

LEGISLATIVE #

130547D



May 7, 2014

Ms. Diane Holder, Senior Buyer
General Government Purchasing Division
City of Gainesville
200 East University Avenue, Room 339
Gainesville, FL 32601

RE: RFP No. CAUD1140037-DH
External Investigative Review of Gainesville Regional Utilities

Dear Ms. Holder,

Navigant Consulting, Inc. (Navigant) is pleased to present the attached proposal to the City of Gainesville (Gainesville) for External Investigative Review of Gainesville Regional Utilities (GRU). We believe that we are uniquely qualified to assist you by providing an independent, objective and thorough analysis of the issues in question.

We look forward to the opportunity to assist you with this important assignment. Please do not hesitate to contact me at 512.493.5420 if you have any questions regarding this transmittal or if you require any additional information.

Very truly yours,

Todd K. Lester
Managing Director

State of Texas
County of Travis

This instrument was acknowledged before me on May 7, 2014 by Todd K. Lester, Managing Director of Navigant Consulting, Inc., a Delaware corporation, on behalf of said corporation.



Notary Public's Signature



External Investigative Review of Gainesville Regional Utilities

RFP No. CAUD140037-DH

Prepared for:
City of Gainesville, FL



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May 8, 2014

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Executive Summary

Navigant Consulting, Inc., is uniquely qualified to assist you by providing an independent, objective and thorough analysis of the issues in question.

Navigant is a specialized, international consulting firm of more than 2,000 professionals located in over 40 offices around the world that provides investigative, dispute-related, financial advisory, operational, and risk management services to legal counsel, corporations, government agencies, and other organizations. Our firm practices across all sectors of the economy; however, we have considerable depth and are able to bring leading industry-specific subject matter expertise to investigative matters involving the electric utility and public power industries.

We have the largest complement of personnel providing full-time forensic accounting and investigative support services and one of the largest strategic consulting practices focused to the power industry in the country. Navigant possesses a number of unique attributes that define our approach and our ability to deliver highly relevant analysis in a timely and cost effective manner, including:

- » **Cross-disciplinary teams** comprised of forensic investigators, Certified Fraud Examiners (CFEs), Certified Public Accountants (CPAs), financial analysts, economists, former law enforcement personnel, and specialists in computer forensics and data retrieval/recovery who work seamlessly to provide a comprehensive suite of services tailored to each matter;
- » **Extensive experience with electric power utilities** including a long history of providing service to electric utilities and public utility and service commissions on investigative matters, as well as matters related to operational assessments, management audits and cost prudence reviews;
- » Professionals that possess **deep governance and internal controls assessment experience**, that have performed enterprise-wide operational performance improvement and transformation engagements, and have identified and documented best practices in many areas of electric utility operations including corporate governance and internal controls;
- » **In-depth / hands-on experience with Power Purchase Agreements** through seasoned professionals with decades of public power experience including professionals with previous responsibility for (1) procuring power supply and transmission service, (2) negotiating contracts for the purchase and sale of power and energy, transmission service and gas transportation, (3) developing wholesale and retail rates, and (4) overseeing customer billing systems; and
- » When applicable, an E-Discovery Services team that enables us to quickly cut through complex IT infrastructures to **identify and extract potentially relevant electronically-stored information**.

As you will see, we have assembled a team of professionals with significant investigative and public power experience to assist in this matter. I am very confident that the comprehensive team of professionals we have assembled have the experience and expertise you require to effectively and



efficiently meet your objectives in this matter. We have in this proposal a summary of our qualifications, key professionals, representative engagements, and an overview of Navigant, as well as detailed curriculum vitae for those individuals anticipated to be involved in this matter.

1. Navigant Consulting, Inc. – Company Overview

1.1 Navigant Consulting Information

1.1.1 Legal Company Name and Address

Navigant Consulting, Inc.
 Headquarters Address
 30 S Wacker Drive
 Suite 3100
 Chicago, IL 60606
www.navigant.com

1.1.2 Dun & Bradstreet Number

Navigant’s Dun & Bradstreet number is 022582428.

1.1.3 NAICS Number

Navigant’s primary code is 541990; secondary code is 541600.

1.1.4 Financial Structure

Navigant Consulting, Inc. is a public company with shares traded on the New York Stock Exchange (NCI). All material litigation and other material matters are disclosed in its annual report on form 10-K, its quarterly reports on form 10-Q and its other filings with the Securities and Exchange Commission (SEC). Navigant’s website is www.navigant.com/investor-relations. Navigant had US \$836 million in revenue for 2013.

