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APPLICATION TO SERVE AS INDEPENDENT COMPLIANCE AUDITOR FOR HERBALIFE

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TABLE OF CONTENTS

Section I.	Executive Summary.....	1
Section II.	Personnel.....	1
	A. McDonald Hopkins.....	1
	B. Conway MacKenzie.....	3
	C. Internal Organization of the Team.....	4
Section III.	Qualifications.....	4
Section IV.	Prior Experience and References.....	6
	A. McDonald Hopkins.....	6
	1. Richard Blake.....	7
	2. Shawn Riley.....	7
	3. Benjamin Panter.....	8
	4. Sean Malloy.....	7
	5. Lisa Lauer.....	9
	6. Mary Edquist.....	10
	7. Alyssa Landino.....	10
	B. Conway MacKenzie.....	10
	1. Multi-Level Marketing Program Subject Matter Expertise.....	10
	2. Industry Expertise in Nutritional Supplement and Related Products.....	12
Section V.	Proposed Activities.....	13
Section VI.	Potential Conflict of Interest or Bias.....	13
Section VII.	Conclusion.....	14

Addendum.....14

Exhibit 1: Individual Team Member Biographies

Exhibit 2: Professional References

Exhibit 3: Team Member Proposed Activities and Costs

Exhibit 4: Opinion Letter from McDonald Hopkins In-house Ethics Counsel, Tyler Mathews, Esq.

SECTION I. EXECUTIVE SUMMARY

McDonald Hopkins LLC and Conway MacKenzie, Inc. are pleased to present our response to the FTC’s Request for Applications to Serve as Independent Compliance Auditor (“ICA”) for Herbalife pursuant to the Stipulated Order for Permanent Injunction and Monetary Judgment (“Stipulated Order”) entered by Judge Beverly Reid O’Connell in Case No. LA CV16-05217 (C.D. Cal.) on July 25, 2016. We recognize that this is an important time in Herbalife’s history and appreciate the opportunity to be considered for this engagement.

McDonald Hopkins and Conway MacKenzie have assembled a team that is uniquely situated to provide counsel regarding each of the matter-specific areas of focus described in the Request for Application (“RFA”) to Serve as ICA. As detailed below, the team will include attorneys from McDonald Hopkins as well as certified public accountants and other financial service professionals from Conway MacKenzie. The team will bring unparalleled expertise, experience, effectiveness, and economy to the task of ensuring compliance with the Stipulated Order.

At the outset, we believe that an effective ICA must fully appreciate both the responsibilities and limitations of the role. Under the Stipulated Order, the ICA’s role is broad in some areas and limited in others. For example, the ICA has significant responsibilities to assess and report on implementation of reforms in the following general areas of Herbalife’s U.S. business: tracking of retail sales; distinguishing between business opportunity participants and discount buyers; observing limitations on compensation that is based on consumption of products by business opportunity participants; calculation and payment of multi-level compensation; and certain training requirements. The Stipulated Order, however, is clear that the ICA’s duties are solely oversight, and the ICA has no operational role. It is Herbalife’s – not the ICA’s – responsibility to implement the numerous reforms outlined in the Stipulated Order.

We are mindful of and will ensure that the parties’ roles as contemplated by the Stipulated Order are respected. To this end, we will clearly define roles at the outset of the engagement to eliminate confusion, which we believe will earn the trust of both Herbalife and the FTC and ultimately ensure compliance with the Stipulated Order.

SECTION II. PERSONNEL

A. McDonald Hopkins

McDonald Hopkins is an innovative business advisory and advocacy law firm that possesses the expertise necessary to ensure Herbalife’s compliance with the Stipulated Order. Because so many McDonald Hopkins attorneys – including most of the attorney members of our ICA team – come from large national law firms, we are able to deliver outstanding “big law” expertise for competitively-priced “mid-size” legal fees. McDonald Hopkins has more than 140 attorneys and professionals at our offices in Chicago, Cleveland, Columbus, Detroit, Miami, and West Palm Beach, as well as more than 50 service and industry teams designed to meet the growing challenges of our clients. The firm adheres to its core values of integrity, client service, teamwork, entrepreneurship, and quality of life. Our commitment to exceeding client expectation cultivates intensely loyal clients.

We have assembled the following diverse and highly experienced attorney team from our Cleveland, Detroit, and Chicago offices:

- Richard H. Blake is a Member and the Co-Chair of the firm’s Government Compliance, Investigations, and White Collar Defense Practice Group. He previously served for nearly 20 years as an Assistant United States Attorney with the Department of Justice and Senior Enforcement Attorney with the Department of Treasury. Mr. Blake was named one of the Best Lawyers in America (2016-2017), selected for inclusion in Ohio Super Lawyers (2015), and won the 2006 President’s Council on Integrity and Efficiency Award for Excellence and Distinguished Performance in protecting United States Military Personnel and the Nation’s Nuclear Programs.
- Shawn M. Riley is a Member and the President-Elect of our firm. Mr. Riley’s practice focuses on business counseling, business restructuring, and distressed M&A. He was formerly an attorney at Jones Day. Mr. Riley was named one of the Best Lawyers in America (2006-2017), designated Lawyer of the Year in Cleveland for Bankruptcy and Creditor Rights/Insolvency and Reorganization Law by Best Lawyers in America (2014, 2017), selected for inclusion in Ohio Super Lawyers (2004-2016), and named a “Leader Lawyer in Ohio” by Chambers USA (2004-2006, 2009, 2010, 2012-2015). Mr. Riley also served as Mayor of Gates Mills, Ohio, from 2011 to 2015.
- Benjamin D. Panter is a Member and Chair (effective October 1, 2016) of the Executive Compensation & Governance Practice Group. He focuses his practice on compensation and governance issues facing public, private and closely-held companies. Mr. Panter was formerly a partner at Kirkland & Ellis in the Executive Compensation Practice Group. He was selected for inclusion in *Illinois Rising Stars* (2014-2015) and *New York Rising Stars* (2011-2013).
- Sean D. Malloy is a Member and the Vice-Chair of the Business Restructuring Services Department. He focuses his practice on counseling clients on strategic alternatives in distressed business settings. Mr. Malloy was formerly an attorney at Jones Day. He was selected for inclusion in Ohio Super Lawyers (2010-2015) and Ohio Rising Stars (2005-2007), named one of the Best Lawyers in America (2012-2017), and named a leader in Ohio Bankruptcy/Restructuring by Chambers USA (2012-2015).
- Lisa Lauer is a Member of the Business Department and provides comprehensive corporate and business counseling to a variety of businesses, business owners, and investors in a wide array of industries. Ms. Lauer was formerly an attorney at Jenner & Block. She has been selected for inclusion in *Illinois Rising Stars* (2012-2014).
- Mary I. Edquist is an Associate in the Business Department. Ms. Edquist’s practices focuses primarily on business counseling, particularly in the areas of regulatory compliance, international trade, and government contracts. Ms. Edquist was formerly an attorney at Jones Day.

- Alyssa A. Landino is an Associate in the Litigation Department. Ms. Landino has experience assisting on matters related to government compliance, investigations, and white collar criminal defense.

B. Conway MacKenzie

Conway MacKenzie is a nationally focused boutique consulting firm with offices in Los Angeles, Detroit, Dayton, Atlanta, Chicago, New York, and Houston. It provides expert professional services to corporate or legal clients requiring independent financial analysis, expert testimony, or interim executive management support to assist companies and clients in navigating difficult circumstances. Those circumstances often include court oversight, such as insolvency proceedings, trustee work and receiverships. In addition, Conway MacKenzie provides expert testimony and analysis supporting litigation clients in federal and state courts throughout the country.

We have assembled our financial services team from Conway MacKenzie's Los Angeles and Detroit offices. The team's expertise and industry certifications include Certified Public Accountants, Certified Fraud Examiners, Court-appointed Receivers, Trustees and Chief Restructuring Officers. The professional team has significant public accounting and auditing backgrounds.

- Joseph M. Geraghty, CPA, CTP, is a former auditor with Ernst & Young and former director of internal audit for a public company. His recent assignments include interim CFO, CRO and court-appointed receiver roles.
- David W. Jones, CPA/ABV, CFE, CFF, CVA, CTP, is a former auditor with Deloitte and served on the General Motors audit team. He is an expert professional in multi-level marketing schemes, including representing various parties involved in litigation.
- Jim W. Bergman, MBA, CFA has been a named expert in various federal and state litigation matters throughout the country.
- Jeffrey C. Perea, MBA, CPA, CTP, CIRA, NASD Series 7 and 63, served in an interim executive role at Natrol, Inc., a nutrition supplement company.
- Michael D. Dery, CPA, CFE, CFF, CVA, a former auditor with PricewaterhouseCoopers, has served as an expert professional in multi-level marketing schemes. Mr. Dery is a member of the Michigan Association of Certified Public Accountants (MACPA) Fraud Task Force and presented "Getting to the Base of Pyramid Schemes" at the MACPA's Anti-Fraud Issues Conference, which offered a quantitative approach to identifying potential pyramid schemes.
- Douglas A. Reich, CPA, CVA, CTP, has served for over twenty years with Conway MacKenzie. He has proven expertise in litigation support, expert testimony, and financial advisory matters.

- Frank J. Sesi, CPA, a former auditor with KPMG, is a support professional in multi-level marketing schemes engagements.
- Joseph C. Akouri, Information Technology, specializes in analyzing, designing, and implementing a wide array of computer network activities, as well as implementing and supporting information and data management systems.

C. Internal Organization of the ICA Team

Mr. Blake, Mr. Riley, Mr. Geraghty and Mr. Jones will be engagement leaders and the primary contacts with Herbalife and the FTC. In coordination with Mr. Blake and Mr. Riley, Mr. Jones will have responsibility for the task planning and execution of the work scope and reporting. Mr. Blake, Mr. Riley, and Ms. Landino will prepare for and attend court proceedings.

Mr. Panter, Mr. Malloy, Ms. Lauer, and Ms. Edquist are available to assist Mr. Blake and Mr. Riley in various legal capacities to ensure compliance with the Stipulated Order, including but not limited to: engaging in a comprehensive due diligence review; preparing summary reports of existing agreements, protocols, procedures, policies and compensation arrangements; amending existing agreements, protocols, procedures, policies and compensation arrangements to reflect “best practices” and align with the Order; and establishing ongoing reporting and audit protocols to ensure sustainability of corporate responsibility and new corporate culture.

Mr. Bergman is available to assist in various capacities, including final work product. Mr. Malloy, Mr. Perea, and Mr. Dery have key industry experience and understanding of multi-level marketing programs and are available to assist, as needed, in product/market knowledge. Mr. Dery, Mr. Reich and Mr. Sesi are experienced forensic, audit, and accounting professionals supporting planning and execution of the work scope, and report preparation. Mr. Akouri is an information technology expert with the necessary data management experience to support the ICA team.

SECTION III. QUALIFICATIONS

McDonald Hopkins and Conway MacKenzie are uniquely qualified for this engagement given the depth and variety of the team’s expertise and capabilities. As outlined in the table below, our team members have significant experience in: monitoring, auditing, evaluating, or otherwise reviewing performance of organizations, including experience in monitoring settlements, consent decrees, or court orders; statistical and data analysis; information technology; data management; completing projects within anticipated deadlines and budget; preparing for and participating in court proceedings; and report writing. That expertise, as more fully discussed in the individual biographies attached hereto as **Exhibit 1**, includes significant experience in the subject matter and scope of activities related to this engagement.

Conway MacKenzie’s primary products and services include expert reports, advice, and recommendations on business plan viability. Report work product is based upon financial and operational analysis, data development, validation of information and other necessary steps to corroborate the client’s business plan. Users of our work product include: client’s Board of Directors (public or private); corporate officers; federal and state courts; creditors, including secured and unsecured; equity holders; investors; and other stakeholders.

TEAM MEMBER QUALIFICATIONS

<u>Conway MacKenzie Qualifications</u>	Geraghty	Jones	Bergman	Perea	Dery	Reich	Sesi	Akouri
Monitoring, auditing, evaluating, or otherwise reviewing performance of organizations	X	X	X	X	X	X	X	
Statistical and data analysis	X	X			X	X	X	X
Information technology			X					X
Data management				X	X	X	X	X
Projects within deadlines/budgets	X	X	X	X	X	X	X	X
Court proceedings	X	X	X	X	X	X	X	
Report writing	X	X	X	X	X	X	X	

<u>McDonald Hopkins Qualifications</u>	Blake	Riley	Panter	Malloy	Lauer	Edquist	Landino
Monitoring, auditing, evaluating, or otherwise reviewing performance of organizations	X	X	X	X	X	X	
Statistical and data analysis							
Information technology							
Data management							
Projects within deadlines/budgets	X	X	X	X	X	X	X
Preparing for and participating in court proceedings	X	X	X	X	X	X	X
Report writing	X	X	X	X	X	X	X

SECTION IV. PRIOR EXPERIENCE AND REFERENCES

Our team's relevant prior experience is set forth below. References for selected matters are attached hereto as **Exhibit 2**.

