

ADORIA LIM

Managing Principal, Accounting Practice and San Francisco Office

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Ms. Adoria Lim is the head of the Accounting Practice and the San Francisco office at The Brattle Group. She is a Certified Public Accountant (CPA) with two decades of experience in accounting and finance at a Big 4 accounting firm, a Fortune 500 publicly-traded company, and as a consultant. Ms. Lim is also a Certified Fraud Examiner (CFE), Certified in Financial Forensics (CFF), and Accredited in Business Valuation (ABV). She focuses on matters that involve accounting, auditing, finance, and damages issues.

Ms. Lim has directed research involving the evaluation of accounting and disclosures with regard to Generally Accepted Accounting Principles (GAAP), the evaluation of audit and review procedures with regard to Generally Accepted Auditing Standards (GAAS), the evaluation of the adequacy of internal controls over financial reporting (ICFR), and the appropriateness of cost accounting allocations.

Ms. Lim's expertise includes forensic accounting analysis; the preparation of pro forma and carve-out financial statements; estimates of "but for" revenues, costs, and profits; estimates of reasonable royalties; valuation; and loss causation and damages analyses. She has reconstructed financial records, traced transactions through accounting systems, reviewed payment and cash flow information, and determined liquidity and equity positions.

Ms. Lim has directed research in SEC, DOJ, and PCAOB investigations and enforcement actions; tax disputes with the IRS; auditor malpractice suits; securities class actions; breach of contract matters; purchase price disputes; and intellectual property disputes. Her clients have included the SEC, the DOJ, Cisco, Halliburton, LG Philips, Vivendi, and Big 4 accounting firms.

Prior to joining The Brattle Group, Ms. Lim was a Principal at Corporate Diligence Specialists LLC (CDS), where she directed financial and accounting diligence related to mergers and acquisitions for private equity funds, investors, and lenders. Prior to CDS, Ms. Lim was a Principal at Cornerstone Research, where she directed research on behalf of clients in complex litigation.

EDUCATION

- M.B.A., Stanford University
- B.A., Economics, University of California, Los Angeles (UCLA)

ACADEMIC HONORS

University of California, Los Angeles

- Regents Scholar
- Summa Cum Laude
- Phi Beta Kappa
- Golden Key Honor Society

CERTIFICATIONS

- Certified Public Accountant (CPA)
- Certified Fraud Examiner (CFE)
- Certified in Financial Forensics (CFF) by the AICPA
- Accredited in Business Valuation (ABV) by the AICPA

AREAS OF EXPERTISE

- Financial Accounting and Reporting
- Auditing
- Internal Controls over Financial Reporting
- Forensic Accounting
- Cost Accounting
- Mergers & Acquisitions
- Valuation
- Intellectual Property
- Tax Controversy
- General Damages

PUBLICATIONS

“The Do’s and (Mostly) Don’ts of Non-GAAP Measures,” with Chi Cheng, published by *Law360*, 2017.

“Due Diligence is the Mother of Good Luck,” published by *Financier Worldwide*, 2016.

“How Principles-Based Accounting Standards Impact Litigation,” with Chi Cheng, published by *Law360*, 2016.

“Non-GAAP Measures: The SEC Awakens,” published by the Securities Litigation Section of the American Bar Association, *Practice Points*, 2015.

“The Unaccounted Cost of Accounting-Sounding Terms in Purchase Agreements,” with Yvette Austin Smith, published by *Financier Worldwide*, 2015.

“What Makes Securities Class Actions with Accounting Allegations Different,” with Elaine Harwood and Laura Simmons, published by American Bar Association, 2011.

LECTURES

Panelist, “Preparing for SEC’s Financial Fraud Probes: What Companies Need to Know LIVE Webcast,” presented by The Knowledge Group, 2019.

Panelist, “Accounting Fraud & SEC Investigations: What Lies Ahead in 2017 & Beyond LIVE Webcast,” presented by The Knowledge Group, 2017.

