



CURRICULUM VITAE

KAREN B. FORTUNE

Certified Public Accountant
Certified in Financial Forensics
Chartered Global Management Accountant
Master of Accountancy

EDUCATION

University of Florida, Fisher School of Accounting
Master of Accountancy, 1992
Bachelor of Science, Accounting, 1990

PROFESSIONAL EXPERIENCE

Ms. Fortune serves as a Partner in IAG Forensics' forensic accounting and litigation services practice. Karen has over twenty years experience, comprised of both public and private practice, having spent several years in public accounting and serving as a CFO for a biotechnology firm. She possesses extensive experience in financial reporting, auditing of both public and private companies, addressing complex accounting issues, evaluating and designing internal controls, and performing corporate investigations.

She assists attorneys on cases involving corporate internal investigations, fraud allegations and securities litigation. Additionally, she specializes in matters involving complex financial analyses, M&A disputes and the application of Generally Accepted Auditing Standards (GAAS). Karen has testified as an expert witness and has provided assistance to attorneys on several aspects of a case from the complaint stage through trial. Representative assignments that Ms. Fortune has worked on include:

- Complex financial damages
- Matters involving the application of GAAP and GAAS
- Securities litigation
- Corporate internal investigations on behalf of Special Counsel, Boards of Directors, Audit Committees and/or management teams (including financial statement fraud and improper use of funds)
- White Collar Crime and fraud investigations
- Investigations on behalf of financial institutions involving loan losses due to impairment or fraud
- M&A litigation (purchase price disputes)

SELECT EXPERIENCE

- Performed multiple investigations of alleged fraud and/or theft in restaurant, bar and QSF entities. Investigated alleged personal use of restaurant funds and credit cards, missing cash and diversion of assets to related businesses on behalf of minority shareholders and other stakeholders.
- Performed comprehensive funds tracing and analysis of multiple entities holding real estate and tax liens in alleged alter ego matter. Provided expert witness testimony relating to the funds tracing leading to successful resolution of the matter.
- Performed funds tracing and financial analysis for restaurant/bar to identify personal use of funds by certain owners of the business. Assisted Plaintiff's counsel in shareholder dispute by quantifying effective distributions of each owner for settlement purposes.
- Performed financial analysis of consultant's banking and accounting records to identify misappropriation of funds by CPA/CFO. Demonstrated dual set of records (QuickBooks) maintained by Defendant, leading to global settlement with CPA/CFO and major bank.
- Performed financial analysis of trucking company's QuickBooks records maintained by CPA/CFO. Demonstrated through audit trail history CPA/CFO's manipulation of accounting records to hide various transactions.
- Investigated vendor of major retailer accused of misappropriating funds due retailer. Performed funds tracing and analyses revealing multiple unsuccessful real estate investments intended for the personal benefit of the vendor, using retailer's funds. Matter was successfully settled.
- Performed investigation for audit committee of mortgage-REIT's accounting for portfolio impairment. REIT portfolio consisted of loans to prime, subprime and ALT-A lenders and real estate developers.
- Performed investigation of alleged bank fraud involving loan syndication. Participating banks asserted lead bank withheld certain facts from syndicated leading to loan losses.
- In several separate cases analyzed transactions, working paper documentation, Generally Accepted Accounting Principles and Generally Accepted Auditing Standards related to shareholder suits alleging accounting malpractice. Industries involved healthcare, cable (television and telephone), Internet, training services and manufacturing.

- Analyzed audit working papers in several matters asserting accounting malpractice against independent accountants of pension plans invested in Madoff-related feeder funds. Assisted counsel in mediation between investors and audit firm representatives and insurers.
- Investigated public corruption matter on behalf of metro-Atlanta county's District Attorney's office. Performed funds tracing and financial analyses relating to the sources and uses of funds by parties included in the indictment. Provided expert witness testimony relating to the funds tracing leading to successful prosecution.
- Investigated alleged bank fraud of bank president, performing funds tracing through multiple customer loan, cash and credit accounts on behalf of bank. Assisted FDIC in concurrent investigation by providing documentation and findings which led to successful prosecution.
- Assisted defense counsel in white collar crime matter by analyzing transactions included in federal government's bank, wire and securities fraud indictment counts against mortgage originator/broker. Provided expert witness testimony on transactions and their financial impact upon the lending institution.
- Performed analysis and calculation of lost profits related to a surgeon's dismissal from a metro-Atlanta hospital.
- Performed analysis of damages asserted by name-brand pharmaceutical company against generic pharmaceutical company. Analyzed pharmaceutical sales trends, pricing strategies, competition to determine various other causal relationships not considered by the plaintiff.
- Financial analysis and review of accounting records to determine royalties due under inventor agreement with University research organization.
- Performed investigation of three Charter schools in metropolitan-Atlanta county school district with Director of Internal Audit. Provided report to counsel on operational and financial issues and identified several conflicts of interest, compliance and potential liability issues for district follow-up.
- Investigated alleged fraud of CEO on behalf of national franchise organization's board of directors. Performed funds tracing and determined CEO misappropriated in excess of \$1 million through improper use of payroll, company's retirement plans and other accounts.