A. McDonald Hopkins

1. Richard Blake

Mr. Blake has 28 years of experience as a federal prosecutor with the United States Department of Justice, Senior Enforcement Attorney with the Office of the Comptroller of the Currency, and in private practice. Mr. Blake now represents clients in all levels of criminal, civil and administrative matters. These include complex commercial and financial litigation; SEC and state securities investigations and prosecutions; FCPA and antitrust investigations and compliance; criminal grand jury investigations; False Claims Act and *qui tam* whistleblower cases; corporate integrity agreements; data breach and HIPAA violations; and tax fraud cases.

As a Senior Enforcement Attorney with the Treasury Department's Office of the Comptroller of the Currency (OCC) in Washington D.C., Mr. Blake was lead prosecutor on numerous cases where he supervised teams of bank examiners, accountants, auditors and federal agents to investigate and monitor national banks throughout the country. The years when he worked with the OCC (1988 – 1995) were particularly difficult for the banking industry, and Mr. Blake and his teams were involved in many bank closings and enforcement actions against bank executives and board members. The cases involved the review and analysis of complex banking and accounting data. Mr. Blake worked closely with his team members to translate that data in such a way to effectively present their findings to Boards of Directors of the subject financial institutions, government decision makers in Washington, D.C., and ultimately Administrative Law Judges who presided over cases that went to hearing.

In 1995, Mr. Blake transferred to the Department of Justice to head the federal government's effort in the Northern District of Ohio to prosecute government contract fraud cases using the False Claims Act. Here, Mr. Blake focused his efforts primarily on health care and Defense Department procurement fraud prosecutions. Mr. Blake worked closely with government auditors and accountants to analyze voluminous billing data and internal activities of all types of government providers, as well as interviewing parties and presenting cases in federal court. Mr. Blake was subsequently transferred to the Justice Department's Organized Crime Strike Force, where he investigated and prosecuted public officials and members of established organized criminal enterprises operating in and around the Northern Ohio region. The majority of these cases relied on financial data and analysis of information that came from a variety of sources, *e.g.*, banks, investment firms, phone data, credit cards, airline and rental car information, and tax returns. Throughout his tenure with the Organized Crime Strike Force, Mr. Blake supervised teams of federal agents, local law enforcement officials and financial investigators with different government agencies.

Following the attacks on September 11, 2001, Mr. Blake investigated and prosecuted a case with the FBI where an individual planned to release poisonous gas on a train in Cleveland, Ohio. Mr. Blake and the agents assigned to the case successfully analyzed the individual's financial and

travel records, as well as computer records from numerous public locations he used to deliver messages to several media outlets. Mr. Blake obtained a conviction before any damage was done. Mr. Blake's ability to work with individuals in and out of the government on this case, *i.e.*, computer company executives, a federal judge in obtaining a search warrant, high-level Department of Justice officials, and local business owners, enabled him and his team to quickly and effectively target the individual at issue and prevent the act of terrorism.

After several years in the Organized Crime Strike Force, Mr. Blake transferred to the Economic Crimes Unit of the U.S. Attorney's office. In that position, he continued to use his skill set on cases involving the investigation and prosecution of financial crimes and government fraud. These cases required an intense review and understanding of applicable government laws and regulations, the ability to work with a large amount of data, and to ultimately present findings in a clear and understandable manner.

In 2007, Mr. Blake left government service to pursue a career in private practice. During that time, he has represented clients in a wide array of matters, including civil and criminal investigations and prosecutions by federal and state authorities. He has assisted clients by conducting internal investigations, including hospitals and health care providers, financial institutions, insurance providers and government entities. The results of one investigation in particular, where Mr. Blake was retained by the Cuyahoga County Board of Commissioners, addressed the potential impact of a large federal government public corruption investigation on the County's financial condition and bond rating. The County released the report to the public as "The Blake Report," and it was relied upon to maintain the County's bond rating.

Since leaving government service, Mr. Blake has been asked by the FBI to provide training to its agents on health care fraud investigations, HIPPA compliance issues and False Claims Act provisions. Mr. Blake continues to speak at seminars and provide training on these and other subjects. He has been a featured speaker for delegations of foreign law enforcement dignitaries visiting the United States with the State Department and Council on World Affairs, speaking on issues including federal criminal procedures, international money laundering, public corruption, and organized crime. Mr. Blake's experiences as a government prosecutor in both the Treasury and Justice Departments, together with his experiences as private counsel, have provided him with a unique skill set that highly qualifies him to ensure Herbalife's compliance with the Stipulated Order.

2. Shawn Riley

Mr. Riley has over 25 years of experience representing businesses of various sizes in a number of industries. As part of his practice, he regularly advises boards of directors of for-profit and not-for-profit businesses in the satisfaction of their fiduciary duties and in the context of financial distress and/or pending transactions.

Prior to joining McDonald Hopkins, Mr. Riley practiced with the law firm of Jones Day, working in its Cleveland, New York and Los Angeles offices. While there, he played leading roles in the representation of several large retailers, including Elder-Beerman Department Stores and Federated Department Stores. He also served as counsel to the lenders to Phar-Mor Stores, one of

the largest retail fraud cases at that time. His experience also extended to several large manufacturing companies in the steel, automotive and plastics space.

Mr. Riley joined McDonald Hopkins 20 years ago with the mission of building a middle-market business bankruptcy and restructuring practice. Over the past two decades, that practice has become known for its sophisticated work and national reach. McDonald Hopkins' restructuring clients operate in a number of industries and are located in states across the country, including Hawaii, Florida, Ohio, New York, North Dakota. Mr. Riley recently turned over responsibility for the Department in anticipation of his new role as firm President, which he assumes on October 1, 2016.

Mr. Riley is active in several professional organizations, including the Turnaround Management Association (former trustee) and the American Bankruptcy Institute. He lectures frequently on a number of business and restructuring related topics. In addition, he is active in the local community, serving on several boards, including the board of trustees for Kent State University (selected by Governor John Kasich) and the American Red Cross, where he serves as president of the Greater Cleveland Chapter. He also served for ten years as a member of Council for the city of Gates Mills, Ohio, and as Mayor of Gates Mills for four years.

3. Benjamin Panter

Mr. Panter has extensive experience designing compensation arrangements, implementing governance policies and procedures, and advising boards and committees on best practices. Mr. Panter has represented compensation committees, boards of directors, and creditors' committees regarding compensation and governance matters. During these representations, Mr. Panter has advised on corporate governance and best practices, as well as compliance with a variety of SEC, IRS, and DOL regulations and guidance. These representations have involved analyzing compensation and employment data for compliance with specific security, tax and employment laws, such as disparate impact termination, IRC Section 162(m) performance-based compensation exemptions, and Item 402 of Regulation S-K public disclosures. Each project required the distillation of large data sets to determine compliance with applicable law, and summarizing findings in a manner understandable by non-practitioners and, in some instances, public company shareholders. All such projects were required to be completed in short defined timelines. All timelines were met.

Mr. Panter's representative matters include:

- Compensation Committee of publicly traded fast food chain with respect to ongoing compensation and governance matters, including design of equity incentive compensation programs, compliance with tax and securities laws, and preparation of public disclosures required by SEC regulations.
- Board of Directors of private manufacturing company regarding compensation and governance practices and programs, including hiring and broad-based compensation approval protocols.

- Financial institution regarding implementation of commission-based compensation programs. Representation included advice regarding tax, securities and regulatory issues related to compensation arrangements.
- Private equity sponsor in its approximately \$26 billion acquisition proposal for publicly traded company. Representation included restructuring outstanding equity incentive arrangements and negotiating potential post-transaction executive compensation arrangements.
- Private manufacturer and marketer of specialty chemicals, in its chapter 11 proceedings and subsequent \$3.4 billion acquisition foreign company. Restructuring representation included negotiating post-emergence employment agreements and equity incentive arrangements for senior management.
- Consulting company regarding organization-wide horizontal and vertical compensation band structure; standards for merit and other increases, bonuses, commissions, and other forms of compensation.

4. Sean Malloy

Mr. Malloy has 15 years of experience acting as lead counsel for chapter 11 creditors' committees. One of the major tasks of a creditors' committee is to review the actions of a company and its management and board of directors – both during the bankruptcy and in the years leading up to the bankruptcy – to determine compliance with the law and appropriate corporate governance. Each situation is different, each industry is different, and over the years Mr. Malloy and his team have developed substantial expertise in reviewing, analyzing, and monitoring company actions. In the creditors' committee context, this is done with a goal of maximizing value to unsecured creditors, but the skill set easily adapts to monitoring Herbalife's operations to ensure compliance with the Stipulated Order. Notably, as counsel for creditors' committees, Mr. Malloy often works closely with a financial advisor like Conway MacKenzie and divides the role between legal issues and overall organization and strategy (which he handles) and financial and data analysis (which the financial advisor handles).

Mr. Malloy previously served for over five years as outside general counsel for The Antioch Company, a multi-level marketing company in the scrapbook industry. Antioch operated in the U.S. and a number of foreign countries, including Canada, Australia, Japan, and Germany. During Mr. Malloy's tenure as Antioch's outside counsel, he gained significant experience and knowledge about multi-level marketing companies and direct sales, including the downline system. Ultimately, Antioch's business failed due to the emergence of digital memory preservation companies, and Mr. Malloy led the company through a bankruptcy process on a consensual basis with creditors. Although Mr. Malloy did not serve as compliance counsel for Antioch, Antioch never had issues with inappropriate or illegal activities related to the multi-level marketing structure or process during his time managing Antioch's legal affairs.

5. Lisa Lauer

Ms. Lauer has served as independent counsel for various audit committees of public companies in connection with internal investigations, implementation of internal controls, and reporting matters. She has also represented numerous private entities in connection with internal

investigations of corporate behavior and advised them in connection with corrective actions and best practices. Ms. Lauer has performed numerous analyses for officers and boards of directors of Fortune 100 public companies regarding fiduciary duties, securities laws, takeover tactics, and general corporate governance. She assisted senior counsel at an AmLaw 100 law firm in connection with his appointment as Independent Monitor of the Chicago Housing Authority's Plan for Transformation.

6. Mary Edquist

Ms. Edquist has created effective regulatory and ethics compliance programs for a wide range of companies, from small businesses to members of the Fortune 500. In addition to regularly creating compliance policies, Ms. Edquist has also amended policies and procedures as needed in order to respond to emerging risk factors, changes in product and service offerings, and corporate restructuring. Ms. Edquist has given numerous compliance training sessions to ensure that established guidelines are effectively implemented.

Ms. Edquist likewise has significant experience conducting internal investigations. In this context, she has led teams of consultants and auditors, guiding their collection of information relevant to potential violations with her in-depth understanding of applicable laws and regulations. She has extensive experience reviewing and analyzing accounting and sales data related to potential violations. Based on the results of such due diligence, Ms. Edquist has prepared comprehensive reports to management, making recommendations designed to address weaknesses, mitigate risks, and integrate compliance processes and procedures into the day-to-day business activities of the company in question. She has filed a substantial number of voluntary disclosures with federal governmental agencies summarizing the findings of internal investigations and steps taken to prevent future violations.

7. Alyssa Landino

Ms. Landino has experience assisting on matters related to government compliance, investigations, and white collar criminal defense. Since joining the firm in 2015, Ms. Landino has attended numerous meetings and conducted interviews with clients facing charges and/or under investigation by the United States government, including the Department of Justice, the Securities and Exchange Commission, the Environmental Protection Agency, the Internal Revenue Service, the Federal Bureau of Investigation, and the Drug Enforcement Agency. Ms. Landino maintained an active role in preparing clients for these meetings, interviews, and court proceedings. Ms. Landino has also participated in meetings, settlement conferences, and other negotiations with government attorneys and officials and in courtroom proceedings in connection with these matters.

B. Conway MacKenzie

As outlined below, Conway MacKenzie has significant subject matter expertise in multi-level marketing program and considerable industry expertise in nutritional supplement and related products.

1. Multi-Level Marketing Program Subject Matter Expertise

Conway MacKenzie was a named expert in multiple litigation matters with primary focus on multi-level marketing programs, including the following:

- *Guzzardo v. Quixtar*, Case No. 2:08-cv-00204 (D. Utah 2009). This case involved an alleged illegal pyramid scheme, and the proposed class action complaint asserted a claim for breach of contract.
- *Quixtar v. Signature Management Team*, Case No. 3:07-cv-00505-ECR (D. Nev.). This case involved an alleged illegal pyramid scheme, and the complaint asserted breach of contract, tortious interference with business relationships, and theft of trade secrets claims.
- *Quixtar v. Woodward*, JAMS Arbitration File No 1100052092. This case involved an alleged illegal pyramid scheme, and the complaint asserted claims for tortious interference with business relationship and theft of trade secrets.
- *IBOAI v. Woodward*, (W.D. Mich. 2009). This case involved an alleged illegal pyramid scheme, and the complaint asserted claims for tortious interference with business relationships and theft of trade secrets.
- *ViSalus, Inc. v. Bellville*, Case No. 2:15-cv-10076-NGE-DRG (E.D. Mich.). This case involved an alleged pyramid scheme, and the complaint asserted claims for breach of contract and tortious interference with business relationships.