Panelist, “SEC Revised Compliance and Disclosure Interpretations (C&DIs): Time to Rethink Your Firm’s Current Non-GAAP Measures LIVE Webcast,” presented by The Knowledge Group, 2016.

Panelist, “Class Action Settlements: Trends, Lessons Learned, and Creative New Approaches,” 3rd Annual Western Regional CLE Program on Class Actions and Mass Torts, presented by the ABA Section of Litigation CADS Committee and The Bar Association of San Francisco, 2016.

Guest lecture, Princeton University (2016, 2017)

Guest lecture, University of Southern California (USC), Leventhal School of Accounting (2016, 2017)

Guest lecture, University of California at San Diego (UCSD), Rady School of Management (2015)

Guest lecture, New York University (NYU), Stern School of Business (2010, 2011)

SELECTED LITIGATION EXPERIENCE

Financial Accounting and Reporting, Auditing, and Internal Controls

- Directed research, as a testifying expert, in a dispute between a power plant and one of its power purchasers. Analyzed accounting for a litigation settlement between the power plant and one of its vendors. Attorneys: Sutherland Asbill & Brennan.
- Directed research, as a testifying expert, for executives of Scientific Atlanta (now part of Cisco) who were barred from contracting with the U.S. government due to their participation in alleged accounting fraud. Analyzed accounting for marketing support payments. Attorneys: Gibson, Dunn & Crutcher.
- Directed research for the SEC in an investigation of a public company's purchase price allocation related to an acquisition and subsequent accounting for goodwill.
- Directed research for Ernst & Young LLP which was accused of failing to meet audit standards in its audit of Lehman Brothers. Analyzed accounting and auditing issues related to repurchase agreements. Analyzed investment banking industry practices, including financing and liquidity arrangements such as repurchase agreements. Attorneys: Latham & Watkins.
- Directed research for executives of Qwest (now CenturyLink) who were charged by the SEC for accounting fraud. Analyzed lease accounting, revenue recognition, and internal controls over financial reporting in the context of swaps, exchanges, and multi-element arrangements. Attorneys: Clifford Chance; Steese, Evans & Frankel.
- Directed research for Alstom which was accused in a securities class action lawsuit of accounting fraud. Analyzed percentage-of-completion accounting (related to shipbuilding), consolidation and disclosure for special purpose entities, and accounting and disclosure of loan guarantees. Attorneys: Hughes Hubbard & Reed.
- Directed research for Scientific Atlanta (now part of Cisco) who was accused in a securities class action lawsuit of accounting fraud. Analyzed disclosure of material adverse trends and revenue recognition with regard to collectability and delivery obligations. Examined internal controls. Attorneys: Winston & Strawn.

Forensic Accounting

- Directed research, as a testifying expert, for plaintiffs in a class action alleging price fixing amongst manufacturers of canned tuna (Bumble Bee, StarKist, and Chicken of the Sea). Analyzed how dividends, a stock repurchase, and a leveraged buyout affected leverage, assets and earnings. Attorneys: Wolf Haldenstein.
- Directed research for Vivendi related to the company's sudden credit default. Analyzed the company's treasury management practices, liquidity, and cash transfers among subsidiaries and the parent company. Attorneys: Cravath, Swaine & Moore.
- Directed research for AOL Time Warner which was accused of improper revenue recognition. Reviewed thousands of pages of documents, including emails, voicemails, purchase orders, invoices, contracts, and audit workpapers, as well as reconstructed accounting and payment records, for approximately one hundred sales transactions related to the company's simultaneous other transactions with the same customers, including equity investments and purchases from customers. Attorneys: Cravath, Swaine & Moore.
- Directed research for Cisco which was accused of accounting fraud. Analyzed reserves for inventory, loans, and product returns; revenue recognition in the context of vendor financing; and accounting for loan guarantees. Reviewed thousands of documents, including emails, spreadsheets, purchase orders, purchase contracts, invoices, company management reports, loan documents, and audit workpapers. Reconstructed accounting and payment records. Attorneys: Winston & Strawn.

