



Fulcrum Financial Inquiry LLP
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SUMMARY

Mr. Khemlani specializes in financial analysis and calculations involving disputes. He works with a broad range of firms/industries in both litigation and non-litigation settings. His usual assignments include lost profits analysis, forensic accounting, and royalty and distribution audits.

LICENSES AND CERTIFICATIONS

Certified Public Accountant - California

Real Estate Broker - California

Certified Fraud Examiner

EDUCATION

Bachelor of Science, Business Administration, with a Concentration in Finance, Summa Cum Laude,
University of Southern California, Los Angeles, California

EMPLOYMENT

Fulcrum Financial Inquiry LLP; May 2002 – present

Arthur Andersen LLP; June 2000 – May 2002

REPRESENTATIVE ENGAGEMENTS

Created expert reports and/or trial presentations reflecting the analysis performed in the following representative engagements:

Lost Profits/Business Interruptions

- Analyzed lost profits suffered by a large city who was not awarded a bid to provide certain services to the county and surrounding areas due to a breach of contract regarding a joint venture with another company. This assignment included extensive review of various submitted bids and an evaluation of the likelihood that the plaintiff would have otherwise been awarded the bid and is therefore entitled to the lost profits suffered.
- Calculated business interruption damages due to construction defects. This assignment required detailed financial modeling under a variety of scenarios. The review and rebuttal of opposing expert analysis was also a major component of this assignment.

- Analyzed damages caused by the cancellation of a management agreement. This assignment included reviewing and critiquing the opposing expert's analysis for the damages suffered by the management company due to the breach of contract. The assignment also included analyzing lost profits of the defendant due to the breach of fiduciary duties by the management company.
- Analyzed lost profits due to the cancellation of an outsource contract. The review and rebuttal of opposing expert analysis was also a major component of this assignment.
- Analyzed lost profits by a retailer whose business was destroyed by a fire caused by an adjacent tenant.
- Analyzed business interruption damages for a sales rep due to a work place injury. This assignment included analysis of the sales rep's historical performance and the review and rebuttal of the opposing expert's analysis.
- Analyzed business interruption damages due to a fire caused by faulty construction. This assignment included extensive industry analysis of comparable businesses in order to determine if the reduction in profits was due to market conditions or the related construction.

Advisory Services & Valuations

- Determined the value of each member's interest in a management company due to the exercise of the buy/sell provision in the company's operating agreement.
- Calculated the net present value of unpaid amounts owed to a landlord pursuant to a lease.
- Provided financial advisory support to a seller of various entertainment assets (movies, plays, and scripts). Analyzed each of the assets and reviewed their potential to generate future cash flow. Provided guidance as to the appropriate purchase price.
- Determined the fair market value of a business. This assignment was conducted using Uniform Standards of Professional Appraisal Practice.
- Performed due diligence on a new venture. Created financial models to determine the feasibility of the venture and the required investment. Performed market assessments and competitive landscape analyses as a part of the process.
- Determined the fair market value of a holding company. This assignment was conducted using Uniform Standards of Professional Appraisal Practice.
- Assisted in settlement negotiations with the Department of Justice. This assignment involved extensive statistical and financial modeling of large data sets.
- Assisted the Department of Justice in a class-action lawsuit pertaining to a government entity's fiduciary duties. This assignment included the implementation of sampling routines to identify corrections and corresponding original transactions using Microsoft SQL and Access to assess damages suffered by the class.

Shareholder/Bondholder Disputes

- Estimated economic losses suffered by a bondholder whose bonds' value fell allegedly as a result of the inadequacies of the bonds' servicer. Estimated the value of the bonds under the counterfactual assumption that the bonds had been serviced properly. Bond-value estimates were based on a variety of factors including: actual market transactions, change in market and financial conditions during the

relevant time period, comparable bond values, analysis of the relative importance of various economic and financial results to the market place, and other statistical evidence.

- Analyzed damages suffered by bondholders of a large company due to a restatement of the company's financial statements. This assignment included the analysis of the company's industry including competitive analyses, event studies and financial ratio analyses.
- Analyzed damages suffered by stockholders of a company due to a restatement of its financial statements. This assignment included the analysis of the company's industry including competitive analyses, event studies and compilation of analyst reports.