1.1.5 Navigant’s Project Contact Information

Primary Navigant Local Contact for this Proposal:

Primary Navigant Contact for this Proposal	Primary Navigant Local Contact for this Proposal
Todd K. Lester, Managing Director	Albert R. Robinson, Director
98 San Jacinto Blvd., Suite 900	101 E. Kennedy Blvd., Suite 2250
Austin, TX 78701	Tampa, FL 33602
Phone: 512.493.5420	Phone: 813.277.1911
Fax: 512.472.7721	
Email: tlester@navigant.com	Email: arobinson@navigant.com

1.1.6 Local Office Information

Navigant has maintained an office in Tampa since 1988 (formerly Peterson Consulting, Inc.). The office is staffed by 33 employees and is located at Suite 2250, 101 E. Kennedy Blvd., Tampa, Florida 33602. Staffing for this proposed engagement would be from our Tampa office. As a consulting practice, many of our staff work virtually with significant time spent at client sites.

1.1.7 Organizational structure including parent, subsidiary and partnership relationships

Navigant’s corporate leadership structure and management model are shown in Figures 1 and 2.

Figure 1. Navigant Corporate Leadership Structure

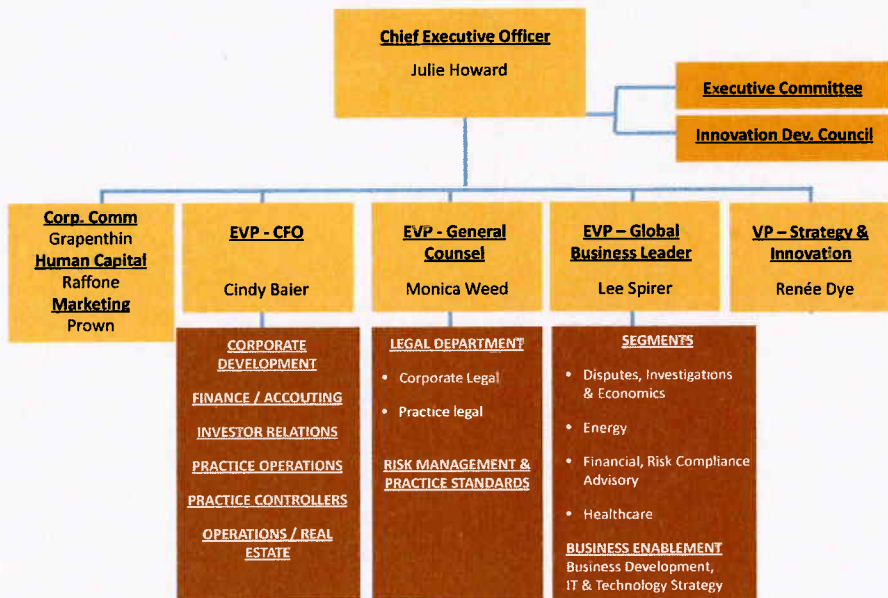


Figure 2. Navigant's Corporate Management Model



The table below shows Navigant Consulting, Inc.'s subsidiaries.

Figure 3. Subsidiaries of Navigant Consulting, Inc. (as of December 31, 2013)

<u>Name</u>	<u>Jurisdiction of Incorporation</u>	<u>Doing Business as</u>
Peterson Consulting L.L.C.	Illinois	Navigant Consulting, Inc.
Navigant Capital Advisors, LLC	Delaware	Navigant Capital Advisors, LLC
Navigant Consulting (Europe) Limited	United Kingdom	Navigant Consulting Europe
Navigant Consulting Ltd.	Ontario, Canada	Navigant Consulting Ltd.
Navigant Consulting (PI) LLC	Delaware	Navigant Consulting (PI) LLC
Navigant Economics, LLC	Delaware	Navigant Economics
NCI Healthcare, LLC	Delaware	Navigant Consulting, Inc.

Pursuant to rule 601(b)(21)(ii) of Regulation S-K, certain subsidiaries have been omitted from this Exhibit.

2. Independence

Navigant Consulting, Inc. has no current professional relationships involving the City of Gainesville, FL (Gainesville), Gainesville Regional Utilities (GRU) or Gainesville Renewable Energy Center (GREC).