Pro Forma/Carve-Out Analysis, Cost Accounting

- Directed research, as the testifying expert, for the Government of India. Analyzed the application of cost allocation principles to common costs incurred for multiple development areas in an Oil & Gas production sharing contract. Attorneys: RS Prabhu.
- Directed research for the shareholders of a bankrupt savings bank who accused the U.S. government of wrongly shutting it down. Constructed stand-alone pro forma financial statements to determine the earnings of a bank division. Attorneys: Winston & Strawn.

- Directed research for Amazon.com which was accused by the IRS of allocating insufficient costs from its domestic operations to its foreign operations in the context of an intangible property cost sharing agreement. Analyzed the company's cost accounting, common costs, and the company's allocation of intangible property development costs. Attorneys: Skadden, Arps, Slate, Meagher & Flom; and Bingham McCutchen.
- Directed research for a real estate marketing agency accused of violating antitrust regulations regarding horizontal integration. Analyzed the stand-alone revenues, and allocated costs and profits of the agency's business segments to determine if any such segments were viable as stand-alone businesses.
- Directed research for Halliburton which was under investigation by the DOJ for bribes paid to foreign officials to obtain construction contracts in Nigeria, a violation of the Foreign Corrupt Practices Act. Analyzed revenues, allocated costs (including cost of capital), profits, and cash flows from ill-gotten gains. Attorneys: Baker Botts.

Mergers & Acquisitions, Valuation

- Directed research, as a testifying expert, for the acquirer in an M&A transaction. Analyzed the valuation framework, the use of multiples, the meaning of EBITDA, and customary adjustments to EBITDA. Attorneys: King & Spalding.
- Directed research, as a testifying expert, for a private equity firm accused of selling a company whose financial statements violated accounting standards. Analyzed the acquired company's accounting for fixed assets, internal controls over same, EBITDA calculations, and damages to the acquirer. Attorneys: Paul Weiss Rifkind Wharton & Garrison.
- Directed research for the DOJ in its investigation of the potential merger between Aetna and CVS. Analyzed potential cost synergies.
- Directed research for Cisco which was accused of improperly acquiring a start-up. Analyzed the start-up's likelihood of obtaining investment or acquisition from third parties. Analyzed valuation of the start-up. Attorneys: Winston & Strawn.

- Directed research for a venture capital firm who accused the seller of an acquired company of accounting fraud. Analyzed the acquired company's internal controls and revenue recognition. Computed alternative purchase price had the acquired company used cash accounting instead of accrual accounting. Attorneys: Wilson Sonsini Goodrich & Rosati.
- Directed research for an international corporation that had acquired another company. Analyzed whether the acquired company's foreign transaction gains and losses should be included in the computation of an earn-out provision in accordance with the securities purchase agreement. Attorneys: Sidley Austin.
- Directed research for a national video rental chain as to whether recent changes in industry and market conditions on the company's future revenues, margins, profits, and potential debt ratings resulted in a material adverse change (MAC) with regard to a leveraged buy-out of the company. Attorneys: Gibson, Dunn & Crutcher.
- Directed research for JPMorgan Chase, who had acquired Washington Mutual, with regard to the meaning of the purchase contract's words "books and records." Researched industry participants' understanding of "books and records." Attorneys: Sullivan & Cromwell.

Intellectual Property

- Directed research, as a testifying expert, for SoundExchange related to the quantum of underpayment of copyright royalties by a provider of digital sound recordings. Attorneys: Jenner & Block.
- Directed research for Diageo, an international beverage producer and distributor, related to allegations of trademark confusion. Examined issues of causation and disgorgement under the Lanham Act. Attorneys: Proskauer Rose.
- Directed research for LG Philips which was accused of patent infringement with regard to its manufacture and sale of LCD panels. Researched and estimated reasonable royalty rates and infringing sales. Examined Georgia-Pacific factors.

