

Overview of Business Interruption Consulting, LLC

Business Interruption Consulting, LLC (BIC) is a professional services firm devoted to Business Interruption, Forensics and Financial Advisory, and Dispute Advisory services. The principals have been serving the corporate, insurance, legal and professional communities including governmental entities for over thirty years and regularly assist clients in and out of the courtroom by providing financial forensic, consulting and expert witness services including performing financial and fraud investigations. We also regularly advise clients on matters involving construction administration including disputes originating from physical damages to the project, cost overruns, and delays. We offer a number of unique qualities, which guide our approach to engagements. These qualities include:

- ❖ The firm has a reputation of going beyond the routine to provide an extra dimension in **quality, effort and service** for its clients.
- ❖ Because we are devoted exclusively to business interruption, dispute advisory and forensics, and financial advisory services, our narrow focus allows us to provide a tremendous **depth of knowledge and experience** for our clients.
- ❖ The typical BIC principal has over thirty years of business/industry experience and are **recognized leaders in their professions**.
- ❖ Our professionals are **CPAs, CFEs, CFFs, and CVAs**, with **considerable financial and business acumen** and have collectively **testified in hundreds of matters** in a wide range of venues.
- ❖ BIC professionals are model builders and problem solvers who often employ advanced techniques to solve, prove or disprove assumptive factors and are adept at working with **large complex data sets**.
- ❖ The level of support in our work - empirically, theoretically and logically - is extreme. As named experts; **juries, judges, arbitrators and regulators have consistently accepted our analysis** and understand our complete adherence to objectivity and accuracy.
- ❖ We demonstrate expertise in industries from governmental entities to large publicly-traded entities. We understand and appreciate the **unique aspects of each business and every engagement**.
- ❖ We are not an accounting firm, which reduces the possibility of conflicts of interest, and we are not academics, but rather have **real-world experience** upon which to form our opinions.
- ❖ We are not “plaintiff experts” or “defense experts,” but rather we are **advocates of the opinions we form from the evidence that we analyze**.



Selected Practice Areas

The senior professionals in our Dispute Advisory and Forensics practice have experience in a wide variety of disciplines and industries and most have advanced degrees and at least one certification in areas such as accounting (CPA), fraud investigation (CFE), internal audit and financial forensics (CFF). This depth of talent allows BIC to assemble a qualified team to address the most complicated issues.

Business Damages

Complex commercial damages analyses are a staple at BIC. As businesses, business strategy and the market are becoming more multilayered, the financial damages caused by tortious interference, breach of contract or other unplanned event are increasing in both amounts and complexity. We have been serving the legal community for over 30 years providing research, damage modeling and opinions relating to financial damages and the cost to mitigate business damages.

Our professionals have provided testimony in state and federal courts through the United States and its territories on matters that comprise the following asserted damages and/or disputes.

- Lost profits – tortious interference
- Lost profits – breach of contract
- Loss of use
- Lost production v. lost sales analyses
- Construction disputes - delay claims
- Diminution of value
- Intellectual property disputes (patent, trademark, and copyright infringement)
- Shareholder disputes and derivative actions
- Business value/valuations

Insurance Disputes and Claims

BIC has been assisting law firms, corporations and insurance professionals for over 30 years in the realm of insurance damage claims and disputes. From insurable loss events that have impacted the “super majors” in the oil in gas industry to major manufacturers throughout the domestic markets, BIC seasoned professionals have been called upon to assist with quantifying, verifying and when asked assisted in the settlement process.

Team members understand the ins and outs insurance damage claims, claims accounting, claims modeling and the successful means of communicating both amounts and issues of concern to insureds, law firms, and insurance professionals. A few of the services provided within our insurance disputes and claims practice are as follows:

- Business Interruption
- Rents Loss
- Extra Expenses
- Builders Risk (Construction)
- Arson – Financial Motive
- Fidelity Bond Claim
- Physical Damage Cost Review
- Inventory Loss Evaluation/Analysis
- ACV – Actual Cash Value Analyses
- Report of Values
- Property Appraisal
- Subrogation



Economic Damages/Personal Injury

Economic damages as the result of a personal injury/wrongful death/wrongful termination have several levels of complexities. BIC's professionals have a long history of assisting the legal community with complex claims; specifically, aiding the parties understand the economic damages at hand and the impact of challenges to asserted damage amounts.