As named expert in the *Quixtar* and *Woodward* cases, Conway MacKenzie represented a number of Independent Business Owners (“IBO”) in connection with their disputes with Quixtar (formerly known as Amway), a major multi-level marketing organization. Conway MacKenzie’s clients alleged that Quixtar was engaged in a classic pyramid scheme, as defined by the FTC, because its products could not be sold at retail prices. As a result, the IBOs became dependent on the continued successive recruitment of other IBOs to internally consume products and to recruit additional IBOs to do the same in order to qualify for sales bonuses.

During the course of the *Quixtar* and *Woodward* cases, Conway MacKenzie evaluated the extent to which bonuses paid by Quixtar to its IBOs were based on internal consumption rather than retail sales. Conway MacKenzie performed a robust analysis to determine the extent to which bonuses paid by Quixtar to its IBOs were based on internal consumption rather than retail sales. Conway MacKenzie ultimately concluded that the overwhelming majority of bonuses paid by Quixtar to its IBOs were based on internal consumption.

Additionally, Conway MacKenzie was a named expert in the *ViSalus* case, a matter involving a multi-level marketing company that sells weight management products, nutritional supplements and energy drinks. Conway MacKenzie represented Bellville, an independent distributor of ViSalus products. Bellville claimed that ViSalus was engaged in a pyramid scheme because of its dramatic growth and subsequent decline in distributor levels. Conway MacKenzie analyzed the turnover of ViSalus’ distributors and benchmarked the turnover against industry

averages. Conway MacKenzie concluded that the higher than normal turnover was indicia of a pyramid scheme. The dispute between the parties was confidentially settled.

2. Industry Expertise in Nutritional Supplement and Related Products

The Conway MacKenzie team has served as Financial Advisor, Chief Restructuring Officer, and Chief Financial Officer to organizations in the nutritional supplement, pharmaceutical and related products industry segments. Conway MacKenzie's engagement in this market includes:

- *Natrol, Inc.:* Conway MacKenzie served as the Interim Chief Financial Officer and restructuring advisor for Natrol, Inc. Natrol is an established nutritional supplement manufacturer with 30 years of quality reputation, and its products were distributed in major retail outlets. Natrol engaged Conway MacKenzie amidst a tumultuous period where trust between Natrol and its secured lender was quickly deteriorating, primarily because the company went through three Chief Financial Officers. This resulted in difficulty operating in a normal course due to liquidity constraints placed by the secured lender and the banks. Working closely with the Chief Restructuring Officer, the restructuring counsel, and counsel to the secured lender, Conway MacKenzie quickly brought stability to the situation by taking control of the financial affairs, instituting disciplined and transparent financial reporting, and ultimately re-establishing trust between Natrol and its secured lender and unsecured creditors within weeks from the filing of a Chapter 11 case. In addition to re-establishing stable operations and trust among the stakeholders, Conway MacKenzie also played a crucial role in conducting an effective sale of the business operations through Section 363 of the Federal Bankruptcy Code.
- *Fitness Quest:* Conway MacKenzie served as the Chief Restructuring Officer of Fitness Quest, Inc. ("FQI"), a \$125 million marketer and distributor of consumer, home fitness and healthy living products. FQI sold directly to consumers while also delivering pre-sold consumers to other channels of distribution, such as traditional and electronic retail, web, catalog and International. Significant product lines included the Bosu Ball, Total Gym, Gazelle Glider, Sham Wow and Spin Mop, with price points ranging from \$9.95 to \$1,500. Conway MacKenzie was engaged to maximize value to all stakeholders by selling on-going brands and liquidating slow-moving inventory. Conway MacKenzie effectuated multiple sales of the viable product lines to various strategic buyers and assisted in the liquidation of inventory and the collection of accounts receivable.
- *Twin Lab:* Conway MacKenzie was engaged by the lender to a \$100 million maker of over-the-counter diet and nutritional supplements to perform a viability analysis and other work to validate the Company's near term business plan. Twin Lab was affiliated with the Amway organization. The lender successfully restructured the loans of Twin Lab.
- *Vital Pharmaceuticals:* Conway MacKenzie was retained by Vital as a financial advisor. Vital produces sports nutrition supplements and ready to drink mix products for individual consumption. Products offered included fat loss and energy, muscle building, pre-workout, post workout/recovery and health products, as well as supplement stacks.

The company was founded in 1993 and is based in Weston, Florida. Our work product was used by the senior secured lender to successfully restructure Vital's debt.

- *F&M Distributors*: Conway MacKenzie worked for F&M Distributors which was an \$800 million retail drug/convenience store chain with over 100 stores in Michigan, Ohio, Illinois, Virginia, Maryland, Wisconsin and Massachusetts. Conway MacKenzie provided financial advisory services to the Company including store closings, lease/contract assumption and rejection, reclamation claims and vendor negotiations of debtor in position financing. F&M sold 35 stores to drug Emporium and the remaining stores were orderly liquidated.

SECTION V. PROPOSED ACTIVITIES AND COSTS

The scope of activities and related estimate of costs based upon the information known to date are set forth in **Exhibit 3**, which is attached hereto. If needed, this estimate will be refined based upon new information and analysis. The budget contains two elements: (1) initial ICA report; and (2) remaining ICA reports (every six months or annually), along with a seven-year fees and expenses summary page.

Each of these two elements is divided into three phases: (1) initial meetings with Herbalife management; comprehensive due diligence review; preparation of summary reports of existing agreements, protocols, procedures, policies, and compensation arrangements; assessment of Herbalife's systems of compliance; analysis of existing controls to ensure compliance with Stipulated Order and, if necessary, amend existing agreements, protocols, procedures, policies and compensation arrangements to reflect best practices and align with the Stipulated Order; (2) review and documentation results of Herbalife's internal audit that ensures compliance and Conway MacKenzie's independent sampling and testing of compliance to the Stipulated Order; and (3) preparation of report of findings, including recommendations to Herbalife and the FTC regarding enhancements, if any, to the compliance systems and ongoing discussions with both Herbalife and FTC regarding same.

SECTION VI. POTENTIAL CONFLICT OF INTEREST OR BIAS

McDonald Hopkins has reviewed its client database and determined that none of its clients are adverse to, or have any relationship with, Herbalife. In addition, no McDonald Hopkins attorney is an officer or director of Herbalife. McDonald Hopkins has determined that one of its members, Jennifer Dowdell Armstrong, is the sister of attorney Stephen C. Dowdell, the Collections Program Manager and a Trial Attorney with the FTC. The firm's understanding is that Mr. Dowdell was not involved in the underlying litigation and is not involved in the management, oversight, or administration of the Stipulated Order that is the subject of the RFA. Under these

circumstances, McDonald Hopkins does not perceive any material limitation in MH's ability to deliver services as the ICA.

Nevertheless, out of an abundance of caution and to avoid any perception of a conflict of interest, McDonald Hopkins proposes to establish an ethical screen between Ms. Armstrong and the ICA team. Such a screen would prevent Ms. Armstrong from participating in the ICA representation, would segregate file materials from her, would be published Firm-wide, and would be monitored by Tyler Mathews, McDonald Hopkins's in-house ethics counsel. MH relies upon the opinion letter of Mr. Mathews to reach the conclusion that no conflict of interest exists in this matter. A copy of Mr. Mathews's opinion letter is attached hereto as **Exhibit 4**.

Conway MacKenzie has likewise reviewed its client database and determined that none of its clients or professionals are adverse to, or have any relationship with, Herbalife. In addition, no Conway MacKenzie professional is an officer or director of Herbalife. At this time, Conway MacKenzie is not aware of any conflicts but will continue its conflict check process and, to the extent any items are noted, will immediately disclose them.

SECTION VII. CONCLUSION

As our Application demonstrates, our team will bring unparalleled expertise, experience, effectiveness, and economy to the task of ensuring compliance with the Stipulated Order. We would welcome the opportunity to meet with you at your convenience to discuss this engagement. Thank you for your consideration.

McDonald Hopkins LLC
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T: (216) 348-5773
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Email: sriley@mcdonaldhopkins.com

Conway MacKenzie, Inc.
c/o Joseph M. Geraghty
109 North Main Street
500 Performance Place
Dayton, Ohio 45402
T: (937) 222-7317
F: (937) 260-4201
Email: jgeraghty@conwaymackenzie.com

Addendum

Exhibit 1: Individual Team Member Biographies

Exhibit 2: Professional References

Exhibit 3: Team Member Proposed Activities and Costs

Exhibit 4: Opinion letter from McDonald Hopkins In-house Ethics Counsel, Tyler Mathews

EXHIBIT 1



Richard H. Blake

Member

Cleveland

Columbus

rblake@mcdonaldhopkins.com

216.348.5839

Practice Focus

- Litigation
- Government compliance, investigations, and white collar defense
- Healthcare
- Natural resources
- Data privacy and cybersecurity

Richard is a Member and Co-Chair of the firm's Government Compliance, Investigations and White Collar Defense Practice Group. His impressive background includes more than 25 years of investigative and litigation experience in both government and private practice where he now represents clients in a wide range of government investigations, prosecutions and commercial litigation matters. After nearly 20 years of federal service as an Assistant United States Attorney with the Department of Justice and Senior Enforcement Attorney with the Department of Treasury, Richard now represents clients in all levels of criminal, civil and administrative matters, including criminal grand jury investigations; qui tam whistleblower and False Claims Act matters; SEC and state securities investigations; FCPA, data breach and HIPAA violations; and complex commercial litigation matters. He is noted for his successful representation of the only public official in Ohio to be acquitted at trial of all corruption charges in the Justice Department's Cuyahoga County public corruption investigation.

Richard has successfully represented clients in cases involving allegations of healthcare fraud, environmental law violations, banking and securities fraud, public corruption, tax fraud, government procurement fraud and mortgage fraud. He has also assisted clients by conducting internal investigations for them, including those for hospitals and health care providers, financial institutions, insurance providers and governmental entities. The results of one investigation, conducted for the Cuyahoga County Board of Commissioners, addressed the potential impact of a large federal government public corruption investigation on the county's financial condition and bond rating. The report was released by the county to the public and referred to in the media as "The Blake Report."

Richard also provides training and advice on government compliance issues, False Claims Act, FCPA and securities matters, cybersecurity and data breaches. After leaving government service, he continued to serve as an instructor for the Federal Bureau of Investigation, training its agents on health care fraud investigations, Civil False Claims Act and qui tam whistleblower provisions, and HIPAA compliance issues. Richard has been a featured speaker for delegations of foreign law enforcement dignitaries visiting the United States with the State Department and Council on World Affairs, speaking on issues including federal criminal procedures, international money laundering, public corruption, and organized crime.

He was the first federal prosecutor hired by the Justice Department to exclusively prosecute federal qui tam and civil false claims cases in the Northern District of Ohio, where he specialized in health care and defense procurement fraud prosecutions. As an Assistant United States Attorney, Richard also worked in the Organized Crime Strike Force and Economic Crimes Unit, where he prosecuted cases involving organized crime racketeering, money laundering, health care fraud, insurance and tax fraud, domestic terrorism, defense procurement fraud, banking and securities fraud, and

identity theft.

Richard was honored with the 2006 President's Council on Integrity and Efficiency Award following his successful prosecution of a defense subcontractor who provided defective components to the Navy for use on nuclear submarines. He has also received numerous awards for his work as a federal prosecutor, including those from the Federal Bureau of Investigation, Department of Defense Criminal Investigative Service, Internal Revenue Service Criminal Investigation Division, United States Environmental Protection Agency, United States Secret Service and Office of the Comptroller of the Currency.

Richard earned a J.D. from St. John's University in 1988. He received a B.B.A from City University of New York, Baruch College, in 1984.