Tax Controversy

- Directed research for sellers of an investment management company in dispute with the IRS as to the amount of sales proceeds that should be treated as a capital gain or as ordinary income. Analyzed consolidation and control. Attorneys: McDermott Will & Emery.
- Directed research for an international publisher and distributor of video games. Analyzed the valuation of intangible property transferred from domestic to foreign operations.
- Directed research for banking institutions accused by the IRS of engaging in certain financing transactions solely for the purpose of reducing U.S. federal tax obligations. Analyzed profits generated by the transactions in question and contemporaneous financing alternatives and their costs/benefits. Attorneys: Bingham McCutchen.

General Damages

- Directed research, as a testifying expert, for plaintiffs in a class action against Blue Shield of California which was accused of inappropriately failing to reimburse qualifying claims. Analyzed insurer's avoided costs. Attorneys: Grant & Eisenhofer; and Zuckerman Spaeder.
- Directed research, as a testifying expert, for a real estate developer accused of claiming excess local governmental subsidies. Analyzed developer's expenses and claims. Attorneys: Morrison & Foerster.
- Directed research for a Big 4 accounting firm accused of failing to meet audit standards in its audit of a failed credit card bank. Analyzed the company's losses caused by the alleged audit failure and how, if any, changes in the audit firm's behavior could have reduced that loss. Attorneys: Latham & Watkins.
- Directed research for a manufacturer of solar panels accused by a supplier of purchasing insufficient quantities in violation of a supply contract. Analyzed damages to the supplier, including lost revenues, costs, and contribution margin, and changes to those measures resulting from reduced economies of scale. Attorneys: Sidley Austin.

EXPERT REPORTS AND PRIOR TESTIMONY

- *Proposed Debarment of Mr. Wallace Haislip and Mr. Julian Eidson*. Report, 2009, on accounting for marketing support agreements. Attorneys: Gibson Dunn.
- *Benchmark Institute Fiscal Monitoring*. Report, 2012, on maintenance of accounting records and internal controls. Attorneys: Winston & Strawn.
- *Crestview DSW Investors, L.P. v. Cott Corporation*. Reports, 2017, on accounting for business combinations and fixed assets, asset write-downs, valuation of a privately-held company, adjusted EBITDA, internal controls, and damages. Attorneys: Paul, Weiss, Rifkind, Wharton & Garrison LLP.
- *South Mississippi Electric Power Association v. Plum Point Energy Associates, LLC*. Report, deposition, and arbitration hearing, 2016, on issues related to the accounting treatment and audit of a litigation settlement (GAAP and GAAS). Attorneys: Sutherland Asbill & Brennan.
- *Charles Des Roches, et al. v. California Physicians' Service d/b/a Blue Shield of California, et al.* Report and deposition, 2017, on calculation of costs avoided by health insurer by denying claims. Attorneys: Grant & Eisenhofer; and Zuckerman Spaeder.
- *SoundExchange, Inc. v. Muzak LLC*. Report and deposition, 2019, on calculation of underpayment of copyright royalties. Attorneys: Jenner & Block.
- *In Re: Packaged Seafood Products Antitrust Litigation*. Reports and depositions, 2019, on the relationships between parent companies and their subsidiaries, including control; transfers of economic benefits from the subsidiaries to their parent companies; the impact of dividends and a stock repurchase on a company's assets and earnings; and the impact of a leveraged buyout on a company's leverage, earnings, and financial health. Attorneys: Wolf Haldenstein.
- *Oliver Luck v. Vincent K. McMahon and Alpha Entertainment LLC*. Report and deposition, 2021, on quantum of lost compensation and the materiality of a business decision. Attorneys: Shipman & Goodwin; and Dubrowski, Larkin & Stafford.

- *Agro Merchants LATAM Holdings S.à r.l. v. Agrofundos Brasil II Fundo de Investimento em Participações, AGF Latin America LP, Leiden PE LP, and Mid-Market LAIF LP.* Reports, 2021 and 2022, on the principles of valuation, the use of multiples, the meaning of EBITDA, and customary adjustments to EBITDA in an M&A transaction.
- *Vedanta Limited and Cairn Energy Hydrocarbons Limited v. The Government of India.* Reports and arbitration hearing, 2022, on the application of cost allocation principles to common costs incurred for multiple development areas in an Oil & Gas production sharing contract.