Before a settlement is contemplated, gaining an understanding of the elements of the economic damages at hand is crucial. Effective communication of the economic damages to our client is key. We regularly assist our clients with the following:

- Offshore accidents/Jones Act claims
- Industrial accidents
- Premise accidents
- Motor vehicle accidents
- Business owners
- Contractors
- Lost wages (past and future)
- Assessment of lost earnings capacity
- Appraisal of lost support to survivors
- Evaluation of personal consumption
- Lost business profits
- Growth/present value of medical costs

Fraud Investigations / Financial Forensics Experience

In today's increasingly complex business environment it is understood that a highly-qualified team of financial professionals is a critical component in uncovering fraud. Our professionals possess significant experience in financial forensics matters including analyzing all types of financial transactions to identify instances of fraud, employee, officer and director misconduct, misuse of corporate funds, misappropriation of assets, financial misrepresentation and breach of fiduciary duty. We regularly review the financial books and records (e.g., financial statements, general ledger, invoices, contracts, etc.) of entities to analyze the sources and uses of funds and to evaluate specific transactions and business relationships.

Our professionals have completed many engagements requiring detailed forensic analysis and transaction characterization ranging from several hundred thousand to over several hundred million dollars. Historical engagements have included the following:

- Fraud and malfeasance investigations
- Director and office misconduct
- Asset tracing
- Discovery of discrepancies in financial statements
- Breach of fiduciary duty
- Financial misrepresentation
- Employee theft
- Bribes
- Financial investigations
- Misuse of corporate funds
- Misappropriation of assets
- Corporate governance
- Accounting irregularities
- Regulatory program compliance analysis
- Embezzlement
- Kickbacks
- Expert reports and testimony

Governmental Entity Contracts and Project Evaluations

Our seasoned professionals have worked on a number of matters involving governmental and quasi-governmental entities. Our experience includes conducting fraud and financial forensic investigations including evaluating allegations of accounting irregularities, misuse of funds, misappropriation of assets, embezzlement, and director, officer and employee misconduct. Our experience also includes examining and assessing internal controls and policies and procedures related to purchasing and financial budgeting and reporting, organizational structure and construction contracting and administration functions. This work has also included evaluating the policies and procedures utilized by governmental, quasi-governmental and non-governmental entities related to procurement including the contract bid, evaluation and award processes, as well as evaluating actual project costs including vendor costs relative to project budgets and schedules.



Policies, Procedures and Internal Controls Assessment

The Texas Education Agency (“TEA”) Resource Guide and AU (Audit Standard) 314.67 states that the control environment “sets the tone of an organization, influencing the control consciousness of its people. It is the foundation for all other components of internal control, providing discipline and structure.” This is true for almost all, if not all, entities. The complexity of the environment surrounding government agencies requires knowledgeable and experienced experts to analyze policies, procedures and internal controls in order to help organizations achieve objectives regarding, the ability to depend on the reliability of financial reporting, safe guard of various assets, maintain compliance with policies, procedures, laws and regulations, and use resources efficiently and effectively.

BIC utilizes the COSO (Committee of Sponsoring Organizations of the Treadway Commission) Internal Control Framework to assess internal controls and policies and procedures. The COSO Internal Control Framework has five **interrelated** components including:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring

BIC professionals are regularly engaged by clients as experts to evaluate the control environment, perform risk assessments, identify and evaluate control activities including the information and communication systems and monitoring activities, as well as to review associated policies and procedures. BIC professionals have produced audit reports for local, state, and federal government entities and a variety of clients including Fortune 500 companies.

Construction Administration Evaluation

BIC professionals have assisted on numerous construction matters utilizing construction accounting, project financing, financial forensics and valuation expertise. With our strong background in accounting and construction, we work closely with our clients to identify the relevant financial and accounting information needed to evaluate the appropriateness and nature of submitted construction costs and to assist counsel with those matters in dispute. This experience includes contracts with building contractors, engineers, architects and other service professionals related to the construction of all types of structures, as well as IT systems.

Our Dispute Advisory and Forensics practice professionals have assisted clients in investigating and identifying issues related to accounting abnormalities, financial improprieties and matters involving fraud in the construction industry. We regularly assist counsel in all phases of the construction dispute resolution process including assessing claims and providing expert testimony. We also provide advisory services to owners, developers and lenders, as well as governmental agencies including school districts focused on evaluating and assessing construction programs, projects and costs, resolving issues and disputes originating from large complex construction programs and projects.