Admissions - Court

- U.S. Supreme Court
- U.S. District Courts for the Northern and Southern Districts of Ohio
- U.S. District Court for the Southern District of New York

Admissions - State

- Connecticut
- New York
- Ohio

Education

- St. John's University
- City University of New York, Baruch College

Honors and Awards

- Named one of the Best Lawyers in America (2016 and 2017)
- Selected for inclusion in Ohio Super Lawyers (2015)
- 2010 Federal Bar Association Iron Lawyer, Northern District of Ohio
- 2006 President's Council on Integrity and Efficiency Award for Excellence and Distinguished Performance in Protecting United States Military Personnel and the Nation's Nuclear Programs

Professional Membership

- Ohio State Bar Association
- New York State Bar Association
- American Bar Association
- Cleveland Metropolitan Bar Association
- National Association of Criminal Defense Lawyers
- American Health Lawyers Association

Public Service and Volunteerism

- United States Army, Army Reserve (1984-1990)
- Federal court-appointed mediator, Northern District of Ohio in alternative dispute resolutions
- Volunteer Magistrate, Mayfield Village Juvenile Court Diversion Program
- SBMD Family Foundation, Board of Directors
- Former Adjunct Law Professor, Cleveland Marshall School of Law

Alerts

- Sweeping ruling expands reach of the False Claims Act
- Medical equipment distributor gets \$646M compliance reminder

- Recent HIPAA settlement reinforces importance of encryption, risk analysis, and mobile device security
- It's official: Feds acknowledge increased criminal review of civil healthcare cases
- Under fire: Physicians' compensation arrangements
- Physicians pay a heavy price for purchasing imported drugs and medical devices
- Feds announce \$26.1 million historic settlement of False Claims Act allegations against Florida dermatologist

Blog Posts

- Laboratories remain major focus of government investigations
- Justice Department suspends abusive forfeiture program
- Waiting to analyze your data vulnerabilities? Do so at your own risk
- More aggressive enforcement yields record-breaking health care penalties

News

- 39 attorneys at McDonald Hopkins selected for inclusion in Best Lawyers 2017
- 24 attorneys at McDonald Hopkins named Ohio Super Lawyers and Rising Stars
- 41 attorneys at McDonald Hopkins selected for inclusion in Best Lawyers® 2016
- McDonald Hopkins moves to a new home in the Arena District
- 26 attorneys at McDonald Hopkins named Ohio Super Lawyers and Rising Stars

External Publications

- "District Court Allows Relator to Add Qui Tam Charge to Existing Retaliatory Discharge Complaint," (March 29, 2012)
- "Court Dismisses RICO Claim Against Provider, But Allows False Claims Act Retaliatory Discharge Count to Proceed," (March 27, 2012)
- "U.S. Government to Receive \$15.85 Million Settlement from Lockheed Martin to Resolve False Claims Act Allegations," (March 27, 2012)
- "Federal Court Rules in Whistleblower's Favor on Question of "Original Source", (March 22, 2012)
- "Another Round of Kyphoplasty Settlements Yields More Than \$12 Million in Payments to Resolve False Claims Act Allegations," (February 08, 2012)
- "Corporate Leaders in Cross Hairs: Exclusions and Other Government Enforcement Trends Converge Against Individuals," AHLA Hospitals and Health Systems Practice Group News Letter, (May 2011)
- "Congress Expands Scope of Federal False Claims Act," Fine Print – The Ohio State Bar Association's Quarterly Newsletter, (Summer 2009)
- "Attorneys say changes to False Claims Act will have impact on future litigation," The Columbus Daily Reporter, (June 3, 2009) Contributor
- "Federal Prosecutors Target Off-Label Promotion of Prescription Drugs," Cleveland Metropolitan Bar Journal, (November 2008)

Events

- Laboratory Privacy and Security: How to Safeguard Your Data and Ensure Compliance with Tougher Enforcement of Government Guidelines | Thursday, June 23, 2016
- Traps for the Unwary: IRS Audits and Investigations | Tuesday, May 24, 2016
- 136th Annual All-Ohio Legal Forum of the Ohio State Bar Association | Thursday, April 28, 2016
- An Ounce of Prevention: Avoiding federal investigation, litigation, and business disruption | Wednesday, April 30, 2014
- The CFPB's authority: Unprecedented and rapidly expanding | Thursday, March 20, 2014
- When OSHA knocks on your door will you be ready? | Wednesday, April 17, 2013

Speaking Engagements

- "How to Protect Your Lab from Costly and Time-Consuming Government Investigations and Qui Tam Lawsuits--and What to Do If the Government Does Come Calling", Pathology Blawg webinar (June 25, 2015)

- "Public Corruption Investigations", Presentation to Ohio Auditor of State Annual Training, Cleveland, Ohio (December 12, 2012)
- "Fraud and Abuse Update", Ohio Health "Stark School" training for hospital executives and compliance personnel, Columbus, Ohio (November 11, 2012)
- "Public Corruption and Its Impact on the Regional Economy", 12th Annual Emerging Trends in Fraud Investigation and Prevention Conference, Columbus, Ohio (May 22, 2012)
- "Case Study Involving Northern Ohio Charter School Fraud", 12th Annual Emerging Trends in Fraud Investigation and Prevention Conference, Columbus, Ohio (May 22, 2012)
- "Criminal and White Collar Defense Issues, Part 2", Northeast Ohio Healthcare Financial Management Association Gerry Haggerty Annual Leadership Institute, Aurora, Ohio (May 16, 2012)
- "Criminal & White Collar Defense", Northeast Ohio Healthcare Financial Management Association, Chapter Meeting, Independence, Ohio (March 15, 2012)
- "Healthcare Fraud & Abuse Boot Camp Webinar Series, Part III: The Federal Anti-Kickback Law: An Overview, Recent Enforcement Trends & Impact of Healthcare Reform", Moderator for Webinar hosted by AHLA (March 1, 2012)
- Presentation to Ukrainian Delegation Council on World Affairs, International Visitor Leadership Program, Cleveland, Ohio (February 17, 2012)
- "Qui Tam and Regulatory Update for Hospitals and Providers", Top 10 Event, West Chester, Ohio (January 25, 2012)
- "A View From the Front Lines", J.P. Morgan Chase Legal Division, New Jersey (December 20, 2011)
- "Financial Issues in Healthcare", Akron Bar Association, Akron, Ohio (December 16, 2011)
- "Feds Gone Wild! How Prosecutors and Whistleblowers Use the False Claims Act and its Impact on Health Care Providers", Ohio Society of CPA's Health Care Conference, Columbus, Ohio (November 16, 2011)
- "Use of Internal Investigations for Municipalities", Ohio Municipal Attorneys Association, Dublin, Ohio (July 2011)
- "Navigating the Federal Funds Audit Process: School Spending Under the Microscope", Ohio Association of School Board Officials, NE Chapter Meeting, Valley View, Ohio (June 2011)
- "HIPPA Training for FBI Agents", Federal Bureau of Investigation Health Care Fraud Unit - Basic In-Service, Philadelphia, Pennsylvania (June 2011)
- "Stark School", - Ohio Health in-house training of hospital executives and compliance personnel (May 20, 2011)
- "Issues that Keep Health Care Executives Awake at Night", Ohio Health, Columbus, Ohio (February 9, 2011)
- "Financial Fraud Liability Issues", Guest Lecturer, Case Western Reserve Weatherhead School of Management, Cleveland, Ohio (March 17, 2011)
- "Public Corruption & Fraud and Their Impact on Current Economic Trends", Joint Institute of Internal Auditors, Association of Certified Fraud Examiners meeting, Fraud and Forensics Day, Independence, Ohio (February 7, 2011)
- Presentation to Colombian Law Enforcement Delegation, International Visitor Leadership Program, Cleveland, Ohio (January 31, 2011)
- "Financial Crime Litigation Techniques", NALS of Ohio, Winter Conference (January 22, 2011)
- "Recent Developments in False Claims Act: Strategies & Litigation", Cincinnati Bar Association, Cincinnati, Ohio (December 2010)
- "The Stored Communications Act: 20th Century Computer Law for the Digital Millennium", Ohio Prosecuting Attorneys Association 2010 Annual Meeting, Columbus, Ohio (December 2010)
- "Be Afraid: The Ugly Truth Behind Uncle Sam's Increased Medicare/Medicaid Enforcement Activities and Its Impact on Hospitals", Revenue Cycle, Central Ohio Chapter of Healthcare Financial Management Association, Columbus, Ohio (June 2010)
- "When & How to Self-Disclose to the Government - Lessons Learned", Ohio Hospital Association, Columbus, Ohio (June 2010)
- "Be Afraid: The Ugly Truth Behind Uncle Sam's Increased Medicare, Medicaid Enforcement Activities and Its Impact on Hospitals", SW Ohio, Healthcare Financial Mgt. Assoc.: Educational Forums, Cincinnati, Ohio (April 2010)
- "Financial Fraud Liability Issues", Guest Lecturer, Case Western Reserve Weatherhead School of Management, Cleveland, Ohio (March 2010)
- "HIPPA Privacy Rules Medical Records Privacy", FBI Health Care Fraud Conference, Leesburg, VA (March 2010)
- "Prosecuting Health Care Fraud Investigations", FBI Health Care Fraud Conference, Leesburg, VA (March 2010)

- "Hot Topics", Ohio Hospital Association Medical Staff Leadership, Cleveland, Ohio (February 2010)



Shawn M. Riley

President-Elect

Cleveland

sriley@mcdonaldhopkins.com

216.348.5773

Practice Focus

- Business Counseling
- Business Restructuring
- Distressed M&A
- Healthcare restructuring
- Long-term care and senior living

Shawn will become president of McDonald Hopkins on Oct. 1, 2016. He is the leader of our Cleveland office and the founder of our Business Restructuring Services Department. For over 25 years, he has advised clients on strategic alternatives, including acquisitions, sales, mergers, affiliations, refinancings, recapitalizations, and restructurings. He has counseled boards of directors on meeting their fiduciary duties in a variety of circumstances. Shawn has experience in a number of industries, including automotive, energy, manufacturing, retail, casual dining, plastics, telecommunications, and healthcare – including community and rural hospitals and long-term care. He has counseled businesses ranging in size from \$10 million in revenue to multi-billion dollar public companies. Although resident in (and the head of) the Cleveland office, Shawn's clients are located throughout the Eastern United States.

Shawn is the author of numerous articles and is a frequent lecturer. From 2004-2015, Cincinnati magazine selected Shawn as an Ohio Super Lawyer, an honor bestowed upon 5% of the lawyers in the state. Chambers USA, publishers of the world's leading lawyer directory, recognized Shawn in 2004, 2005, 2006, 2009, 2010, 2012, 2013, 2014, and 2015 as being a leader in Ohio in his field of law.

Shawn earned his J.D., magna cum laude, from Case Western Reserve University in 1986. He received a B.A., magna cum laude, from Kent State University in 1983.

Representative Cases/Matters

- Indiana Limestone Company (Victor Oolitic Company)
- Ohio-based not-for-profit (restructuring of bank debt)
- South Franklin Circle (N.E. Ohio CCRC)
- Ohio-based \$200 million revenue manufacturer of consumer products
- Michigan-based \$400 million revenue tier 1 auto supplier
- West Virginia-based hospital system
- Cheboygan Memorial Hospital
- Arizona-based critical access hospital
- Twin City Hospital
- Bucyrus Community Hospital
- Forum Health Services
- BPI Energy Holdings, Inc.
- Columbus-based building products supplier

- Canton, Ohio-based home builder
- Hawaii Medical Center
- RMA Management Services, Inc.
- Cleveland-based automotive parts maker
- CCI (TGI Fridays franchisee)
- West Virginia-based water and juice bottling company
- Indiana-based automotive parts manufacturer
- Republic Technologies International, LLC
- DeVlieg-Bullard, Inc.
- Tiro Industries, LLC
- Copperweld Steel Company
- Midland Steel Products Company
- LTV Steel Railroad Subsidiaries
- Bush Leasing, Inc.
- National Bank Credit Card Unit (Special counsel in airline bankruptcy)
- National Truck Leasing Company (Restructuring counsel)

Admissions - Court

- U.S. District Courts for the Northern and Southern Districts of Ohio
- U.S. District Court for the Northern District of Illinois
- U.S. District Court for the Western District of Michigan

Admissions - State

- Ohio

Education

- Case Western Reserve University School of Law
- Kent State University

Honors and Awards

- Named one of the Best Lawyers in America (2006-2017)
- Designated "Lawyer of the Year" in Cleveland for Bankruptcy and Creditor Debtor Rights / Insolvency and Reorganization Law by Best Lawyers in America (2014, 2017)
- Selected for inclusion in Ohio Super Lawyers (2004-2016)
- Chambers USA, "Leader Lawyers in Ohio," (2004-2006, 2009, 2010, 2012-2015)
- Turnarounds and Workouts, "Outstanding Young Business Lawyer"

Professional Membership

- Cleveland Metropolitan Bar Association, Bankruptcy and Commercial Law Section
- Ohio State Bar Association
- Turnaround Management Association (Board of Trustees, Ohio Chapter)
- American Bankruptcy Institute

Public Service and Volunteerism

- Gates Mills, Ohio, Village Mayor (2011 to 2015)
- Cuyahoga County Charter Review Commission, Former Member
- American Red Cross, Greater Cleveland Chapter, President of the Board of Directors
- Great Lakes Theater Festival, Board of Trustees, Former Member
- Cleveland Institute of Music, Board of Trustees
- Leadership Cleveland, Class of 2012

Alerts

- Restructuring Professionals - Is it time to rewrite your retention agreements?

