals and over \$250 million in fees
- Active in business mergers and acquisitions
- Active in reorganization of businesses including construction and distribution
- Extensive knowledge of industries including pharmaceutical, construction, distribution, carpet and light manufacturing.
- Firm leader in construction industry, leasing operations and mergers and acquisitions.

Professional Affiliations

American Institute of CPAs

NYS Society of CPAs

Public Companies Served

Cambrex Corporation

The Children's Place Retail Stores, Inc.

Forest Laboratories, Inc.

Henry Schein, Inc.

Interface, Inc

Learning Tree International Corporation

MDC-Partners, Inc.



rcastro@FairfieldFVS.com

Robert V. Castro

CPA, CGMA

Areas of Specialization

Accounting, Audit and Business Advisory Services

Education

B.S., Accounting, Long Island University

Professional Experience

Bob has more than 30 years of audit, tax and business advisory experience. Bob retired from BDO Seidman, LLP (now known as BDO USA, LLP) where he spent most of his professional career as an audit partner. In 1994, Bob was named as BDO's first ever Managing Director of their newly created Financial Services Group. Bob was BDO's national consulting resource for the financial services industry as well as one of the New York's metropolitan area partners for Securities Exchange Commission (SEC) matters. As an assurance partner, Bob delivered accounting, audit and business advisory services.

As Managing Director of BDO's Financial Services Group ("FSG"), Bob led a group of over a hundred professionals delivering accounting, audit, tax, and business advisory services to the financial services community. Bob built a world class team of client centric service professionals culminating in their being recognized by Institutional Investors Alpha magazine as the best accounting firm serving the hedge fund industry not once but twice, the largest international accounting firm ever to have achieved such recognition. Under Bob's leadership the FSG grew into BDO's largest specialty group within the firm.

Bob served broker/dealers in securities, investment advisers, investment partnerships, business development companies ("BDC's"), leasing and specialty finance companies. Bob assisted several clients in their going public phase and has performed engagements in connection with registration statements filed with the Securities and Exchange Commission. Bob is a business advisor to investment bankers, broker dealers and boards of both publicly and privately held corporations.

Bob is a well-rounded business advisor, although specializing in financial services Bob started as a general audit partner servicing Construction, Technology, Professional Service, Distribution and Manufacturing Companies. As a general audit partner Bob served companies such as Kohn, Pedersen & Fox, Spectrum Information Technologies, P&F Industries, B2Bstores.com, UDIet.com.

Some of the financial service companies that Bob has served include Fir Tree Partners, Fred Alger & Company, Greenlight Capital, Josephthal & Co., Lord Abbett, Nikko Securities, Oxford Resources, Prospect Capital Corporation, Renaissance Technologies and York Capital to name a few.

Bob was also the Chairperson overseeing BDO's retirement plan assets which exceed a quarter of a billion dollars.

Bob was a professor in the CUNY system and an instructor in BDO's Continuing Professional Educational Programs. He has been an invited speaker at law firms, banks and other professional organizations. Bob has been quoted by numerous publications as an expert on the hedge fund industry including, Alpha Magazine, Hedge Fund Law Report and Barron's.

Bob was recognized by the Federated/Allied department stores (Bloomingdales, Rich's, Burdines; etc.) for his efforts in "helping them to solve the puzzle" in their reorganization efforts.

Bob has also served as an expert in a number of high profile cases in defense of Bear Stearns (Shulte Roth, counsel relating to Manhattan Fund), Special Creditors committee of Ames Department Stores (Kelly, Drye & Warren, counsel). Several of the Big 4 Accounting Firms in various actions including Madoff, Manhattan Fund, Refco and others.

Representative Case Engagements

Expert witness for Kelley Drye & Warren representing a "special" creditors group in the Ames Stores bankruptcy

Expert witness for Updike Kelley representing CNA Insurance in a matter against an accounting firm related to alleged audit failure of a broker dealer in the securities field

Defense of an international accounting firm in the Madoff scandal

Represented a hedge fund in a dispute regarding the appropriateness of the use of a "side pocket"

Represented a hedge fund in a dispute regarding the fair value of a Level 3 investment Represented a Big Four Firm in a matter relating to a failed hedge fund

Defense of an international accounting firm in a fraud claim regarding financial reporting and Level 3 valuation issues

Representation of funds in regulatory matters in front of the SEC, FINRA, and CFTC