- Investigated damage claims resulting from catastrophic event involving major transportation and engineering firms. Assisted defense counsel in determining excessive claims for purposes of mediation.
- Assisted counsel in defense of CEO and CFO of publicly-traded cable company accused of securities fraud and financial statement misstatements.
- Investigated and quantified transactions in defense of business owner accused of selling “diverted” biopharmaceutical products.
- Investigated and performed document review of dispute related to adequacy of due diligence procedures performed in multi-million dollar acquisition.
- Managed document review team and performed financial analysis to assist with piercing the corporate veil and performing punitive damages calculation for wrongful death matter.
- Performed financial analyses and calculations in multiple purchase price disputes over sale of manufacturing, engineering, aerospace and defense contracting firms.
- Assisted attorneys in analysis of public filings and available documentation to develop complaint in multi-billion dollar class action suit alleging fraudulent financial reporting of revenues. Matter settled for \$2.5 billion.
- Investigated financial records of company providing services to the airline industry to determine amounts embezzled by management team member.

PUBLICATIONS

“Internal Investigations – How-and when-to take matters into your own hands”
November 2007, Smart Business Atlanta Magazine

“Let the Buyer (and the Seller) Beware” January 2009, Business & Finance Section
of the Atlanta Bar Association – 4th Annual Professionalism CLE Seminar

“The EBITDA Enigma” January 2009, Business & Finance Section of the Atlanta
Bar Association – 4th Annual Professionalism CLE Seminar

“Rebuilding Haiti: Beware of the FCPA” May 2010, BNA, Inc. – White Collar
Crime Report and Law 360 – The Newswire for Business Lawyers, co-authored
with Catherine Salinas, Esq.

“FCPA Compliance: Tone at the Top, Train at the Bottom” October 2010, Law 360
– The Newswire for Business Lawyers, co-authored with Catherine Salinas, Esq.

PROFESSIONAL TEACHING EXPERIENCE

Identifying and Addressing Fraud Risks in the Current Real Estate Climate – Georgia Society of CPAs Real Estate Conference (June 2010)

Effective Use of Financial Experts in Contract Disputes – Institute of Continuing Legal Education in Georgia (State Bar of Georgia) Contract Litigation Conference (August 2010)

Audits of Employee Benefit Plans – Frequent Issues in Malpractice Matters – Habif, Arogeti & Wynne P.C.'s audit department (April 2011)

Effective Use of Experts in Fraud Matters - Institute of Continuing Legal Education in Georgia (State Bar of Georgia) Expert Testimony Conference (October 2012)

Guest Lecturer at Clayton State University (March 2012, January 2013) – Forensic Accounting Course

Guest Lecturer at Southern Polytechnic Institute (January 2013) - Auditing Course; (November 2013) – Forensic Accounting Course; (November 2014) – Forensic Accounting Course

When CEOs and CFOs Run Amok – Top Fraud Prevention Strategies for GCs – Daily Report In-House Counsel CLE Seminar Series (January 2013)

The Risks and Rewards of a Forensic Accounting Practice – DeKalb and Gwinnett Chapters of GSCPA (February and March 2013)

Audit Malpractice Issues – Impact of Management Fraud on Auditors – IIA CSRA CPE Conference (June 2013); AAA-CPA Annual Event (November 2015)

Before the Valuation – Cleaning Up Financial Statement When Fraud Has Occurred – NACVA State of Georgia Annual Meeting (October 2013)

Guest Lecturer at Georgia Gwinnett College (March 2014) - Auditing Course

Guest Lecturer at Kennesaw State University's CPE for CPAs Program (November 2014, November 2015) – Fraud Prevention and Detection Training for CPAs

Guest Lecturer at Georgia State University (April 2015) – Forensic Accounting/MBA Course

Governmental Fraud, Waste & Abuse: A Tale of Two Cities (December 2015) – GSCPA Annual Governmental A&A Conference

Guest Lecturer at University of Georgia (April 2016, April 2017) – Fraud and Forensic Accounting/MAcc courses

Ethics – War Stories from the Field Panel Discussion (November 2016) – ACFE November 2016 Annual Seminar

Guest Lecturer at Kennesaw State University's CPE for CPAs Program (December 2016) - If I Had Only Known Then...A Study of Fraud Schemes, Missing Internal Controls and Resulting Investigations

Association of Local Government Auditors Annual Conference (May 2017) – Investigative Interviews – Asking the Tough Questions

UGA SBDC at KSU CPE for CPAs Program (October 2017) – Corporate Investigation ABCs

EXPERT TESTIMONY EXPERIENCE

Testimony history available upon request

PROFESSIONAL AFFILIATIONS

American Institute of Certified Public Accountants

Georgia Society of Certified Public Accountants – Forensic and Valuation Services Section Leadership Committee (**Chair of Fraud Prevention and Detection Division** January 2010 – July 2013; **Vice Chair of FPDD** July 2013 – December 2013; **Chair of Fraud & Forensic Accounting Conference** 2014, 2016; **Member of Fraud & Forensic Advisory Committee** (August 2014 – July 2015)

National Litigation Consultants Review (NACVA) editorial board (2011 – 2016)

Georgia Association of Women Lawyers (Non-Lawyer member 2004 – present)

The American Bar Association (Non-Lawyer Affiliate Member)

Metro Atlanta Chamber of Commerce – Biosciences Leadership Council member (2010 – 2011); Medical Devices Committee member (2010 – 2011)