Blog Posts

- Negative Interest Rates: Consequences and Concerns
- Has America Woken Up to the Rural Hospital Crisis?
- Where exactly are auto sales headed?
- As options narrow for rural and community hospitals, timeliness matters
- The New Chairwoman's Challenge & Can She Do It? You tell us!
- The Other Energy Story; The Near-Term Challenges for Alternative Energy
- Restructuring Options for Continuing Care Retirement Communities
- The Looming State and Local Pension Funding Crisis
- US bank regulators issue guidance on leveraged loans
- The Impact of the (Inevitable) Rise in Interest Rates
- Another impact from low interest rates
- Involuntary Bankruptcy Filings - Trending Up

News

- 39 attorneys at McDonald Hopkins selected for inclusion in Best Lawyers 2017
- Shawn Riley appointed to Kent State Board of Trustees
- McDonald Hopkins announces Shawn M. Riley as president-elect
- 24 attorneys at McDonald Hopkins named Ohio Super Lawyers and Rising Stars
- 41 attorneys at McDonald Hopkins selected for inclusion in Best Lawyers® 2016
- Seven McDonald Hopkins Attorneys Recognized by Chambers USA 2015
- 26 attorneys at McDonald Hopkins named Ohio Super Lawyers and Rising Stars

External Publications

- "Boardroom Challenges for the Distressed Organization," LeadingAge Ohio 2015 Annual Conference and Trade Show, September 11, 2015.
- "The Causes, Cures, and Killers of Health Care Cases," Midwest Regional Bankruptcy Seminar, August 28, 2015.
- "Unique Financing Arrangements and Partnerships," panel presentation, 2013 LeadingAge CEMO Annual Meeting.
- "Board Considerations in an Uncertain Environment," panel presentation, 2013 Rural Health Clinic & Critical Access Hospital Conference.
- "Hospice for Hospitals -- Restructuring and Bankruptcy in the Health Care Industry," TMA Mid-America Conference, September 2013.
- "Start Your Engines! The U.S. Bankruptcy System and the Resurgence of the American Auto Industry," William J. O'Neill Great Lakes Regional Bankruptcy Institute, June 2013.
- "On the Frontlines: Early Warning Signs of Troubled Health Care Providers," In-House Continuing Education Program, February 2013.
- "Distressed & Turnaround Deals in Healthcare," Investment and M&A Opportunities in Healthcare Conference, January, 2013.
- "The Next (Tidal) Wave of Cases: Health Care Restructurings," American Bankruptcy Institute 2010, Central States Bankruptcy Workshop.
- "New Capital, Debt, and Structure Strategies in Response to Health Care Reform," Physician Hospitals of America Conference 2010.
- "After Things Go Bad: How the New Players Have Changed the Game," Cleveland Metropolitan Bar Association, Loan to Own Program, November 2008.
- "Pension and Legacy: New Laws and Old Obligations", American Bankruptcy Institute 2007, Central States Bankruptcy Workshop.

- “The Impact of Pension Reform in Turnaround Situations,” Turnaround Management Association’s 10th Annual Business Workshop, December 2006.
- “The Role of Examiners in Large Bankruptcy Cases,” 2005 William J. O’Neill Bankruptcy Institute, Cleveland, Ohio.
- “Proposed Ohio Tax Reform,” teleconference, March 2005.
- “Fiduciary Duties of Directors of a Financially Troubled Company,” ACC America Seminar, May 20, 2004.
- “Obtaining Value From Intellectual Property Assets of a Debtor’s Estate,” Cleveland Bar Association Seminar, December 12, 2002.
- “Bush Leasing—A Case Study,” Third Annual Conference on Corporate Reorganizations, September 21, 2000.
- “Directors’ Role in Financially Distressed Company- Getting the Most Out of the Board,” TMA Fall Workshop, November 30, 1999.
- “Whose Money Is It?—Understanding the Borrower’s Right to Use Cash After a Default of Bankruptcy,” TMA Fall Workshop, December 1, 1998.
- “Addressing the Problems of the Financially Distressed Small Business,” Ohio CLE Institute, September 16, 1998.
- “How a Company in Trouble Should Work with Banks,” TMA Fall Workshop, 1997.
- “An Overview of the Federal Bankruptcy Process for Corporate Debtors,” July 1995.
- “Basic Concepts in Chapter 11,” Cleveland Bar Association Bankruptcy Seminar, October 11, 1995.
- “Business Development and Related Ethical Issues,” The Business of Bankruptcy Practice Seminar, November 15, 1995.
- “Sanctions in Bankruptcy Proceedings,” Cleveland Bar Association Bankruptcy Seminar, November 5, 1993.
- “Soup to Nuts: Cases Under Section 1129,” Cleveland Bar Association Bankruptcy Seminar, November 5, 1992.
- “Commercial Tenant Defaults—Bankruptcy and Insolvency,” American Conference Institute, May 8, 1991.
- “Representing Purchasers or Sellers of Bankruptcy Claims,” Cleveland Securities Law Institute, March 1, 1991.

Speaking Engagements

- “Boardroom Challenges for the Distressed Organization,” LeadingAge Ohio 2015 Annual Conference and Trade Show, September 11, 2015.
- “The Causes, Cures, and Killers of Health Care Cases,” Midwest Regional Bankruptcy Seminar, August 28, 2015.
- “Unique Financing Arrangements and Partnerships,” panel presentation, 2013 LeadingAge CEMO Annual Meeting.
- “Board Considerations in an Uncertain Environment,” panel presentation, 2013 Rural Health Clinic & Critical Access Hospital Conference.
- “Hospice for Hospitals -- Restructuring and Bankruptcy in the Health Care Industry,” TMA Mid-America Conference, September 2013.
- “Start Your Engines! The U.S. Bankruptcy System and the Resurgence of the American Auto Industry,” William J. O’Neill Great Lakes Regional Bankruptcy Institute, June 2013.
- “On the Frontlines: Early Warning Signs of Troubled Health Care Providers,” In-House Continuing Education Program, February 2013.
- “Distressed & Turnaround Deals in Healthcare,” Investment and M&A Opportunities in Healthcare Conference, January, 2013.
- “The Next (Tidal) Wave of Cases: Health Care Restructurings,” American Bankruptcy Institute 2010, Central States Bankruptcy Workshop.
- “New Capital, Debt, and Structure Strategies in Response to Health Care Reform,” Physician Hospitals of America Conference 2010.
- “After Things Go Bad: How the New Players Have Changed the Game,” Cleveland Metropolitan Bar Association, Loan to Own Program, November 2008.
- “Pension and Legacy: New Laws and Old Obligations”, American Bankruptcy Institute 2007, Central States Bankruptcy Workshop.
- “The Impact of Pension Reform in Turnaround Situations,” Turnaround Management Association’s 10th Annual Business Workshop, December 2006.
- “The Role of Examiners in Large Bankruptcy Cases,” 2005 William J. O’Neill Bankruptcy Institute, Cleveland, Ohio.
- “Proposed Ohio Tax Reform,” teleconference, March 2005.

- “Fiduciary Duties of Directors of a Financially Troubled Company,” ACC America Seminar, May 20, 2004.
- “Obtaining Value From Intellectual Property Assets of a Debtor’s Estate,” Cleveland Bar Association Seminar, December 12, 2002.
- “Bush Leasing—A Case Study,” Third Annual Conference on Corporate Reorganizations, September 21, 2000.
- “Directors’ Role in Financially Distressed Company- Getting the Most Out of the Board,” TMA Fall Workshop, November 30, 1999.
- “Whose Money Is It?—Understanding the Borrower’s Right to Use Cash After a Default of Bankruptcy,” TMA Fall Workshop, December 1, 1998.
- “Addressing the Problems of the Financially Distressed Small Business,” Ohio CLE Institute, September 16, 1998.
- “How a Company in Trouble Should Work with Banks,” TMA Fall Workshop, 1997.
- “An Overview of the Federal Bankruptcy Process for Corporate Debtors,” July 1995.
- “Basic Concepts in Chapter 11,” Cleveland Bar Association Bankruptcy Seminar, October 11, 1995.
- “Business Development and Related Ethical Issues,” The Business of Bankruptcy Practice Seminar, November 15, 1995.
- “Sanctions in Bankruptcy Proceedings,” Cleveland Bar Association Bankruptcy Seminar, November 5, 1993.
- “Soup to Nuts: Cases Under Section 1129,” Cleveland Bar Association Bankruptcy Seminar, November 5, 1992.
- “Commercial Tenant Defaults—Bankruptcy and Insolvency,” American Conference Institute, May 8, 1991.
- “Representing Purchasers or Sellers of Bankruptcy Claims,” Cleveland Securities Law Institute, March 1, 1991.



Benjamin D. Panter

Member

Chicago

bpanter@mcdonaldhopkins.com

312.642.4087

Practice Focus

- Executive compensation and governance
- Tax and Benefits
- Securities
- Labor and Employment
- Capital markets
- Mergers and Acquisitions

Ben advises clients across a broad spectrum of industries on executive compensation and employment law issues that arise from public and private M&A and private equity transactions, restructurings, debt and equity financings, and IPOs. He has an active practice representing compensation committees, companies, and senior executives in the negotiation and structuring of executive employment and severance agreements. He frequently represents management teams in private equity deals and other M&A transactions.

Ben also provides ongoing counsel to public and private companies, compensation committees, and executives with respect to day-to-day executive compensation and employment law matters, including corporate governance and best practices, executive compensation plan design, employment, severance and change in control agreements, restrictive covenant enforcement, and equity incentive compensation arrangements, as well as advising on related regulatory, securities, tax, and public disclosures, including IRC Sections 409A, 280G, and 162(m), Item 402, and Dodd-Frank.

Ben is an adjunct professor teaching executive compensation law at a Chicago area law school, and was formerly a partner in the Executive Compensation Practice Group at Kirkland & Ellis LLP.

Ben earned a J.D., with high honors, Order of the Coif, from Chicago-Kent College of Law (IIT), and a LL.M. in Taxation from New York University School of Law. He received a B.S. in Finance, cum laude, and a B.A. in Spanish, cum laude, from Miami University.

Admissions - State

- Illinois
- New York

Education

- New York University School of Law
- Chicago-Kent College of Law
- Miami University

Honors and Awards

- Selected for inclusion in Illinois Rising Stars (2014 and 2015) and New York Rising Stars (2011-2013)
- Law Bulletin Publishing Company's Emerging Lawyer: Employee Benefits Law

- Chicago-Kent Law Review
- Bar and Gavel Society

Alerts

- Start preparing: SEC issues proposed guidance on executive compensation clawbacks

Blog Posts

- IRS sounds off on data breaches
- What Matters Most to Investors?

News

- Executive compensation attorney Benjamin D. Panter joins the Chicago office of McDonald Hopkins

External Publications

- "Options" for Early Stage Companies: Designing the Right Stock Option Program," Bloomberg BNA, May 2015
- "Founders Beware: How a Start-Up Exit May Not Be a 'Golden' Opportunity," Bloomberg BNA, October 2015

Events

- Structuring Employee Severance Arrangements | Tuesday, July 26, 2016
- Founder Considerations for Start-ups | Wednesday, December 16, 2015
- Equity Compensation at Privately-Owned Companies in 2015 and Beyond | Thursday, May 7, 2015

Speaking Engagements

- "Founder Considerations for Start-ups," workshop, December 16, 2015
- "Executive Employment Agreements and Change in Control Arrangements," Strafford webinar, October 13, 2015
- "Employee Severance Agreements and Section 409A Deferred Compensation: Withstanding Heightened IRS Scrutiny," Strafford webinar, July 23, 2015



Sean D. Malloy

Member; Vice Chair,
Business Restructuring
Services Department
Cleveland

smalloy@mcdonaldhopkins.com

216.348.5436

Practice Focus

- Business Restructuring
- Creditors committees
- Distressed M&A
- Business Counseling

For more than 20 years, Sean has counseled clients on strategic alternatives in distressed business settings. Sean is Vice Chair of the firm's Business Restructuring Services Department and Chair of the Creditors' Committee Practice Group. Sean's debtor practice involves advising companies and their boards of directors in business restructurings of all kinds, from out-of-court solutions to chapter 11 reorganizations. His experience in distressed business situations includes recapitalizations, refinancings, mergers and acquisitions, and commercial litigation. Sean also represents creditors' committees, where his practice covers cases in a wide variety of industries, including manufacturing, healthcare, food, and distribution and covers courts around the country.