Prior to responding to this RFP, Navigant performed a check based on the names of the parties involved in this matter and we identified no circumstances or prior material relationships with Gainesville, GRU and GREC, or current or former management, boards or the Gainesville City Commission that would constitute a conflict of interest or that could impair our ability to provide objective assistance.

During the past five (5) years, Navigant has provided limited professional services to Gainesville and GREC that were unrelated to the issues to be addressed in the Investigative Review. The professional relationship involving these entities over the last five (5) years has consisted of:

Retained by outside counsel representing GREC in early 2013 to provide limited services related to a 2013 filing at the Federal Energy Regulatory Commission (FERC) to obtain market based rates.

Retained by the City of Gainesville in 2007 to provide professional consulting services.

As is our customary practice, at all times during the investigative review, Navigant will remain independent of Gainesville, GRU and GREC, and other parties involved, or who may have had involvement, with the activities surrounding the Power Purchase Agreement between Gainesville, GREC and GRU.

3. License or Certifications to Practice

Our highly credentialed professionals include Certified Public Accountants (CPAs), Certified Fraud Examiners (CFEs), Professional Engineers (PE), financial analysts, valuation analysts, economists, statisticians, former law enforcement personnel and specialists in computer forensics and data retrieval/recovery, to name but a few.

Specifically, the professionals proposed to assist in this matter have the following licenses and certifications:

- Todd K. Lester – MBA, Certified Fraud Examiner (CFE), and Accredited Senior Appraiser (ASA)
- Dan Stathos – Certified Public Accountant (CPA)
- James J. Peterson – MBA
- Albert R. Robinson – Certified Public Accountant (CPA), Certified Valuation Analyst (CVA)
- Rob DeCicco – Encase Certified Computer Examiner (EnCE)

Neither Mr. Stathos, nor Mr. Robinson, nor Navigant Consulting provides attestation or other services considered to be public accounting in Texas, Florida or any other jurisdiction.

4. Firm Qualifications and Experience with Other Government and Utility Entities

4.1 Firm Qualifications

Navigant (NYSE: NCI) – is an international firm of advisors and consultants with more than 2,000 professionals located across 50 offices in North America, Europe and Asia. Headquartered in Chicago, Illinois, Navigant specializes in assisting major corporations, their management, Boards of Directors, and inside and outside counsel in conducting high-profile consulting engagements and investigations, often involving regulatory, litigation and compliance related matters. Navigant is a leading management consulting firm in the energy sector and works with many of the leading electric utility and power enterprises in the country on a wide-range of strategic and operational challenges, including matters involving cost justification, validation and reconciliation, as well as matters in litigation.

Our firm practices across all sectors of the economy; however, we have considerable depth and are able to bring leading industry-specific subject matter expertise to investigative and litigation related matters involving the power and utilities industry.

Figure 4. Overview of Navigant Qualifications



More specifically, Navigant’s experience with investigative reviews in the power and utilities industry includes:

- » **Extensive Experience with Electric Power Utilities** – Navigant has a long history of providing service to electric utilities including work with public utility and service commissions on matters related to operational assessments, management audits and cost prudence reviews.
- » **Governance / Controls Assessments** – Navigant professionals also possess deep experience with enterprise-wide operational performance improvement and transformation engagements,

and have identified and documented best practices in many areas of electric utility operations including corporate governance and internal controls.

- » **Multi-Disciplined Team with Industry Expertise** – We have numerous professionals with relevant backgrounds and credentials including professionals with electric power and power purchasing subject matter expertise, licensed engineers, CPAs, MBAs and Ph.D. economists, as well as professionals with project management expertise focused on providing project risk management, contract cost audit and internal controls assessments.
- » **Seasoned professionals**, having been called upon repeatedly to provide on-call accounting, analytical, investigative, strategic and business process improvement services in connection with some of the most complex, high-profile consulting, investigative and regulatory matters over the last several decades;
- » Where applicable, a E-Discovery Services team that enables us to quickly cut through complex IT infrastructures to **identify and extract potentially relevant electronically-stored information**.
- » **Independent analyses and opinions** without the conflicts, in fact or appearance, that often attach to professional firms that provide audit, attest or tax avoidance services.
- » Professionals that routinely **interface with municipal and regulatory authorities, Boards of Directors, special committees and senior management**, who are able to convey highly technical and complex concepts in straightforward and understandable terms.

