

**STUART A. MCCRARY, CFA**  
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## BIO SUMMARY

Stuart McCrary is a managing director in Berkeley Research Group's Chicago office. A trader and portfolio manager, he specializes in traditional and alternative investments, quantitative valuation, risk management, and financial software. Before joining BRG, he spent 16 years consulting on a variety of capital markets issues including litigation consulting, valuation, modeling, and risk management. Previously, he was President of Frontier Asset Management, managing a market-neutral hedge fund. He held positions with Fenchurch Capital Management as Senior Options Trader and CS First Boston as Vice President and market maker of over-the-counter options and mortgage-backed securities. Prior to that, he was a Vice President with the Securities Groups and a portfolio manager with Comerica Bank.

## PRESENT EMPLOYMENT

BERKELEY RESEARCH GROUP  
Managing Director (2011 – present)

## PREVIOUS POSITIONS

- NAVIGANT ECONOMICS, FORMERLY CHICAGO PARTNERS  
Principal (1998-2011)

Consulted on a variety of capital markets issues including litigation consulting, valuation, modeling and risk management. Specializes in options, mortgage-backed securities, derivatives, credit derivatives and hedge funds.

- FRONTIER ASSET MANAGEMENT  
President, (1996-1999)

Created, tested and implemented a long-term non-directional trading model for fixed income securities. Created and managed limited partnership and management company to execute investment plan. Ran portfolio, financed positions and maintained research database. Marketed the fund. Created records and reports for disclosure and regulatory supervision.

- NORTHWESTERN UNIVERSITY, McCormick School of Engineering and Applied Science

Adjunct Faculty (2001-2015)

Taught classes in accounting and finance to students in Master of Product Design and Development program.



- FENCHURCH CAPITAL MANAGEMENT

Senior Options Trader (1990-1995)

Managed hedged trading position including mortgage-backed securities, options and other derivatives. Traded and managed a large portfolio of exchange-traded and over-the-counter options. Directed options exercise, assignment, and margining of exchange-traded option. Directed a covered put and call write program versus firm wide portfolio including domestic and foreign bonds, stock and currency. Developed all option valuation and hedging tools. Helped research department develop firm wide risk management tools. Developed automated position auditing procedures.

- FIRST BOSTON CORPORATION

Vice President, Mortgage Department and Proprietary Trading (1983-1990)

Options market maker and position manager. Managed a large book of over-the-counter and exchange-traded options. Designed and created valuation and risk management systems for Taxable Fixed Income Department, including option trading, call-adjusted spread pricing, rate cap model, and hedging software. Consulted to Fixed Income Research on research reports and public software.

- THE SECURITIES GROUPS

Vice President, Arbitrage Division (1980-1983)

Managed a hedged portfolio of Treasury securities. Developed models for interest rates, risk management, capital utilization and decomposition of daily profit.

- COMERICA BANK

Trust Investment Department (1979-1980)

Trader, portfolio manager and credit analyst in the Trust Department. Designed and managed a bond immunization product.

## PROFESSIONAL AFFILIATIONS

Chartered Financial Analyst (CFA), Charter holder.

Chartered Alternative Investment Analyst (CAIA) Charter holder.

Trustee, Village of Winnetka, Illinois (2012- 2016)

## EDUCATION

NORTHWESTERN UNIVERSITY



M.B.A. Finance and Economics, 1979.

Graduated with Distinction (Top 10%).

Beta Gamma Sigma honorary business society.

B.A. Economics, 1978.

Dean's List.

One of 12 students accepted into accelerated B.A./M.B.A. program after junior year.

## SELECTED PUBLICATIONS

Wiley Test Preparation for CAIA (Level 2), 2018, 2021.

Wiley Test Preparation for CAIA (Level 1), 2017, 2019.

A Look at a Defensive Equity Investment, Seeking Alpha, 2015.

Implementing a Monte Carlo Simulation: Correlation, Skew, and Kurtosis, BRG White Paper, 2015

Implementing a Trinomial Convertible Bond Pricing Model, BRG White Paper, 2015

Implementing Hull-White Trinomial Term Structure Model, BRG White Paper, 2015

Exploring Hedge Fund Transparency, Westlaw Journal – Derivatives, Vol 20, Issue 19, 2014

Handbook of Short Selling, "Financing Techniques of Short Sellers", Academic Press, 2011.

Essentials of Financial Accounting, John Wiley and Sons, 2010.

Essentials of Corporate Finance, John Wiley and Sons, 2010.

Hedge Fund Course, John Wiley and Sons, 2005.