Sean earned a J.D. from the University of Virginia School of Law in 1993. He received a B.A., cum laude, Phi Beta Kappa, from the University of Miami in 1990.

Representative Cases/Matters

Representative Creditor's Committee Engagements

- **Keywell LLC** (Chicago, IL) – Leading supplier of recycled titanium, high temperature alloys, and stainless steel.
- **Country Store Holdings** (Peoria, IL) – Supplies to home improvement retailers.
- **AFA Foods** (Wilmington, DE) – Beef processing company with approximately \$1 billion revenue.
- **North Oakland Medical Center** (Detroit, MI) – Regional hospital located in Pontiac, Michigan.
- **St. Mary of the Woods** (Cleveland, OH) – Continuing care retirement community with independent and assisted living plans and a skilled nursing unit.
- **Huffy Corporation** (Dayton, OH) – Leading producer of bicycles and related products.

Representative Debtor/Restructuring Engagements

- **Healthcare** – Multiple recent out of court community hospital restructurings.
- **The Antioch Company** (Minneapolis, MN) – Leading memory preservation and scrapbooking company.
- **South Franklin Circle** (Cleveland, OH) – Large continuing care retirement community with independent and assisted living plans.
- **Forum Health** (Youngstown, OH) – Regional multi-hospital health system with over \$600 million revenue.

Representative Liquidating Trust and Plan Administrator Engagements

- **Ideal Electric Company** (Canton, OH) – Plan administration and creditor advisory board engagement involving

material insider litigation and commercial litigation.

- **James River Coal Company** (Nashville, TN) – Liquidating trust engagement arising from Committee role involving lobbying/government regulations, insider litigation, and preferences.
- **Infotelecom LLC** (Cleveland, OH) – Liquidating trust engagement involving preferences and claims administration.
- **Huffy Corporation** (Dayton, OH) – Liquidating trust engagement involving disposition of assets, ownership and board voting rights in reorganized company, insider litigation, and preferences.
- **Forum Health** (Youngstown, OH) – Liquidating trust engagement involving disposition of assets, collection of Medicare/Medicaid underpayments, management of malpractice litigation claims, and winddown of foreign captive insurance company.

Other Engagements

- U.S. Concrete (Creditors' Committee – Wilmington, DE)
- FormTech Industries (Creditors' Committee and Liquidating Trust – Wilmington, DE)
- Republic Technologies (Debtor – Akron, OH)
- Waco Equipment Co. (Creditors' Committee – Cleveland, OH)
- Amcast Industrial (Creditors' Committee and Liquidating Trust – Dayton, OH)
- Hydraulic Technologies (Debtor – Canton, OH)
- Federal Forge (Creditors' Committee – Grand Rapids, MI)
- ProCare Automotive (Creditors' Committee and Liquidating Trust – Cleveland, OH)
- DT Industries (Creditors' Committee – Dayton, OH)
- Cold Metal Products (Creditors' Committee – Akron, OH)
- DeVlieg Bullard II (Debtor – Wilmington, DE)
- American Paper (Creditors' Committee – Youngstown, OH)
- Gliatech, Inc. (Debtor – Cleveland, OH)
- Medina Glass Block (Creditors' Committee – Cleveland, OH)

Admissions - Court

- U.S. District Court for the Northern District of Illinois
- U.S. District Court for the Western District of Michigan
- U.S. District Courts for the Northern and Southern Districts of Ohio

Admissions - State

- Illinois
- Ohio

Education

- University of Miami
- University of Virginia School of Law

Honors and Awards

- Selected for inclusion in Ohio Super Lawyers (2010-2015)
- Selected for inclusion in Ohio Rising Stars (2005-2007)
- Named one of the Best Lawyers in America (2012-2017)
- Named leader in Ohio Bankruptcy/Restructuring - Chambers USA (2012-2015)

Professional Membership

- American Bankruptcy Institute
- Turnaround Management Association

- Cleveland Metropolitan Bar Association

Alerts

- Restructuring Professionals - Is it time to rewrite your retention agreements?

Blog Posts

- When is a privileged email not privileged?

News

- 39 attorneys at McDonald Hopkins selected for inclusion in Best Lawyers 2017
- 24 attorneys at McDonald Hopkins named Ohio Super Lawyers and Rising Stars
- 41 attorneys at McDonald Hopkins selected for inclusion in Best Lawyers® 2016
- Seven McDonald Hopkins Attorneys Recognized by Chambers USA 2015
- 26 attorneys at McDonald Hopkins named Ohio Super Lawyers and Rising Stars

External Publications

- "How non-profit organizations can handle financial hardships and a difficult economic environment," Smart Business Magazine, February 2012
- The Daily Deal, a Special Report feature on "Restructuring Deals of the Year," prominently quoted in a 3-page case study about Huffy Corporation's non-trade group of unsecured creditors, March 2006



Lisa S. Lauer

Member

Detroit

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248.220.1340

Practice Focus

- Automotive restructuring
- Business Counseling
- Healthcare restructuring
- Mergers and Acquisitions

Lisa provides corporate and business counseling to a variety of businesses, business owners and investors in a wide array of industries. She is experienced in a broad range of transactions including mergers and acquisitions; dispositions; joint ventures and restructurings; public and private securities issuances and filings; private equity investments; corporate finance deals; tender offers; and going-private transactions. In addition, Lisa provides general corporate counseling to clients and assists on matters involving entity formation and organization, compliance issues and succession planning. She also advises companies, boards, and management teams on strategic, corporate and governance matters. Lisa is skilled at drafting, analyzing and negotiating all types of commercial contracts and complex agreements. Lisa combines legal experience with business advice to provide exceptional results to clients. Prior to joining McDonald Hopkins, Lisa was an attorney with an AmLaw 100 Firm. While attending the University of Michigan Law School, Lisa served as Executive Editor of the Michigan Journal of Race & Law and as a student attorney with the Child Advocacy Law Clinic. Prior to attending law school, Lisa worked in several disciplines for a Big 3 auto supplier.

Lisa earned a J.D. from the University of Michigan Law School in 2004. She received a B.S., summa cum laude, from Wayne State University in 1999.

Industry Experience

- Aerospace
- Automotive
- Billing & coding
- Consumer products
- Consulting
- Distribution
- Energy
- Government
- Healthcare
- Insurance
- Medical recordkeeping
- Media & entertainment
- Non-ferrous metals
- Packaging
- Real estate
- Retail
- Rubber
- Software
- Stamping

Admissions - State

- Michigan
- Illinois

Education

- University of Michigan Law School
- Wayne State University

Honors and Awards

- Selected for inclusion in Illinois Rising Stars (2012-2014)

Public Service and Volunteerism

Lisa has volunteered with numerous Detroit-area and Chicago-area organizations providing support to urban development projects, mentoring of at-risk youth, and survivors of Domestic abuse.

Blog Posts

- Beware of blanket purchase orders and requirements contracts
- Exit Strategy: Now is the time to sell your business



Mary I. Edquist

Associate

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216.348.5415

Practice Focus

- Business Counseling
- International Business
- Government compliance, investigations, and white collar defense
- Federal government contracting and procurement
- State and local government contracting and procurement
- Export controls compliance
- Mergers and Acquisitions
- Foreign Corrupt Practices Act
- Financial services

Mary is an associate in the Business Department. Mary focuses primarily on general business counseling, particularly in the areas of international trade, regulatory compliance, and government contracts. Her experience includes handling international transactions, export control and compliance matters, national security issues, government disclosures, internal investigations and bid protests. Mary also counsels financial institutions and third-party vendors in the areas of banking regulation, Bank Secrecy Act and Anti-Money Laundering compliance (including BSA/AML regulatory actions, Transaction Monitoring, Know Your Customer, Enhanced Due Diligence, economic sanctions regulations and the filing of Suspicious Activity Reports).

Mary assists clients in their efforts to enhance corporate compliance with U.S. international trade laws such as the International Traffic in Arms Regulations (ITAR), the Export Administration Regulations (EAR) and the Foreign Corrupt Practices Act (FCPA), as well as international sanctions regimes administered by the Office of Foreign Assets Control (OFAC). She has a strong background in the complex world of export control, helping companies correctly classify their products and obtain export registrations, licenses and agreements administered by the Department of State's Directorate of Defense Trade Controls (DDTC) and the Department of Commerce's Bureau of Industry and Security (BIS). She also counsels businesses concerning the intricacies of U.S. Customs regulations such as the Foreign Trade Regulations (FTR) and the North American Free Trade Agreement (NAFTA), and she helps clients navigate SEC reporting requirements. Mary also helps companies benefit from and comply with national security initiatives administered by the U.S. Customs and Border Patrol (CBP) and U.S. Citizenship and Immigration Services (ICE), such as the Customs Trade Partnership Against Terrorism (C-TPAT), the Importer Security Filing (ISF), and the E-Verify program.

Mary represents companies involved in bid protests and government contract disputes, and she provides advice concerning corporate obligations under the Federal Acquisition Regulations (FAR) and Defense Federal Acquisition Regulations (DFAR). She also counsels businesses on government procurement matters, including government contracting requirements imposed by federal and state law.

Mary advises businesses that are working to reduce regulatory risks and liabilities by developing and improving their international trade, anti-corruption, anti-terrorism, and anti-money laundering compliance policies, procedures and training efforts. She likewise handles corporate investigations of potential regulatory violations and represents clients dealing with government-imposed fines, penalties, forfeitures, seizures, and audits, helping companies file disclosures and negotiate resolutions with government agencies.

Mary earned a J.D. from the University of Denver's Sturm College of Law in 2007 and an LL.M from Georgetown University Law Center in 2012. She received an M.A. from the University of Denver's Joseph Korbel School of International Studies in 2007 and a B.A. from Cornell University in 2004.

Representative Cases/Matters

- Assisted a global manufacturer with regard to Foreign Corrupt Practices Act investigations arising out of sales of products in South Korea, China and Singapore.
- Advised manufacturer of night vision equipment on export licensing matters and assisted client in registering with and obtaining licenses from appropriate federal agencies to obtain export licenses.
- Assisted numerous clients concerning determination of export licensing requirements for their products and assisted clients in preparation of license applications, Technical Assistance Agreements (TAAs) and Manufacturing License Agreements (MLAs) when needed.
- Provided training sessions/programs to management, sales and marketing employees of global manufacturer regarding EU competition laws, FCPA compliance, antiboycott laws and U.S. economic sanctions.
- Advised multiple clients in matters arising out of U.S. economic sanctions against various countries, including Iran, Syria, Libya, Cuba, and Sudan.
- Advised multiple clients in matters raising potential issues under Foreign Corrupt Practices Act.
- Assisted numerous foreign purchasers of U.S. companies, as well as multiple U.S. companies selling to foreign buyers, with preparing and filing voluntary notices to the Committee on Foreign Investment in the U.S. (CFIUS).
- Advised several foreign purchasers concerning the negotiation of agreements with Committee on Foreign Investment in the U.S. (CFIUS) and Department of Defense (DOD) to mitigate Foreign Ownership, Control and Influence (FOCI) and enable acquisition of U.S. companies and assets.
- Advised several U.S. defense contractors concerning compliance with Defense Priorities and Allocations System (DPAS) regulations and Defense Federal Acquisition Regulations (DFAR).
- Prepared export compliance manuals and policies for multiple clients containing practical guidance for employees concerning application and requirements of International Traffic in Arms Regulations (ITAR), Export Administration Regulations (EAR), Office of Foreign Assets Control (OFAC) regulations, and related executive orders.
- Assisted global manufacturer with preparation of voluntary disclosure to U.S. Department of Commerce Bureau of Industry and Security (BIS) regarding violation of antiboycott laws.
- Advised aircraft parts manufacturer concerning effect of President's Export Control Reform Initiative and impact of regulatory changes on the export classifications of its products.
- Prepared International Traffic in Arms Regulations (ITAR) and Export Administration Regulations (EAR) compliance training materials and gave presentations to company employees and executives regarding same.
- Assisted international logistics provider with preparation of voluntary disclosure to U.S. department of Commerce Bureau of Industry and Security (BIS) regarding violation of Export Administration Regulations (EAR).
- Assisted global defense manufacturer in preparation of consent agreement with U.S. State Department Directorate of Defense Trade Controls (DDTC) stemming from International Traffic in Arms Regulations (ITAR) violations.
- Supervised internal investigation and prepared resultant voluntary disclosure by international retail goods provider to U.S. Census Bureau concerning violations of Automated Export System (AES) filing requirements under Foreign Trade Regulations (FTR).
- Assisted client with internal investigation of potential violations of federal and state customs regulations governing the importation of products derived from endangered and threatened wildlife species.
- Conducted internal investigation of violations of U.S. economic sanctions by global NYSE listed company; prepared voluntary disclosure to U.S. Department of Treasury Office of Foreign Assets Control (OFAC) regarding same.