4.2 Relevant Facts and Information

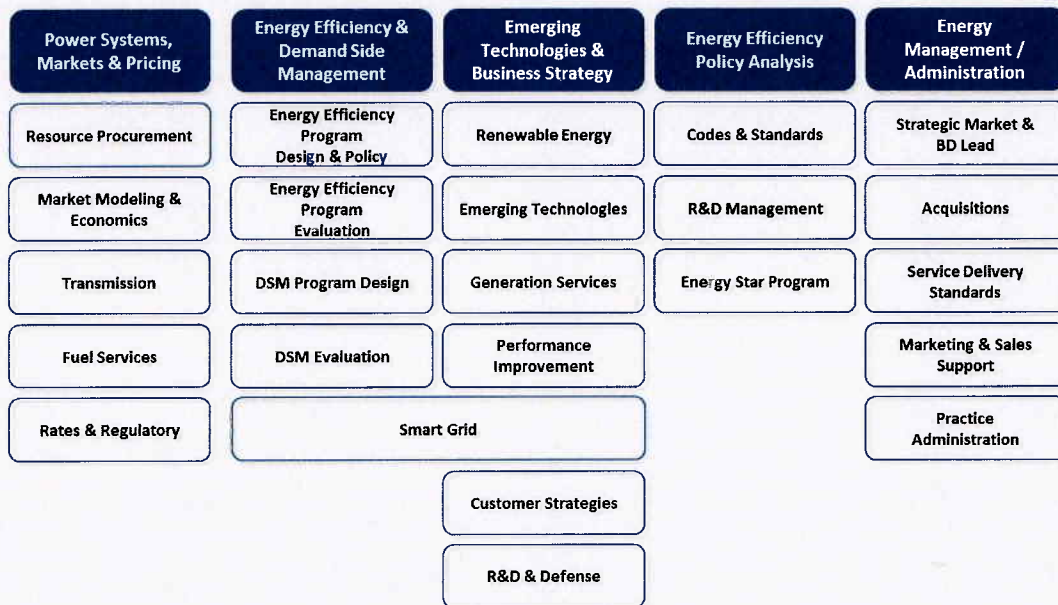
Some relevant facts about Navigant include the following:

- » Approximately 2,000 professionals and 2,500 employees
- » Headquartered in Chicago and located in more than 50 cities around the world, serving clients in more than 70 countries
- » \$836 million in revenue for 2013
- » Stock Listing - NYSE: NCI
- » 100 Fastest Growing Companies (FORTUNE magazine – 2005, 2007)
- » Fortune 40: Stocks to Retire On (FORTUNE magazine – 2007)
- » Best Places to Launch a Career (Business Week – 2007)
- » Best Advisory, Renewable Finance, North America (9th and 10th Annual Environmental Finance and Carbon Finance Market Surveys – 2008 & 2009)
- » Best 200 Small Companies in America (Forbes 2009)
- » Excellence in Business Award (Management Consulting Association – 2009)
- » Oil & Gas Awards Consultancy of the Year, Gulf Coast Region – 2012

4.3 Navigant's Energy Practice

While our firm practices across all sectors of the economy, we have considerable depth and are able to bring leading industry-specific subject matter expertise to litigation and investigative matters in the energy and electric utility industries. Navigant's Global Energy Practice, as organized in Figure 4, has over 350 consultants plus dozens of independent advisors providing existing and prospective owners of energy supply and delivery assets the ability to evaluate, plan, develop, and enhance the operating value of their investments within evolving market and regulatory structures. These services are offered to customer-owned utility systems, Investor Owned Utility (IOU) systems, Public Power, independent fuel and power suppliers, local, state, and federal government organizations, and large energy users.

Figure 5 – Global Energy Practice Structure



Navigant provides services ranging from niche-oriented support for a specific task for a fully staffed and functional client, through comprehensive support to a corporate or municipal client in the case where a broad range of services is required. We customize our services so as to provide only those needed to augment the team of skills available to the client from other sources. In particular, Navigant has a record of success in managing large engagements for clients in the areas of power project development, electricity procurement, technology assessment, power contracting, and financing. Our areas of expertise are organized to serve these market segments, as depicted in Figure 5.

