



Dennis A. Staats

Dennis A. Staats, CPA, CFF
Director

Berkeley Research Group

Education

- B.S., Business Administration and Accounting, Michigan Technological University

Professional Registrations

- Certified Public Accountant, Commonwealth of Massachusetts*
- Certified in Financial Forensics

Professional Associations

- American Institute of Certified Public Accountants
- Massachusetts Society of Certified Public Accountants
- American Bar Association (ABA) – Section Member
- Forum on the Construction Industry;
 - Litigation;
 - Public Contract Law;
 - Intellectual Property Law
- Licensing Executives Society (LES)

** Neither Mr. Staats nor BRG provide audit, attest or public accounting services*

Dennis A. Staats is a senior financial claims and litigation executive with over 30 years of accounting, consulting and corporate expertise. Mr. Staats has worked with a diverse group of industries including construction, energy and utilities, technology, telecommunications, aerospace, electronics, shipbuilding, oil and gas, chemical and others. Within these industries, Mr. Staats has experience including: valuations of business and intangible assets; reorganization and workout assistance; project and contract performance reviews; and asset recovery services, including construction claims, business interruption assistance and forensic accounting reviews. He has testified numerous times as an expert witness on cost accounting and claims issues on construction and government contracts, business valuations, the economic impact of business transactions, including claims for business interruption, breach of contracts, patent and trademark infringement, and thefts of trade secrets. Mr. Staats has testified in State and Federal Court, arbitrations, mediations and public hearings. Mr. Staats obtained his CPA in the Commonwealth of Massachusetts while with Arthur Andersen & Co. and has obtained the designation as Certified in Financial Forensics.

Financial and Forensic Investigations

On dispute and financial investigatory matters, Mr. Staats has significant experience in the determination or evaluation of the economic impact of an event or the economic impact of certain transactions or proposed transactions including many which required a forensic accounting review of cost and finance records. In these cases Mr. Staats and his team have reviewed and evaluated large quantities of data. During Mr. Staats' career he has interfaced and represented companies and other enterprises facing critical reports from governmental or independent audit agencies. Mr. Staats has represented companies and responded to inquiries from the GAO (Government Accountability Office), the Defense Contract Audit Agency, the SEC (Securities and Exchange Commission) of Massachusetts, Housing and Urban Development auditors and others. A summary of selected experience is as follows:

- Represented a large Massachusetts contractor on the "Big Dig" faced with a critical audit report on project cost by a big 4 accounting firm.
- Represented the Attorney General of Massachusetts in support of their review of the reasons for the large cost overruns on the "Big Dig" project.



- Represented the MA Commissioner of Insurance to oversee the reorganization and turnaround of the Blue Cross/Blue Shield of Massachusetts and provided testimony in the Public hearing.
- Engaged by the Insurance Commissioner of New Hampshire to assist the Blue Cross Plan of New Hampshire on its reorganization and sale.
- Engaged by the Empire State Development Corporation to oversee and test compliance with HUD Standards for payment of over \$500 million in claims resulting from the September 11 World Trade Center disaster.
- Engaged by the Treasurer of Massachusetts for a review of the Commonwealth of Massachusetts procedure on the administration of its unclaimed check and abandoned property division.
- Engaged by the law firm defending Arthur Andersen & Co. in a malpractice litigation brought by the Insurance Department of Massachusetts over the alleged facility audit of Trust Insurance Company.

Construction and Government contract matters

On Construction and Government contract matters, Mr. Staats has advised and consulted with contractors, owners and lenders on issues involving project and contract administration, change order management, cost growth, delay issues including cost of delay, disruption and productivity and claim preparation and pricing techniques. These projects include transportation, utilities, aerospace, shipbuilding, electronics, process plants, building construction, heavy civil construction and manufacturing. He has extensive experience with the determination of compensable delay including the determination of the impact of productivity and disruption on the cost of a project. Mr. Staats has advised clients on the method(s) of determining the cost of delay and unabsorbed overhead cost (Eichleay, Allegheny and others) as well as various methods of estimating the impact of disruption such as measured mile, modified total cost and in the use of systems dynamics.

Specifically related to construction and public contract engagements, Mr. Staats has led engagement teams on large litigation and non-litigation expert consulting assignments. Recent sample engagements include:

- A large changed work, delay and disruption claim made by a foreign aerospace firm against a major U.S. aerospace company.
- An engagement involving contract performance and warranty issues on a merger and acquisition dispute.
- Numerous assignments for contractors on changed condition and impact claims on the Central Artery Project.
- Numerous audit and claim projects on the Boston Harbor cleanup for the Massachusetts Water Resources Authority.
- Procurement systems reviews for several large U.S. contractors with contracts to reconstruct Iraq.