- Advised multiple clients concerning violations of International Traffic in Arms (ITAR) regulations and prepared voluntary disclosures to U.S. State Department Directorate of Defense Trade Controls (DDTC) in order to obtain reduced penalties and fines.
- Assisted several domestic companies in filing required notices with U.S. State Department Directorate of Defense Trade Controls (DDTC) concerning their mergers, acquisitions and divestments to foreign buyers.
- Advised manufacturer of nuclear components and parts concerning application of regulations governed by Nuclear Regulatory Commission (NRC) and assisted client in obtaining necessary licenses and export authorizations.
- Advised importer of Mexican goods concerning Customs-Trade Partnership Against Terrorism (C-TPAT) program requirements and steps needed to obtain Fast and Secure Trade (FAST) lane access.

Admissions - State

- District of Columbia
- Ohio
- Colorado

Education

- Cornell University
- Georgetown University Law Center
- University of Denver, Joseph Korbel School of International Studies
- University of Denver, Sturm College of Law

Professional Membership

- The District of Columbia Bar
- Cleveland Metropolitan Bar Association
- Northeast Ohio International Business Network
- Northeast Ohio Organization of Women in International Trade (Board Member)

Public Service and Volunteerism

- North Coast Community Homes (Board Member)
- McDonald Hopkins Veterans' Pro Bono Clinic (Volunteer)
- North Coast Community Homes (Board Member)

Alerts

- The DOJ's 3-step plan to increase FCPA enforcement
- Precedent-setting decision upholds \$4M OFAC penalty
- Small businesses now the target of large sanctions penalties
- New export control reforms could impact R&D efforts at your hospital or research institution
- Proposed Export Control Reform impacts cloud storage, email, and U.S. workers abroad
- Regulators are aiming enforcement oversight at your bank
- White House announces new global anticorruption initiative
- Are you ready for Export Control Reform?

Blog Posts

- Trade pact could increase corruption risks
- TPP: US industry winners and losers
- Historic TPP trade deal surpasses NAFTA in scope and impact
- Trans Pacific Trade Agreement moves closer to the finish line
- Iranian sanctions relief appears on the distant horizon?
- New rule imposes additional export controls on government defense contractors
- Sending Intra-Office Email? You May Be an "Exporter"

- PayPal to Pay \$7.7 Million Fine for Processing Transactions With Iran, Cuba, Sudan, and Terrorist Organizations
- So, can I fly to Cuba for Christmas?

News

- McDonald Hopkins Attorney, Mary I. Edquist, is New Contributing Author for Proskauer on Privacy

External Publications

- Foreign Intelligence Surveillance Act, chapter in Proskauer on Privacy: A Guide to Data Privacy and Security in the Digital Age, Practising Law Institute Treatise, Release #12, October 2014, and Release #15, May 2016

Events

- Logistics and Documentation Compliance Seminar | Wednesday, June 22, 2016
- The Trans Pacific Partnership What does it mean for your business | Tuesday, September 1, 2015

Speaking Engagements

- Aerospace Industry Update & Opportunities, City of Mentor International Trade Initiative, October 1, 2015
- Rules and Regulations Regarding Cross-Border Transactions: Committee on Foreign Investment in the United States (“CFIUS”), Young Association for Corporate Growth, Cleveland Chapter, February 11, 2015
- U.S. Export Control Laws, Washington, D.C. Metropolitan Chapter, Association of Certified Fraud Examiners, November 20, 2014
- Recent Developments in Office of Foreign Assets Control (“OFAC”) Administered Sanctions, Organization of Women in International Trade, Northeast Ohio Chapter, November 13, 2014



Alyssa A. Landino

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216.348.5740

Practice Focus

- Government compliance, investigations, and white collar defense
- Business litigation
- Energy

Alyssa is an associate in the Litigation Department. She works with a variety of our business and energy litigation teams as a first-year associate. Additionally, she has experience in commercial litigation, criminal prosecution and defense, appellate, medical malpractice, insurance defense, personal injury, and probate law.

Prior to joining McDonald Hopkins, she interned with the Miami Innocence Project and the Denton County District Attorneys Office, and served as a summer associate for Adams Coogler, P.A.

Alyssa earned her J.D., cum laude, from the University of Miami School of Law in 2015. She received a B.A. from the University of Texas in 2012.

Admissions - Court

- U.S. District Court for the Northern District of Ohio
- U.S. District Court for the Southern District of Ohio

Admissions - State

- Ohio

Education

- University of Miami School of Law
- University of Texas

Honors and Awards

- Miami Law Dean's List (Fall 2012, Fall 2014, Spring 2015)
- Honors Award, Litigation Skills (2014)
- Kurt Marmar Award, John T. Gaubatz Moot Court Competition (2013)

Public Service and Volunteerism

- Providence House (Member, Associate's Board "Phriends Group")
- Miami Law HOPE Public Interest Center Pro Bono Challenge Participant (2014-2015)
- Chi Omega Alumni
- Austin Pets Alive and Town Lake Animal Shelter Volunteer (2010-2012)

Senior Managing Director

CONWAY
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Joseph M. Geraghty

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Biography

Joe Geraghty specializes in turnaround and crisis management, insolvency and bankruptcy matters, mergers and acquisitions, operational reviews and interim executive management. He has directed, managed and led the restructuring and turnaround of companies with sales ranging from lower middle market to over \$1 billion in revenues. Mr. Geraghty has executed interim officer roles including Chief Financial Officer and Chief Restructuring Officer in public and private concerns. Industry specialization includes manufacturing firms, firms supporting the automotive, aerospace and paper industries, nutritional supplements as well as, textile, quick serve restaurants, healthcare, construction, contracting, service and technology firms.

Previous Experience

Mr. Geraghty has over twenty three years of financial and operational experience. Prior to joining Conway MacKenzie, he was Chief Financial Officer and General Manager of a privately owned \$150 million machining, foundry and packaging company and Director of Internal Audit for a \$300 million international manufacturer of valves and pumps. At the accounting firm of Ernst & Young, he was a Senior Accountant and auditor, working with clients in manufacturing and healthcare. He was also employed as an accountant with General Motors Corporation. Recent turnaround engagements include Heidtman Steel, Industrial Services of America, Vital Pharmaceuticals, Duke & King, Schwab Industries, Findlay Industries, Inc., Kentuckiana Medical Center, Resolve Staffing, JL French Automotive Castings, Inc., Tower Automotive, Inc., CTL Aerospace, Sabin Robbins Paper Company, Galerie, TexStyle, MCSi, and Hill Top Research.

Education & Professional Organizations

Mr. Geraghty is a Certified Public Accountant and has a Bachelor of Science in Business Administration from the University of Dayton. He is a Certified Turnaround Professional and is a member of the Turnaround Management Association, American Bankruptcy Institute, Association of Insolvency and Restructuring Advisors and TriState Association for Corporate Renewal. Mr. Geraghty is also Board Chair of Dayton and Montgomery County Port Authority and Board Trustee for Chaminade Julianne Catholic High School.

Managing Director

CONWAY
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David W. Jones

Detroit Office

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Biography

David Jones is the leader of Conway MacKenzie's litigation support practice and has over twenty-seven years of experience providing litigation support services and advisory services to underperforming businesses and related parties.

As a litigation support consultant, Mr. Jones has extensive experience, including providing expert testimony in cases involving lost profits, economic damages, business valuation and related matters. He also has experience in matters involving antitrust, False Claims Act and matters involving intellectual property. In addition, Mr. Jones is uniquely qualified to provide expert assistance in matters involving fraud, including detection, investigation and quantification. He regularly participates in coordinating discovery efforts, developing case strategies and evaluating settlement options.

Previous Experience

Mr. Jones has provided valuation and litigation support services for clients in a wide range of industries including Original Equipment Manufacturers and automobile dealerships around the country. As an auditor at Deloitte, he performed audits of financial statements of General Motors Corporation and for many automobile dealerships in Southeastern Michigan. Mr. Jones is frequently called upon to provide a wide range of professional services including litigation and valuation services in connection with automobile dealerships.

In addition, Mr. Jones has been engaged as a turnaround consultant and financial advisor to clients in various industries including automotive, manufacturing, steel, service, transportation and real estate. He is accomplished at developing and implementing plans for survival and negotiating with creditors. Mr. Jones has worked closely with debtors, lenders and creditor committees in out-of-court or Chapter 11 restructurings. In addition, Mr. Jones has served as an interim Chief Financial Officer in the automotive, oil and gas, and building materials industries.

Education & Professional Organizations

Mr. Jones is a Certified Public Accountant, Certified Fraud Examiner, Certified Valuation Analyst, Certified Patent Valuation Analyst and is a Certified Turnaround Professional. In addition, he is Accredited in Business Valuation and is Certified in Financial Forensics by the American Institute of Certified Public Accountants. He has a Bachelor of Arts in Accounting from Michigan State University. He is member of the American Institute of Certified Public Accountants, the Association of Certified Fraud Examiners, the National Association of Certified Valuation Analysts, the Turnaround Management Association, American Bankruptcy Institute, and the Michigan Association of Certified Public Accountants, for whom he has been a guest speaker. Mr. Jones also serves as Trustee for the Oakland County Bar Foundation.

Managing Director

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Jim W. Bergman

Los Angeles Office

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Biography

Jim Bergman, CFA, joined the firm in 2015 and specializes in intellectual property, commercial and bankruptcy litigation. Mr. Bergman has been a testifying expert and an expert consultant in a wide range of cases involving complex litigation, patent and technology disputes, trademarks, trade secrets, securities litigation, business valuation, bankruptcy reorganization, solvency, fraudulent transfers and general damages.

His experience includes cases that require the analysis of intellectual property, derivatives, fixed income and equity valuation, corporate finance, intercompany transactions and preferred stock, among others. Mr. Bergman has testified in Federal Court and arbitration, has been involved in a number of high-profile intellectual property litigation cases including *Ericsson v. Apple*, and has worked extensively on some of the nation's biggest bankruptcy matters, such as *Adelphia*, *Tribune*, *Lehman Brothers* and *Los Angeles Dodgers* proceedings.

Previous Experience

Prior to joining Conway MacKenzie, Mr. Bergman spent over a decade serving as an in-house economic consultant to various law firms.

Most recently, Mr. Bergman served as a financial consultant at McKool Smith, P.C. He was actively involved in many litigation efforts at the firm and specialized as a consultant on matters involving commercial and intellectual property litigation. He also served as a technical consultant for the firm's intellectual property practice on matters involving programming, software, hardware, and networking, including the firm's initial analysis of patents for infringement, validity, and damages.

Prior to that, Mr. Bergman was a financial analyst in the Business Solutions and Governance group at Dewey & LeBoeuf. While there, Mr. Bergman served as an expert consultant on large and complex cases involving securities litigation, bankruptcy reorganization and litigation, intellectual property and general damages. Mr. Bergman was actively involved in a number of the nation's largest bankruptcies at the time including *Tribune*, *Lehman Brothers* and the *Los Angeles Dodgers*.

Prior to Mr. Bergman's work as a financial consultant, he also spent nearly a decade in the information technology field and has earned a number of industry-recognized certifications in hardware, software and networking.

Education & Professional Organizations

Mr. Bergman received his Master of Business Administration and his Bachelor of Arts degree in Economics from the University of California Irvine and is a CFA Charterholder. He has been published in *Law360*, has presented on patent damages for *The State Bar of California*, and has been quoted by the *LA Times*.



Managing Director

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Jeffrey C. Perea

Los Angeles Office

333 South Hope Street

Suite 3625

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Biography

Jeffrey Perea has significant experience advising debtors, creditors, and financial buyers of distressed companies in out-of-court restructuring and in bankruptcy proceedings across a wide range of industries including real estate, casinos, hospitality, and restaurants. Mr. Perea has provided crisis management services and turnaround services for under-performing companies for 15 years.

Previous Experience

Prior to joining the firm, Mr. Perea served as a Managing Director in the Corporate Finance and Corporate Restructuring practice of a national restructuring firm. His experience and expertise includes evaluation of company business plan viability; in-depth analysis of short and long term cash flow projections; detailed 5 year financial projections; consulting and recommending financing and debt restructuring strategies; developing plan of reorganization and cost-cutting initiatives; litigation support services; and preparing valuations under various scenarios.

Mr. Perea's recent client engagements include serving as financial advisor to Powerwave, Jerry's Nugget, Inc., Spartan Gaming LLC, Natrol Inc., and American West Homes, a home builder of single family homes in Las Vegas, Nevada. Mr. Perea recently served as restructuring advisor to Riviera Casino & Hotel in Las Vegas, Nevada, which led to a successful Chapter 11 reorganization. He has also served as a financial/restructuring advisor to Black Gaming, Nellson Nutraceutical, Prediwave, and Murray, Inc. He also served on the creditors' committee for National RV, American Restaurant Group, and Landsource Communities LLC.