Navigant's Energy Practice includes hundreds of consultants plus dozens of independent advisors providing existing and prospective owners of energy supply and delivery assets the ability to evaluate, plan, develop, enhance, and protect the operating value of their investments within evolving market and regulatory structures. The services we provide to public, private and municipal entities, as well as local, state and federal government organizations, include:

- » Regulatory & Litigation (e.g., management audits, cost prudence reviews)

- » Business Operations & Process Improvement
- » Strategy Development, Planning & Execution
- » Technology Strategy & Management
- » Renewable, Distributed Energy & Energy Efficiency Services
- » Transaction Advisory
- » Portfolio/Asset Optimization
- » Resource Planning/Procurement
- » Generation & Transmission

Our professional staff includes technology experts, mechanical and electrical engineers, project managers, project developers, technology experts, economists, natural resource scientists, regulatory and public policy strategists, environmental permitting and compliance specialists, air quality modelers, and legislative and regulatory specialists, each of whom combines first-hand industry experience with his or her consulting expertise. Moreover, many of our consultants have held staff, management and C-level positions in utilities and diversified energy companies. This pool of talent enables Navigant to quickly assemble an interdisciplinary team capable of identifying efficient solutions to project assessment and development issues. And, with our involvement in multitudes of projects at utilities and in the energy industry we are able to apply a broad perspective to accomplish the tasks at hand.

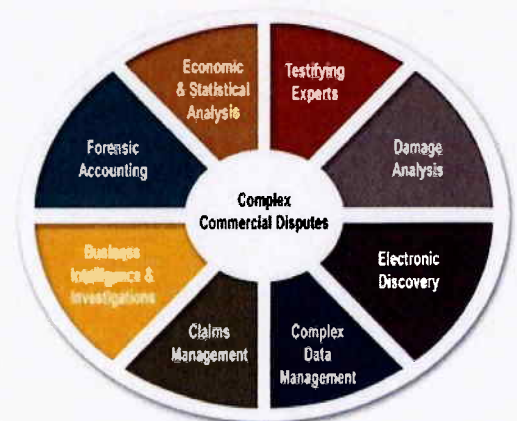
4.4 Navigant's Disputes & Investigations Practice

Navigant possesses a unique combination of power supply development and distribution expertise, extensive experience working with public power and investor-owned utilities, and deep experience in assessing management practices and procedures in many industries including conducting investigative reviews and assessing the reasonableness management decisions and related expenditures.

4.4.1 Complex Commercial Disputes

When business disputes involve complex – and oftentimes contested – financial, economic or accounting issues, companies and their counsel turn to Navigant for specialized and authoritative technical expertise that is often critical to successful resolution.

Navigant professionals possess considerable collective experience in complex commercial litigation, economic and statistical analysis, and financial accounting and forensic investigations. Our team includes experienced testifying experts who combine functional and regulatory expertise with deep industry capabilities to bring uncommon focus and value to our clients. Our experts have studied causation and damages issues across virtually all types of disputes and have testified to the proper application of damages theories and the related



quantification, as well as the practical application, of economic theory and data analysis.

4.4.2 Fraud and Corruption Investigations

Our global business intelligence and investigations specialists including former law enforcement officials, prosecutors, and intelligence operatives have decades of experience detecting and responding to frauds, including bribery, kickbacks, and embezzlement. Working in collaboration with our forensic accountants and computer forensics specialists, they form an effective, seamless team, which has experience investigating companies and their principals through sophisticated analysis of the public record, augmented by discreet interviews with former employees, competitors, and business partners, to determine critical risk factors. We look for hidden problems in the companies, as well as undisclosed or misrepresented reputational issues.

Our services include assisting companies in conducting internal investigations, implementing and/or evaluating compliance programs, training employees, and monitoring and testing ongoing compliance with policies. With respect to investigations, our professionals have assisted clients on some of the most high-profile investigations of the past decade. Our investigative services call on our skills in forensic accounting, fraud investigations, interviewing, cost and financial accounting, computer forensics and e-discovery, and business intelligence.

4.4.3 Computer Forensics and Electronic Discovery Services

Our computer forensics and electronic discovery experts secure, preserve, analyze and reconstruct complex data. We have proven cost-effective discovery approaches that can withstand judicial and regulatory scrutiny – from preservation, collection and filtering to production and review of large volumes of documents and electronic data. Our specialists employ best practices to authenticate, preserve, recover and reconstruct data and frequently augment the skills and experience of our other practitioners by obtaining and securing information in the course of investigations and litigation, analyzing large amounts of data including performing email and document searches, identifying historical events, recreating transactions, tracking and identifying funds, identifying related entities and documenting patterns and business practices. Our team can work with other parties, vendors or consultants to obtain and analyze data.