Represented an investor's interest in a dispute with a hedge fund

Defense of an International Capital Markets Firm in a matter related to The Manhattan Fund (Schulte Roth & Zabel, counsel)

Support of a Hedge Fund in its case against an International Capital Markets Firm in Ireland and the United Kingdom (William Fry, counsel)

Professional Recognitions

[Alpha Awards Top Service Providers - 2006](#)

[Alpha Awards Top Service Providers - 2007](#)

Professional Affiliations

American Institute of Certified Public Accountants New York State Society of Certified Public Accountants - Past Member, Stockbrokerage Committee

Securities Industry Association - Member, Internal Audit and Financial Management Divisions



News & Events

OCT. 24, 2013 Presentation by John M. Bonora on *Lost Profits Damages* at the first joint CLE & CPE Seminar sponsored by the NYSSCPAs Foundation for Accounting Education

MAY 2013 Book review by John M. Bonora of: *A Practical Guide to Bankruptcy Valuation*, reprinted with permission from the ABI Journal, May 2013

A Practical Guide to Bankruptcy Valuation is intended to provide practical guidance to valuation analysts, financial advisers, restructuring attorneys and other professionals involved in the valuation of bankrupt or otherwise financially distressed businesses. The book succeeds in its mission and represents a valuable new resource to these multiple constituencies. The book's authors, Dr. Israel Shaked (The Michel-Shaked Group; Boston) and Robert F. Reilly (Willamette Management Associates Inc.; Chicago), serve as the coordinating editors for the ABI Journal's Value & Cents column and have a wealth of knowledge and practical experience in this subject area. Some of the chapter sections of *A Practical Guide to Bankruptcy Valuation* were originally published in the column.



Clients and Representative Engagements

We're proud of the work we do and the results we've achieved. The following represent a few of the many successful cases with which we've been involved.

Engagement Type	Client Profile	Services Provided
Litigated Business Divorce	Holders of a 28% collective interest in a private, real estate holding company	Determination of the fair value of the minority shareholders' collective interest. Landmark decision obtained regarding treatment of the built-in capital gains tax ("BIG") liability for valuation purposes.
Litigated Business Divorce	Holder of a 6.4% interest in a private, proprietary software company	Determination of damages, including reduction in fair value, resulting from the action taken to suppress our client's rights as a minority shareholder. Highly favorable settlement was reached within ten days of the issuance of our expert report.
Mediated Business Divorce	50% owner in \$30MM private company	Forensic accounting to determine prior disproportionate benefits realized by a controlling member, valued 50% interest, assistance to counsel in negotiation of buy-out terms, monitoring compliance with earn-out kicker provisions.
Economic Damages	50% partner in start-up of "fund of funds"	Calculation of breach of fiduciary duty damages in shareholder freeze-out and theft of corporate opportunity matter. Provided expert testimony; favorable judgment obtained.
Economic Damages	Flavored bottled water company	Calculation of breach of contract damages related to vendor's failure to provide flavor additives and process technology.
M&A Due Diligence	\$100MM private investment company	Post-acquisition investigation of diverted production and fraudulent financial statements. Success resulted in subsequent pre-acquisition due diligence assignment from same client.
Fraud Investigation	Major health insurance company	Investigation of \$10MM kick-back scheme related to computer purchases. Provided grand jury and criminal trial testimony; convictions obtained.
Fraud Investigation	Prominent sports figure	Investigation of improprieties by financial manager. Arbitration testimony provided; favorable judgment obtained.
Business Valuation for Tax Compliance	Large holder of NYC commercial property	Determined the fair market value for compensation purposes of a 2.5% membership interest in a single property entity with a complex, multi-tier debt and ownership structure.

Engagement Type	Client Profile	Services Provided
Business Valuation for Financial Statements	Brazilian corporate purchaser of U.S. food additive manufacturer	Allocation of purchase price, including valuation of intangible assets, customer relationships, developed process and product technology and in-process R&D.
Bankruptcy Services	Chapter 11 Debtors and Chapter 7 Trustees	Analysis and preparation of expert reports related to solvency and the recoverability of alleged fraudulent transfers and preferential payments.
Negotiated Business Divorce	50% owner in a \$40MM private company	Due diligence analysis and execution of a plan to equitably separate the operating entities' businesses.
Arbitrated Joint Venture Dispute	50% partner in a JV between two law firms	Forensic accounting and expert report to challenge the improper allocation of in excess of \$10MM in claimed expenses.