Education & Professional Organizations

Mr. Perea received his Master of Business Administration from University of California Los Angeles (John E. Anderson Business School) and his Bachelor of Business Administration in Finance from California State University of Northridge. His credentials include: Certified Turnaround Professional (CTP), Certified Public Accountant (CPA, California); Certified Insolvency and Restructuring Advisor (CIRA); NASD Series 7 and 63 licensed; and Six Sigma Green Belt. He is a member of the Association of Insolvency and Restructuring Advisors, Turnaround Management Association and the American Bankruptcy Institute. Mr. Perea also has been a guest lecturer on restructuring and finance topics at UCLA Anderson School of Management and USC Marshall School of Business.

Director

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Michael D. Dery

Detroit Office

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Biography

Michael Dery has over ten years of experience providing litigation support services and transaction advisory services to private equity groups and related parties.

As a litigation support consultant, Mr. Dery is uniquely qualified to provide expert assistance in matters involving fraud, including detection, investigation and quantification. He also has extensive experience in cases involving lost profits, economic damages, business valuation and related matters. He also has experience in matters involving antitrust, False Claims Act and matters involving intellectual property. Mr. Dery regularly participates in coordinating discovery efforts, developing case strategies and evaluating settlement options.

Mr. Dery's transaction advisory experience includes buy-side financial due diligence, quality of earnings and EBITDA, working capital, financial, operational and valuation analyses for a variety of constituents in merger and acquisition environments.

Previous Experience

Prior to joining Conway MacKenzie, Mr. Dery was an Associate in the audit practice of PricewaterhouseCoopers where he performed year-end financial statement audits, quarterly reviews, and conducted Sarbanes-Oxley reviews of internal controls. His clients primarily included Ford Motor Company, Tier 1 and 2 automotive suppliers, and not-for-profit entities.

Education & Professional Organizations

Mr. Dery is a Certified Public Accountant (CPA), Certified Fraud Examiner (CFE), Certified in Financial Forensics (CFF), Certified Valuation Analyst (CVA) and Certified Patent Valuation Analyst (CPVA). He holds Master of Science and Bachelor of Arts degrees in Accounting from Michigan State University.

Mr. Dery is a member of the Michigan Association of Certified Public Accountants (MACPA) Fraud Task Force and has spoken at the MACPA's Anti-Fraud Issues Conference on the topic of pyramid schemes. He is also a member of the American Institute of Certified Public Accountants (AICPA), National Association of Certified Valuation Analysts (NACVA), Association of Certified Fraud Examiners (ACFE), and the Turnaround Management Association (TMA).

Director

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Douglas A. Reich

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Biography

Doug Reich specializes in financial consulting and litigation support services, including: insolvency and bankruptcy, turnaround management, mergers and acquisitions, and business valuation services. He has implemented and monitored detailed business plans and negotiated with secured and unsecured creditors. As a litigation support expert, Mr. Reich develops financial damage models, provides expert testimony, coordinates discovery efforts, develops case strategies, evaluates settlement options, and provides business valuation services.

Education & Professional Organizations

Mr. Reich is a Certified Turnaround Professional, Certified Valuation Analyst, Certified Public Accountant, Certified in Financial Forensics, Accredited in Business Valuation and has a Bachelor of Science in Business Administration from Central Michigan University. He holds memberships in the Michigan Association of Certified Public Accountants, American Institute of Certified Public Accountants, American Bankruptcy Institute, Turnaround Management Association and the National Association of Certified Valuation Analysts.

Director

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Frank J. Sesì

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Biography

Frank J. Sesì is a Director and specializes in forensic accounting and litigation consulting services. Services provided by Mr. Sesì include fiduciary investigations, quantification of economic damages, shareholder disputes, business valuations and False Claims Acts. Mr. Sesì has performed services for clients within a wide range of industries, including, manufacturing, medical, automotive dealerships, insurance and real estate.

In connection with the services provided by Mr. Sesì, he provides assistance with fact finding and discovery, preparation of expert witnesses for deposition and trial, financial modeling and other financial analyses.

Previous Experience

Prior to joining Conway MacKenzie, Mr. Sesì was an Audit Manager at KPMG LLP, where he specialized in audit services for clients over a variety of industries including manufacturing and financial services. Audit services performed during his tenure at KPMG LLP, included financial statement audits and reviews in accordance with GAAP and IFRS, along with reviews of internal controls over financial reporting.

Education & Professional Organizations

Mr. Sesì received his Master of Science and Bachelor of Arts in Accounting from the Michigan State University Eli Broad School of Business. He is a Certified Public Accountant and is a member of the Michigan Association of Certified Public Accounts, the American Institute of Certified Public Accounts, the Turnaround Management Association and the American Bankruptcy Institute.



Vice President of Information Technology



Joseph C. Akouri

Detroit Office

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Biography

Joe Akouri specializes in analyzing, designing and implementing a wide array of computer network activities for Conway MacKenzie. He develops, configures, installs and maintains area network hardware, software and telecommunications services. Client engagement activities include data mining, analysis, and support of key engagement professionals accomplishing scope items. Additionally, Mr. Akouri creates policies and procedures related to network hardware acquisition, use, support, security and backup. Recently, he led the research of various customer relationship manager options for Conway MacKenzie and is currently involved in the design and implementation stage of Microsoft CRM (Contact Resource Management).

Mr. Akouri has experience implementing and supporting information systems and data management with a focus on investigation and forensic technologies including security risk assessments, access control and identity management, intrusion detection and prevention, event and incident logging, security information management and vulnerability testing. Mr. Akouri also has extensive experience in imaging hard drives, server and other technological devices.

Previous Experience

Prior to joining Conway MacKenzie, Mr. Akouri managed the computer network activities for a number of clients through his independent consulting firm. Prior to that Mr. Akouri was a Systems Engineer for Digital Solutions, Inc. where he designed and installed computer systems in stand-alone and network environments. He was also responsible for assisting clients in the resolution of hardware and software issues.

Education & Professional Organizations

Mr. Akouri earned his Bachelor of Science in Computer Information Systems (Engineering focus) from the University of Michigan.

EXHIBIT 2

McDonald Hopkins Professional References

David G. Lambert, Esq.
Director of Risk Management
Alcohol, Drug Addiction & Mental Health Services Board of Cuyahoga County
2012 West 25th Street, Sixth Floor
Cleveland, Ohio 44113
Telephone: (216) 241-3400
Email: lambert@adamhsc.org

Reference for Richard Blake.

Virginia A. Davidson, Esq.
Chief Risk and Compliance Officer (as of September 19, 2016)
Community Health Network
1500 North Ritter Avenue
Indianapolis, Indiana 46219
Telephone: (216) 308-3722
vdavidson@calfee.com

Reference for Richard Blake. Virginia Davidson is currently a Partner and head of the White Collar Department at the law firm of Calfee, Halter & Griswold LLP in Cleveland, Ohio. She is presently transitioning to her new position as Chief Risk and Compliance Officer with Community Health Network, commencing September 19, 2016.

Mr. David Baker
Senior Managing Director
Aurora Management Partners
112 South Tryon Street
Suite 1770
Charlotte, NC 28284
Telephone: 704-377-6010
Email: dbaker@auroramp.com

Reference for Shawn Riley.

Mr. David S. Kurtz
Global Head of Restructuring Group
Lazard
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Chicago, IL 60603
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Reference for Sean Malloy. Mr. Willis was the interim Chief Financial Officer for The Antioch Company during its restructuring and bankruptcy.

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Reference for Ben Panter and Lisa Lauer.

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References for Joseph Geraghty and his expert testimony work.

EXHIBIT 3

Summary of Estimated Professional Fees and Expenses for ICA Team



ICA Team Estimated Budget to Complete Initial ICA Report

Week	1	2	3	4	5	6	7	8	9	10	11	12	13	Total
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Phase I

Initial Meetings with Herbalife Management to understand:

- Company structure/operations
- Compensation system
- Systems utilized to track sales, refunds, and training
- Controls in place to adhere to Stipulated Order

Perform due diligence/analysis of policies, procedures, contracts in place to assess and ensure compliance with Stipulated Order and document same

- A. Limitations on Multi-Level Compensation
- B. Preferred Customer Category
- C. Collection of Retail Sales Information
- D. Verification of Retail Sales and Preferred Customer Sales
- E. Limitations on Rewardable Personal Consumption
- F. Limitations on Thresholds, Targets, and Requirements
- I. Policies Relating to Leased or Purchased Business Locations

Phase II

Review and document results of Herbalife random/targeted audits to enforce and monitor:

- A. Limitations on Multi-Level Compensation
- B. Preferred Customer Category
- C. Collection of Retail Sales Information
- D. Verification of Retail Sales and Preferred Customer Sales
- E. Limitations on Rewardable Personal Consumption
- F. Limitations on Thresholds, Targets, and Requirements
- I. Policies Relating to Leased or Purchased Business Locations

Conduct Independent Sample Tests to Ensure Herbalife is Adhering to Stipulated Order and Document Same

- A. Limitations on Multi-Level Compensation
- B. Preferred Customer Category
- C. Collection of Retail Sales Information
- D. Verification of Retail Sales and Preferred Customer Sales
- E. Limitations on Rewardable Personal Consumption
- F. Limitations on Thresholds, Targets, and Requirements
- I. Policies Relating to Leased or Purchased Business Locations

Phase III

Prepare report of findings to include the following items and discussion with Herbalife/FTC re same:

- Documentation of procedures performed
- Documentation of Herbalife Controls
- Documentation of Herbalife Random/Targeted Audit results
- Documentation of Independent Testing and Results
- Reccomendations to FTC



ICA Team Estimated Budget to Complete Each Remaining ICA Report

Week	1	2	3	4	5	6	7	8	9	10	Total
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Phase I

Regularly scheduled meetings with Herbalife management to review changes to:
 Company structure/operations
 Compensation system
 Systems utilized to track sales, refunds, and training
 Controls in place to adhere to Stipulated Order

Document any changes of controls in place to ensure compliance with stipulated order and document same

- A. Limitations on Multi-Level Compensation
- B. Preferred Customer Category
- C. Collection of Retail Sales Information
- D. Verification of Retail Sales and Preferred Customer Sales
- E. Limitations on Rewardable Personal Consumption
- F. Limitations on Thresholds, Targets, and Requirements
- I. Policies Relating to Leased or Purchased Business Locations

Phase II

Review and document results of Herbalife random/targeted audits to enforce and monitor:

- A. Limitations on Multi-Level Compensation
- B. Preferred Customer Category
- C. Collection of Retail Sales Information
- D. Verification of Retail Sales and Preferred Customer Sales
- E. Limitations on Rewardable Personal Consumption
- F. Limitations on Thresholds, Targets, and Requirements
- I. Policies Relating to Leased or Purchased Business Locations

Conduct Independent Sample Tests to Ensure Herbalife is Adhering to Stipulated Order and Document Same

- A. Limitations on Multi-Level Compensation
- B. Preferred Customer Category
- C. Collection of Retail Sales Information
- D. Verification of Retail Sales and Preferred Customer Sales
- E. Limitations on Rewardable Personal Consumption
- F. Limitations on Thresholds, Targets, and Requirements
- I. Policies Relating to Leased or Purchased Business Locations

Phase III

Prepare report of Findings Including
 Documentation of procedures performed
 Documentation of Herbalife Controls
 Documentation of Herbalife Random/Targeted Audit results
 Documentation of Independent Testing and Results
 Recommendations to FTC



EXHIBIT 4

Direct Dial: 216.348.5742
E-mail: tmathews@mcdonaldhopkins.com

August 29, 2016

Dear Ms. Ammerman and Mr. Winter:

I serve as the McDonald Hopkins (“MH”) firm-wide ethics counsel and submit this letter in connection with MH’s Application to Serve as Independent Compliance Auditor for Herbalife. MH has reviewed its client database and determined that none of its clients are adverse to, or have any relationship with, Herbalife. In addition, no MH attorney is an officer or director of Herbalife. MH has determined that one of its members, Jennifer Dowdell Armstrong, is the sister of attorney Stephen C. Dowdell, the Collections Program Manager and a Trial Attorney with the FTC. It is MH’s understanding that Mr. Dowdell was not involved in the underlying litigation and is not involved in the management, oversight, or administration of the Order that is the subject of the RFA.

Under these circumstances, MH does not perceive any material limitation or conflict in MH’s ability to deliver services as the ICA. Nevertheless, out of an abundance of caution and to avoid any perceived conflict of interest, MH proposes to establish an ethical screen between Ms. Armstrong and the MH attorney team comprising the ICA. Such a screen would prevent Ms. Armstrong from participating in the ICA representation, would segregate any and all file materials from her, and would be published firm-wide. I will closely monitor this ethical screen to ensure compliance.

Please do not hesitate to contact me if you have any questions.

Very truly yours,



Tyler L. Mathews