4.5 Relevant Project Examples

4.5.1 Public Utilities Experience

Cost and Schedule Investigation, Analysis and Project Controls Assessment

Navigant was retained by the Public Utility Commission of Texas (“Commission”) and the Electric Reliability Council of Texas (“ERCOT”) to perform an independent assessment and evaluation of ERCOT’s Texas Nodal Market Implementation Project (TNMIP). The TNMIP experienced significant challenges, delays and inefficiencies in the development of various software systems that ultimately pushed the launch of ERCOT’s nodal market two years beyond its original go-live date and actual costs to in excess of \$533 million (i.e., approximately \$270 million over the \$263 million budget approved at the start of the program in early 2007). Given outstanding questions regarding the reasons for significant delays and cost overruns

experienced by the TNMIP, as well as questions regarding the performance of key vendors, contractors and program management, the Commission believed an independent assessment and evaluation of the TNMIP were warranted.

The primary objective of Navigant's efforts was to conduct an independent evaluation and assessment of the significant cost variances and the discrete changes and periods of critical delay experienced by certain core projects on the TNMIP to identify the underlying factors that caused and / or contributed to the delays and increased costs. In addressing the questions and concerns, Navigant undertook to provide transparency into the reasons for the significant schedule delays and cost overruns, to identify questionable and / or potentially inappropriate payments, and to assess whether the nature and amount of the costs were prudent and reasonable in light of the circumstances and challenges faced by the TNMIP. In addition, we evaluated the ERCOT and TNMIP financial management controls, as well as the TNMIP's adherence to those controls, and whether significant gaps may have existed where abuses could have occurred.

Defense of Class-Action Lawsuit and Class Certification

Navigant assisted counsel for a non-profit cooperatively organized entity with over \$600 million in assets and \$400 million in revenues in the evaluation and analysis of claims made pursuant to a class-action lawsuit regarding various management and past business practices. Navigant performed a detailed review and analysis of the complainant's claims for breach of fiduciary duties and fraud including evaluating various management compensation and expense items, investments, and the methodology utilized by the cooperative to retire member patronage capital, as well as the class certification arguments. The evaluation also included an analysis of the current, historical and projected financial condition of the cooperative specifically related to its capital structure and equity management plan, as well as a review of the board of director election process, alleged conflicts of interest related to certain cooperative subsidiaries and affiliated entities, questionable land purchases and the public disclosure of cooperative related information.

Forensic Accounting Investigation-Power Utility-Contract Fraud/Conflict of Interest: At the request of the Board of Directors conducted an investigation into inflated vendor invoices and alleged conflict of interest between the contract administrator and contractor employees. The investigation identified inflated invoices submitted by the contractor, deficiencies in contract provisions, weak internal controls over contract awards and lack of oversight of contractor performance. The investigation included detailed analysis of invoices, background investigations of employees and contractor personnel, asset searches, analysis of electronic communications, and in-depth interviews. The investigation resulted in a substantial financial recovery from the contractor, dismissal of one employee and recommendations for implementation of improved internal controls over contract awards and contractor performance.

U. S. Utility Company

Navigant assisted a large U.S. utility company with assessing the efficiency and effectiveness of different investigative processes and procedures utilized by several new company divisions created as the result of the merger of different utility companies. Navigant conducted a review

of the policies and procedures for each business unit, tested their effectiveness, conducted numerous interviews of key managers and company officials and provided the company General Counsel with our findings and recommendations to correct the weaknesses in their systems.

Forensic Accounting / Internal Investigation - Corporate Mismanagement and Fraud

Navigant conducted an independent internal investigation into various allegations of corporate abuses and potential wrongdoing at the nation's largest electric distribution cooperative. The investigation included a detailed analysis and evaluation of a wide range of compensation and expense items, business arrangements, interrelationships, processes, and transactions involving utility personnel and various outside parties, as well as the investigation of allegations or appearance of fraud, corporate misconduct, conflicts of interest and other potential financial impropriety. During the course of the investigation, Navigant reviewed and analyzed extensive amounts of financial and accounting information including the identification and review of hard copy documents and files; the identification, preservation, collection and review of electronic files; the forensic analysis of laptop and desktop computers; and the interview of numerous witnesses. Navigant also evaluated business processes, behaviors and relevant internal controls at the utility in relation to those of best-performing electric utilities, and provided recommendations in response to the issues identified.