- Confidential work for the Massachusetts Attorney General related to the Central Artery Project including cost and schedule claims on the ForePoint Channel, the CIIAI section of the of the Central Artery, and integrated central system of the Ted Williams Tunnel.
- Several mediations involving power plant and school-building construction disputes.
- Preparation of a significant claim for the contractor on the rebuilding of Boston Logan Airport's International Terminal.
- Preparation of a changed work order and delay claim for the contractor on the San Francisco Oakland Bay Bridge.
- Claim and mediation support for a major subcontractor on the Suffolk Courthouse Project.
- Engaged as an expert witness for Mass Convention Center Authority in developing and supporting work on the new convention center.
- Consulting assignment for the Design Build Contractor on the Route 3 project north of Boston.
- Cost analysis and expert testimony regarding alleged cost over charges on the construction of 7 large data centers located throughout the U.S. for the trustee of an insolvent high tech company.
- Forensic cost, schedule and contract execution assessment of the EPC contractor for a 600 MW, combined cycle gas fired generating station.
- Engaged as an expert to evaluate the cost of decommissioning the Maine Yankee Nuclear Power Plant after termination of the Decommissioning Contractor.
- Engaged on numerous shipbuilding claims for Navigant and developed claims while working for Bath Iron Works and Arthur Andersen. See Attachment C and D.

Economics and Commercial Damages

Mr. Staats has significant experience in evaluating economic damages including lost profits, lost business value, price erosion, disgorgement of profits, patent and license valuations, incremental cost determinations, cost recovery and accounting reviews. He has been an expert and consulting expert on numerous cases which required the determination or evaluation of the economic impact of an event or the economic impact of certain transactions or proposed transactions including many which required a 'forensic' accounting review of cost and finance records. In these cases Mr. Staats has reviewed significant cost accounting, revenue recognition and profit information to analyze and determine the proper amount of economic damages. Many of these engagements required the evaluation of lost profits as a result of product liability, breach of contract, business interruption, design or operational deficiencies and patent or trade mark infringement. Industries that Mr. Staats has consulted on include aerospace, refinery operations, retail operations, integrated circuit manufacturers, consumer products, construction, pharmaceuticals, healthcare, DOD weapon systems, and many others.

Congoleum Corporation: Inc., Mr. Staats was the Corporate Director of Finance for this Fortune 500 Company. He was responsible for corporate government contract administration, financial and operational analysis and special projects, including acquisitions and divestitures. Mr. Staats worked closely with the Company's wholly-owned shipbuilding subsidiary, Bath Iron Works, where he assisted on the development of cost proposals, overhead cost negotiations and claims. He was also directly



involved in transactional and internal financial and operational reviews of the Company's other subsidiaries, government contract claims, asset valuations for business combinations, proposal pricing reviews, corporate overhead, and general and administrative cost negotiations, and acquisitions and divestitures of business units.

Prior to Congoleum Corporation, Mr. Staats was with the Boston office of an international public accounting firm. Mr. Staats became a certified public accountant and had responsibilities for the audit examinations of financial statements of companies in various industries, with a specialization in construction, shipbuilding and long-term government projects. In addition to financial and accounting advice, Mr. Staats also advised clients on such matters as management information systems, project management techniques, management control systems, including integrated cost schedule control systems and labor reporting systems.

U.S. Army - Corp of Engineers: From 1969 to 1971, Mr. Staats was an officer in the Corp of Engineers and was responsible for construction and facility management of communication sites in Thailand and several other Southeast Asian countries.

Testimony Experience

- Many of Mr. Staats' engagements have required expert testimony at trial or administrative hearings, an expert report, presentations to Board of Directors and Executive Committees, Attorney's, governmental Agencies or other third party participants.
- Mr. Staats has testified as an expert witness in federal court, state court, in arbitration and before special administrative panels on matters related to construction and government contract accounting, claims pricing and cost determinations, lost profits, increased cost claims and other damage issues. See Attachment A for Mr. Staats' testimony experience.



Attachment A

Testimony Experience - Dennis A. Staats

- Breadloaf Construction, Inc. v. Williams College – Mediation testimony given on results of construction costs reviews and compliance with terms of a Guaranteed Maximum Price Contract.
- *The Susan Katherine Tate Burrowbridge LLC, et al v. Essex Corporation and Northrop Grumman Corporation – Provided arbitration testimony on definition and calculation of the proper amount earned resulting from an Earn-out agreement on the Sale of Windermere Corporation to Essex Corporation and Northrop Grumman.
- *Arkema, Inc. v. Commerce & Industry Insurance Group – Federal Court, Eastern District of Pennsylvania. Expert report and deposition testimony on economic damages including loss of market share, lost profits, and increased costs arising from a business interruptions caused by a methyl mercaptin spill that occurred at one of Arkema’s manufacturing plants.
- *Ellen Costigan v. PCG Trading and Converge, Inc. – Norfolk Superior Court (MA). Expert report and trial testimony on the value of Converge, Inc. stock and fairness of transaction with PCG Trading.
- Massachusetts Convention Center Authority v HNTB Corporation. Rafael Vinoly Architects et al - Suffolk Superior Court. Expert report on damages caused by errors and omission in design of the Boston Convention Center. Case settled for \$25 million being awarded to the convention center prior to my testimony.
- EXDS, Exodus Communications v Ernst & Young LLP. AAA arbitration testimony on over billings and cost recovery on various construction contracts.
- EXDS, Exodus Communications v Devcon Construction and Sharp - Deposition testimony on cost recovery, cost allocations, and billing practices on various construction contracts between Exodus and Devcon Construction
- Commonwealth of Massachusetts, Division of Insurance v Arthur Andersen & Co. LLP – Deposition testimony on damages allegedly arising from a failed audit of Trust Insurance Company and the resulting insolvency of Trust.
- *Haemonetics Corporation v. Baxter Healthcare Corporation, Deposition and AAA arbitration testimony on determination of contract losses and incremental costs (loss of profits) resulting from breach of equipment lease and supply agreements.