How to Create and Manage a Hedge Fund: A Professional's Guide, John Wiley & Sons, 2002.

"Mortgage Futures and Options: A Description of the CBOT MBS Contract", Derivatives Quarterly, Spring, 2001.

"Option-like Structures in Hedge Funds", Derivatives Quarterly, Fall 1999.

## SELECTED SPEECHES AND SEMINARS

"Credit Crisis: One Year Later", Northwestern University, February 19, 2010.

"Credit Crisis: Cause and Effect", Northwestern University, October 22, 2008 and January 31, 2009.

“Overview of Subprime Crisis & Structured Credit Products”, McDermott, Will & Emery CLE, September 24, 2008, Winston & Strawn CLE, October 2, 2008, Sidley Austin CLE, November 18, 2008.



“Overview of Credit Crisis: What Now?”, American Bar Association Section of Litigation, September 27, 2008.

“Mortgage-backed Securities and Subprime Mortgage Write-offs”, DePaul Computational Finance Group, Featured Speaker Series, February 28, 2008.

“SEC Requirements for Hedge Funds and Related Challenges”, Illinois CPA Society Special Interest Group for Futures, Securities and Derivatives, November 2, 2005.

“Financial Reporting and Risk Management Best Practices”, Hedge Fund – Developing and Implementing Compliance Best Practices in the New Regulatory Environment, American Conference Institute, January 24-25, 2005.

“The Role of Alternative Investments in the Institutional Portfolio”, Russell/Mellon Client Conference, Scottsdale, AZ, June 22-23, 2003.

“Big Picture Overview”, Strategy Institute Conference on Creating and Marketing Hedge Funds, Toronto, Canada, January 21, 2003.

“Risk Budgeting”, Russell/Mellon Client Conference, Braselton, GA, February 26, 2002.

“Hedge Funds: Myth and Reality”, Alternative Investments Conference, Strategy Institute, Toronto, Canada, October 4, 2001.

“Hedge Funds in the Current Environment”, Seminar for the Investment Banking Group and Investment Management Group, University of Chicago, October 11, 2000.

“Hedge Fund Entrepreneurship”, Seminars in Applied Financial Theory, Masters of Science in Finance, DePaul University, May 26, 2000.

“Practical Aspects of Hedge Fund Management”, Symposium, Kellogg Graduate School of Management, Northwestern University, May 8, 2000.

National Futures Association Best Practices Study End User Panel (Dec. 1999- June 2000).

Risk Training, Nov 18-19, 1999, “Value at Risk for Investment Managers and Plan Sponsors”; Tutorial: Mastering the theory for calculating value-at-risk.

## **TESTIMONY**

Expert Report of Stuart McCrary in CFTC v. Edward Walczak (August, 2021)

Arbitration Testimony in EMI v Xincai (June, 2021).

Rebuttal Expert Report of Stuart A. McCrary in SRT v. Xincal (April, 2021).

Expert Report of Stuart McCrary in SRT v. Xincal (March, 2021).

Trial Testimony in Carbures v EMI (May, 2019).

Deposition in Jean Peterson v. Paul Hitchcock Et. Al. (November, 2017).

Expert Report, Rebuttal Report and Deposition in Carbures v EMI (2017).

Review of Securities and Exchange Commission software to audit trading blotters to identify transactions requiring closer review by SEC examiners. (not litigation)

Expert Report of Stuart A. McCrary in Lehman v. JPMorgan (September, 2013, November 2013, and January 2014).

Expert Report of Stuart A. McCrary in Highland v UBS (April, 2013).

In the Matter Involving the Illinois Funeral Directors Association and Merrill Lynch, Pierce, Fenner & Smith Incorporated with respect to the IFDA Tax-Exempt Pre-Need Trust Fund (April, 2011, Supplemented May 2011).

David Dorman v Sysco Food Systems-Chicago, Inc. et. al. (November, 2010).

Regents Park et. al. v. GlobeOp Financial Services (June 2009).

Miller Tabek & Co. v. Israel Englander & Co., Inc. (October 2007).

Josef A. Kohen, Breakwater Trading LLC, and Richard Hershey v. Pacific Investment Management Company LLC, and PIMCO Funds (August 2007).

Charles Schwab & Co., Inc. v. Carter, et. al. (January 2006).

United States Securities and Exchange Commission v. National Presto Industries (May-June, 2005).

Jeffrey Saye v. Old Hill Partners, Inc. (May, 2004).

Salomon Bros. Int'l Ltd. v. Eagle Cayman Int'l L.P., et al. (May, 2003).

Hayden Leeson v. GHM, Inc. & J. Robbins (May, 2000).