4.5.2 Government Entities Experience

Investigation of Deficit-School District: Retained by the audit committee for the Manatee County School District to conduct a forensic accounting investigation to determine what caused a multi-million dollar deficit in their general fund. The investigation involved extensive interviews, detailed analysis of accounting and budget data and data systems. The investigation identified financial system failures and significant flaws in methodologies used to develop and monitor budgets. The results of the investigation were presented in televised public hearings.

California Public Employees Retirement System ("CalPERS")

Navigant professionals were retained by CalPERS and outside counsel to conduct an independent review of the actions of certain board members and employees of CalPERS and the use of placement agents, or intermediaries, paid by external money managers to help gain access to capital from CalPERS. The review included the examination of hundreds of thousands of documents maintained in a document review tool, including governance policies, contracts, emails and other documents, flow of funds analysis, and conducting interviews with the external asset managers to gather additional evidence.

Identify Theft/Computer Forensic Investigation

Navigant conducted an international investigation for the State of Florida – Department of Management Services, to determine if contractors located in Asia had compromised or breached personal data for over 100,000 state employees. Investigation required conducting due diligence investigations for each contractor, coordination of on-site inspections, interviews, analysis of

facility and systems security, computer forensic services, and evaluation of employee background checks.

Accounting/Financial Disclosure Deficiencies Investigation

Navigant was retained by the Board of the San Diego City Employees Retirement System in connection with an SEC investigation into accounting and disclosure deficiencies in offering documents for municipal bonds. We were engaged through outside counsel to conduct an independent investigation into allegations that the pension and retiree health benefits plans were being underfunded and that the resulting \$1.4 billion underfunding was not disclosed in the city and pension system financial statements over a 10-year period. Navigant's investigation included reviewing 110,000 documents and 57 interviews of city and pension system officials, employees and employee union representatives. The project was completed on time and on budget requiring six months to complete and resulted in the issuance of a 300-page report of findings and recommendations. Navigant was asked to assist the retirement system develop and implement improvements in governance, procedures and internal controls.

4.5.3 Governance and Controls Investigative Experience

Global Oil Drilling Company

Navigant professionals were engaged by a global oil drilling company to assist with the performance of an internal investigation concerning a significant commercial kickback scheme. During the course of the investigation, Navigant identified significant weaknesses in the investigative processes followed by several decentralized units within the company, and assisted the company with the remediation of the issues.

Global Tank Storage and Maintenance Company - Financial Controls Review

Navigant was retained to assist in a controls review for a company that had already identified and investigated certain issues related to potential violations of certain anti-bribery statutes. Navigant was asked to review the company's financial controls and to identify all of the control lapses or omissions that allowed the potentially inappropriate conduct to go unnoticed. We then made recommendations which identified specific, cost-effective control enhancements that could be made to improve the overall efficiency and effectiveness of the company's financial controls system. We worked closely with the company's compliance team and presented our findings to both the company's management team and to its Board of Directors.

Multinational Retailer - Compliance Program Assessment

Navigant was engaged by a global retail chain to conduct a review of the organization's anti-bribery policies, procedures and operational and financial controls in an effort to assess whether they adequately and comprehensively assess the potential bribery and corruption risks posed by the organization's products and services, customers, third-party relationships in its Mexican business operations. Navigant's assessment and audit was conducted to ensure that the global retailer's governance policies and procedures are consistent with applicable regulatory standards, including the FCPA and the U.K. Bribery Act.

Hospitality and Lodging Company - Bribery and Corruption Investigation

Navigant was engaged by outside counsel to the Chief Executive Officer and founder of a large multinational hospitality company to review the organization's books and records to determine whether any of the transactions contained therein may have violated the FCPA. Working with counsel, Navigant conducted interviews of relevant employees, reviewed various financial accounts, books and records and transactions, performed a gap assessment of existing controls and governance policies, and to the extent necessary enhanced applicable policies, procedures and internal controls in accordance with the findings we made from our review.

Bankruptcy/Mortgage Fraud Investigation

In connection with the bankruptcy of one of the largest independent mortgage originator and servicers in the US (located in Ocala, Florida), Navigant provided the following forensic accounting/auditing services: 1) investigated the nature, source, and ownership of over \$1 billion in cash, which involved hundreds of thousands of individual loan level transactions; and 2) performed asset reconciliations which involved tracing purchase proceeds for over 27,000 mortgages and tracking the movement of over \$40 billion in funds. This engagement required review and analyses of financial records, interviews of management, and forensic reviews of electronically stored data.

