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SUMMARY

Mr. Falconi is a Director based in the Pittsburgh Office of the Berkeley Research Group ("BRG"). Mr. Falconi has provided consulting services to companies in a variety of industries in areas such as commercial litigation, intellectual property, lost profits, business interruption, damage analysis, accounting malpractice, directors' and officers' liability, and investigative fact-finding and analysis regarding economic and financial issues. Mr. Falconi has testified to his findings and opinions in State and Federal Court as well as mediations and informal negotiation sessions.

Education

BA, Accounting, Grove City College

Professional Affiliations

American and Pennsylvania Institutes of Certified Public Accountants
Association of Certified Fraud Examiners

Professional Experience

Mr. Falconi has consulted on many matters involving commercial damages, lost profits and increased cost claims including validity and reasonability analyses of direct and overhead costs components.

Commercial Damages

Mr. Falconi has assisted clients in many matters involving damage claims measured by lost business opportunities resulting from business interruptions, alleged breaches of contract, breaches of warranty and professional malpractice. In one matter, he was retained to analyze a lost future profits damage claim in connection with a material that did not perform as warranted. The claimant was a startup company and was basing its lost future profits claim on a business plan that had been prepared for its bank and financiers. Mr. Falconi analyzed the underlying assumptions of that business plan, identifying its inconsistencies and errors. He calculated alternative profitability projections using more reasonable assumptions and presented his findings to a jury in Federal Court.

In another matter, Mr. Falconi was asked to calculate lost profit damages in connection with a company that purchased a high tech machine that was supposed to allow the company to greatly increase its productivity. The manufacturer and distributor of this machine represented that the machine could perform certain tasks much faster than conventional equipment thereby streamlining the company's operations. The machine did not perform as represented. Using the manufacturer and distributor's representations combined with the operating and financial aspects of the company, Mr. Falconi developed a damage calculation that he presented to a jury in Common Pleas court.

In another matter, Mr. Falconi was retained to analyze business interruption claim resulting from a gas well explosion and fire which destroyed the equipment of a gas well service provider. Due to the loss of its equipment and the delay in its repair and replacement, the gas well service company claimed that it lost significant business opportunities and profits. Mr. Falconi analyzed the damage claim considering the historical productivity of the affected equipment, the seasonality of the business and the claimant's mitigation activities. He filed an expert report in Common Pleas Court and the matter subsequently settled.

In a patent infringement matter, Mr. Falconi was retained to evaluate a lost profits claim brought by the designer and manufacturer of specialized material handling equipment for the steel industry. Using forensic accounting techniques, he analyzed the reasonability of the underlying financial assumptions of the lost profits damage claim and addressed the financial plausibility of the causation scenario put forth by the plaintiff. Mr. Falconi filed an expert report in Federal Court and testified to his findings in a deposition.

Mr. Falconi was retained by a title insurance company that purchased a real estate valuation software program from a software developer. In addition to an initial down payment, the purchase agreement provided for royalties to be paid to the developers based on the number of real estate valuations performed and the seller also retained the certain rights to perform and sell its real estate valuations in specified areas. Mr. Falconi assisted the purchaser of the software to analyze the seller's breach of contract lost profits damage claim. Mr. Falconi prepared an expert report addressing the relative reasonability of the underlying assumptions of the seller's lost profits damage claim.

Banking

Mr. Falconi was retained to analyze fraudulent borrowing transactions involving an international trading company. The company had generated hundreds of millions of dollars of fictitious accounts receivable and used the fictitious receivables as collateral for bank loans from a consortium of banks. Mr. Falconi analyzed the fictitious accounts receivable through a detailed review of international shipping and invoicing records and through interviews of bank witnesses.

Mr. Falconi has provided assistance to the RTC, FDIC and the National Credit Union Association involving accounting malpractice, director and officer liability and fidelity bond investigations in connection with financial institutions that had failed.

Mr. Falconi has also provided bankruptcy assistance to the FDIC in connection with the failure of a major national bank. In connection with this bank failure, Mr. Falconi performed analyses to determine the validity of the bankrupt holding company's claims of fraudulent conveyance. His work included detailed tracing of transactions related to the alleged conveyances as well as fact gathering and analysis regarding related valuation and entitlement issues. In his analysis, Mr. Falconi and his team reviewed and analyzed thousands of documents and reconstructed accounting evidence from raw accounting data that was stored on microfiche. This work required Mr. Falconi to interpret the economic substance of the technical accounting evidence. Mr. Falconi presented his findings orally in numerous meetings with FDIC and outside legal counsel. Mr. Falconi also contributed to authoring an expert report that was filed in Federal Court in connection with this matter. Mr. Falconi offered deposition testimony about his findings also in Federal Court.

Construction

Mr. Falconi has performed construction contract compliance reviews in connection with significant construction projects. Mr. Falconi's contract compliance reviews encompassed the analysis of compliance with contract progress billing, accounting and billing for changed work, overhead allocation and other cost issues. His work focused on all major subcontractor categories involved in construction ranging from civil to mechanical, piping and electrical subcontractors.

Mr. Falconi has also performed work for sureties consisting of financial monitoring of construction projects. For example, he was engaged by a surety to monitor a contractor's progress and costs associated with several bridge reconstruction projects. This work involved his continuing analysis of the contractor's work in progress cost accounting records to monitor the surety's exposure throughout the projects.

In another construction matter, Mr. Falconi analyzed a civil contractor's lost productivity damage claim based on a measured mile approach. His analysis focused on the reasonability of the selected measured mile benchmarks and the accuracy of the application of these in a damage calculation. His work culminated in the publishing of an expert report and testimony in Pennsylvania Common Pleas Court.

Mr. Falconi was engaged to analyze a claim by a general contractor of lost profits due to lost bonding capacity. His analysis focused on the reasonability of the assumptions concerning the contractor's expected future projects and profitability but for the loss of bonding as well as an evaluation of the contractor's loss mitigation efforts. He prepared an expert report of his findings and testified in front of the Pennsylvania Board of Claims.

In summary, Mr. Falconi's forensic accounting assignments include the evaluation of numerous lost profits and increased cost claims in connection with breaches of contracts, patent infringement, product liability, casualty losses and fraud. He has worked on matters in a variety of industries with a concentration in construction, banking and manufacturing. He has also analyzed lost earnings capacity claims in connection with matters involving medical malpractice. In the course of many of these matters, Mr. Falconi has authored expert reports and testified in a variety of forums.

Before joining BRG, Mr. Falconi spent 20 years providing forensic accounting services to a variety of clients. He has testified to his findings and opinions in State and Federal Court as well as arbitrations, mediations and informal negotiation sessions. He has also served as a Federal Court appointed Special Master. Prior to his career as a forensic accountant, he served as the Controller of a manufacturer of metal products. His industrial accounting experience included exposure to "financial" accounting topics and issues as well as management and cost accounting challenges. Prior to his Controller position, he worked in public accounting with both international and regional firms. Mr. Falconi planned and supervised audits of large international corporations as well as small, closely-held companies in a variety of industries.