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- Modern Continental Construction v. Massachusetts Turnpike Authority. – Mediation Testimony given on claim pricing, reasonableness of claimed disruption costs, and amounts due Modern under the contract.
- *CellCo Partnership d/b/a Verizon Wireless and Verizon Wireless Personal Communications, L.P. v. PrimeCo Wireless Communications LLC c/o Clarity Partners – Deposition testimony on cost allocation methodology and reasonableness of costs for providing transition services provided under a transition services agreement.
- *ICAM Technologies Corporation v. Parametric Technology Corporation (PTC) – Deposition testimony on financial damages resulting from the termination of ICAM and PTC’s license distribution agreement and theft of trade secrets. (Lost profits and incremental cost determinations.)
- Stone & Webster, Inc. et al v. Maine Yankee Atomic Power Company. Deposition and Trial Testimony in Federal District Court on Financial Damages resulting from the termination of Stone & Webster’s decommissioning contract.
- *Honeywell International, Inc. v. Hamilton-Sundstrand Corporation (United Technologies) – Deposition and Trial Testimony in Federal District Court on Financial Damages resulting from alleged Patent Infringement. (Lost profits and reasonable royalty.)
- *Litton Industries v. Varo Industries – Deposition Testimony on Damages resulting from warranty and Breach of Contract under a purchase agreement on the sale of a defense industry subsidiary to Litton Industries.
- Charles T. Brennick, Sr. et al (New Medico) v. Health and Retirement Properties Trust, et al. : Deposition Testimony on Business Valuation, Lost Value of Business Operations, and Economic Damages.
- *M/A-COM, a Division of AMP, Incorporated v. Cellular Vision Technology and Telecommunications, L.P. – Arbitration Testimony on Damages resulting from Breach of Contract. (Lost profits)
- Massachusetts Division of Insurance – Blue Cross/Blue Shield of Massachusetts Reorganization – Public Hearing: Public Hearing Testimony on Financial impact of Proposed Reorganization.
- Electrical Contractors, Inc. v. Digital Equipment Corporation – Mediation Testimony on Cost of Claims and changes to a Contract.
- *Exxon Corporation v. Neles-Jamesbury – State Court, New Jersey: Deposition, Trial Testimony on Economic Damages. (Lost profits)
- *CVI/Beta Ventures, Marchon Eyewear, Inc. and Rothenberg, Inc. and Marcolin USA, Inc. v. Tura L.P., and Arthur Brody: Trial Testimony in Federal District Court on Economic Damages resulting from alleged Patent Infringement. (Lost profits and reasonable royalty)
- *Banff, Inc. v. The Limited, Inc. and Express, Inc. – U.S. District Court, Eastern District of New York: Trial Testimony on Proper method to determine economic damages in a Trade Dress Litigation.



- *Temptronic Corporation v. Thermonics, Inc.: Deposition Testimony on Economic Damages resulting from alleged Patent Infringement.
- *Cool Light, Inc. v. GTE Products Corporation : Trial Testimony in Federal District Court on Economic Damages resulting from an alleged Theft of Trade Secret. (Lost profits and incremental costs)
- *King Instrument, Inc. v. Tapematic : Trial Testimony on Economic Damages resulting from alleged Patent Infringement.
- Dick Corporation, v. Brown & Root, Braun V. Sun Company, Inc. – U.S. District Court, Eastern District of Pennsylvania: Deposition Testimony on Construction Damages, Methodology, Delay Damages and Productivity.
- International Marine Carriers v. U.S. Government – U.S. District Court, Eastern District of New York: Deposition on Cost and Economic Damages resulting from a Contract Termination.
- Air Safety Engineering v. Archdiocese of Boston: Trial Testimony on Economic Damages resulting from changed conditions and schedule delays.
- National City Bank v. Jericho Painting and Special Coating Company – Kentucky: Deposition, Trial Testimony on Business Valuation and Economic Damages resulting from Government Contract Termination and Business Interruption.
- *Tri-State Food Service Marketing, Inc. v. Motion Technology, Inc. and Anchor Food Products, Inc.: Deposition Testimony on Economic Damages resulting from Dealer Termination.

Notes:

- (1) Underline indicates client.
- (2) *Breach of contract, contractual, intellectual property cases, or loss of profit determinations.
- (3) Expert reports where no testimony is given are excluded.