Intellectual Property

- Analyzed damages suffered by a manufacture due to a patent infringement. This assignment included calculating damages due to price erosion and addressing the Georgia-Pacific factors in order to determine a reasonable royalty rate.
- Analyzed damages suffered in an alleged copyright infringement. This assignment included rebutting the opposing expert's assumptions used in his lost profits and reasonable royalty analysis.
- Analyzed damages suffered by a manufacturer due to a patent infringement by four other competing manufactures. This assignment included addressing both the Panduit factors for calculating lost profits and the Georgia-Pacific factors in order to determine a reasonable royalty rate.

Forensic Accounting

- Analyzed the financial impact of an attorney's malpractice relating to a client's contract. This assignment included assisting the defendant's insurance carrier in reviewing and rebutting the opposing expert's analysis.
- Performed multiple world-wide royalty audits of large public companies on behalf of a doctor. The material audited spanned over ten years and covered several hundred parts. This assignment included analyzing large data sets in Microsoft Access in order to determine the amounts of royalties owed to the doctor.
- Analyzed cash flows for over 20 limited partnerships. This assignment included detailed financial analysis in order to demonstrate that these partnerships were the "alter ego" of one the shareholders who had a personal judgment against them.
- Investigated the workpapers of an accounting firm being sued for malpractice in connection with a compilation assignment. This assignment included detailed financial analysis of the company's accounts payable clearing account which was the focus of the malpractice lawsuit.
- Analyzed collection losses for a franchisee due to the mismanagement by the franchisor. This assignment included benchmarking the franchisee's accounts receivable collection percentage against other companies in the same industry.
- Created personal financial statements for an individual being investigated by the Federal Trade Commission ("FTC"). This assignment included participating in multiple settlement discussions with the FTC on behalf of the client.
- Performed a royalty audit on behalf of a marketing and advertising spokesman of a distributor. The company's financials were analyzed in great detail, including the general ledger, vendor invoices, auditor workpapers, and various third party agreements, to determine which costs were allowed to be

charged against royalties. This assignment included additional financial analysis of the distributor due to its filing of Chapter 11 for bankruptcy protection.

- Investigated allegations of below cost pricing. Created detailed cost build ups of various products which included analysis of all direct and indirect expenses and determination of costs drivers for allocation purposes. This assignment also included determining lost profits due to a lost contract resulting from the below cost pricing.
- Analyzed damages suffered by an individual who did not receive proper and adequate child support payments from her husband. Based on theory of "constructive trust", damages were evaluated by examining stock the husband purchased instead of making child support payments.
- Determined the profitability of one division of a manufacturer where two employees had a profit participation interest and had alleged fraud. This assignment included constructing detailed financials statements of the division from inception and involved cost and revenue verification, cost segregation methods and the separation of a combined asset based lending arrangement with a factoring company. The review and rebuttal of opposing expert analysis was also a significant portion of this assignment.
- Analyzed losses suffered due to an increase in workers compensation insurance premiums. This assignment included a detailed review of a big 4 audit firm's workpapers in order to determine the amount of testing and resulting accruals related to the workers compensation liability.
- Assessed damages owed to the plaintiff caused by overcharges and kickbacks relative to a fixed fee contract. This assignment required detailed cost analysis of amounts paid by the defendant to vendors compared to amounts paid to the defendant by the plaintiff.
- Investigated bank statements of various related entities to identify alleged fraudulent transactions between the entities. This assignment included identifying fraudulent conveyances and preparing restated financial statements that represented the true financial condition of the entities when the transactions were unwound.
- Investigated allegations of theft of trade secrets and customer lists by former employees. The review and rebuttal of opposing expert analysis was also a major component of this assignment.
- Analyzed financial records of 20 partnerships due to a dispute between the partners. This assignment included application of contract terms, cash flow analysis, financial modeling, and general accounting activities.

Other

- Ongoing management of a service line which helps public companies comply with Section 301(4) of the Sarbanes-Oxley Act by establishing procedures for the collection and resolution of employee complaints covering an extremely broad range of financial and accounting control issues. Duties include complaint handling, investigations, and other administrative duties.
- Acted as an inspector of the election of directors for an insurance company. This assignment included tabulating the ballots and proxies cast and preparing a report summarizing the procedures used and the results of those procedures.