4.5.4 Navigant Power Supply Project Development, RFP and Purchase Power Agreement Experience

LIPA 2010 Generation & Transmission RFP

Navigant assisted LIPA in its RFP for Generation & Transmission, which seeks up to 2,500 MW of Generation, Capacity, and Ancillary Services. Specifically, Navigant (i) in conjunction with LIPA staff, developed the Request for Proposals; (ii) along with outside counsel, drafted the On-Island and Off-Island PPA; (iii) assisted in the administration of the RFP process from Phase 0 to Phase II; (iv) developed the Phase II quantitative screening model; and (v) participated as a member of the Selection Committee from Phase 0 to Phase II (currently in progress). Navigant Core Team members negotiated PPAs with the two finalists (Caithness Energy II and J-Power) and completed further negotiations with the ultimate winning bidder, Caithness Energy II.

NYPA Indian Point Contingency Plan RFP

In preparation for the potential retirement of the 2,000 MW Indian Point Nuclear Power Plant in Buchanan, New York, Navigant developed and administered on behalf of NYPA an RFP seeking 1,350 MW of replacement power and/or related transmission projects. Navigant also assisted in the preparation of a Contract-for-Differences based PPA, developed evaluation matrices, a related Users' Guide and questions for the respondents and performed a screening and evaluation of the 24 proposals received. In addition, Navigant prepared the PowerPoint presentation for the Proposers Conference and developed tariff riders to support the ultimate cost recovery by NYPA associated with any generation projects selected.

NYPA 100 MW Solar RFP

Navigant managed the procurement process for NYPA associated with its 100 MW Statewide Photovoltaic Initiative. As part of the engagement, Navigant developed the RFP (including the draft Allocation Agreement, PPA and data sheets), the RFP Web site (in excess of 650 parties registered), the evaluation criteria, and managed the RFP process. In addition, Navigant facilitated the Bidders' Conference that was attended by more than 300 potential bidders and assisted the NYPA Staff to qualitatively and quantitatively evaluate the proposals. Navigant also assisted NYPA Staff in reviewing responses to a Solar Request for Expressions of Interest (RFEI) that was issued prior to the RFP.

NYPA Great Lakes Offshore Wind RFEI and RFP:

Navigant developed an RFI seeking information about the prospects for developing wind generating projects in the New York waters of the Great Lakes to be interconnected with the NYISO transmission system. Sixteen responses were received and reviewed by Navigant. Based in part on the RFEI responses, Navigant prepared an RFP for projects ranging from 120 MW to 500 MW to be installed in the Great Lakes. Navigant developed the PPA that was issued with the RFP and managed the procurement process including qualitative and quantitative evaluations of the five proposals received.

State of Hawaii - Big Wind/Cable Project.

On behalf of the State of Hawaii, in 2011, Navigant developed a detailed plan for procuring and installing a 400 MW HVDC project that would interconnect large wind farms (200 MW each) that were planned for the islands of Lanai and Molokai with the load center on Oahu. Navigant prepared a detailed report for developing the project including draft legislation (adopted by Hawaii) establishing a Certified Cable Company to develop the project. In addition, Navigant selected sites for interconnection points and converter stations as well as the cable route. Navigant also performed detailed economic analyses of the overall Big Wind/Cable project including projected impacts on Hawaiian Electric Company ("HECO") retail customer rates. Representing Hawaii, Navigant actively participated in the HECO procurement process for the cable including reviewing and commenting on the draft RFP and the underlying contracts related to the procurement.

CPS Energy 400 MW Solar Facilities with Solar Manufacturing

CPS Energy, the primarily utility responsible for serving the San Antonio, Texas market issued a solicitation for 400MWs of Utility scale Solar along with the development of a Solar manufacturing facility to be located in San Antonio. Navigant Consulting was asked to serve as advisor to CPS' Energy's Steering Committee and the CPS Executive Board. Navigant was involved from proposal receipt through evaluation and to the eventual selection of the primary Developer and the Solar manufacturing facility. Navigant on behalf of CPS developed the evaluation methodology, helped conduct interviews with short-listed developers, and performed due diligence on each of the developers on behalf of CPS Energy. Navigant served as CPS' technology advisor to provide insights into each of the manufacturing technologies being proposed to determine their long term longevity in being able to produce cost-effective panels in the US market. Navigant continues to serve as CPS' advisor on this ongoing project.

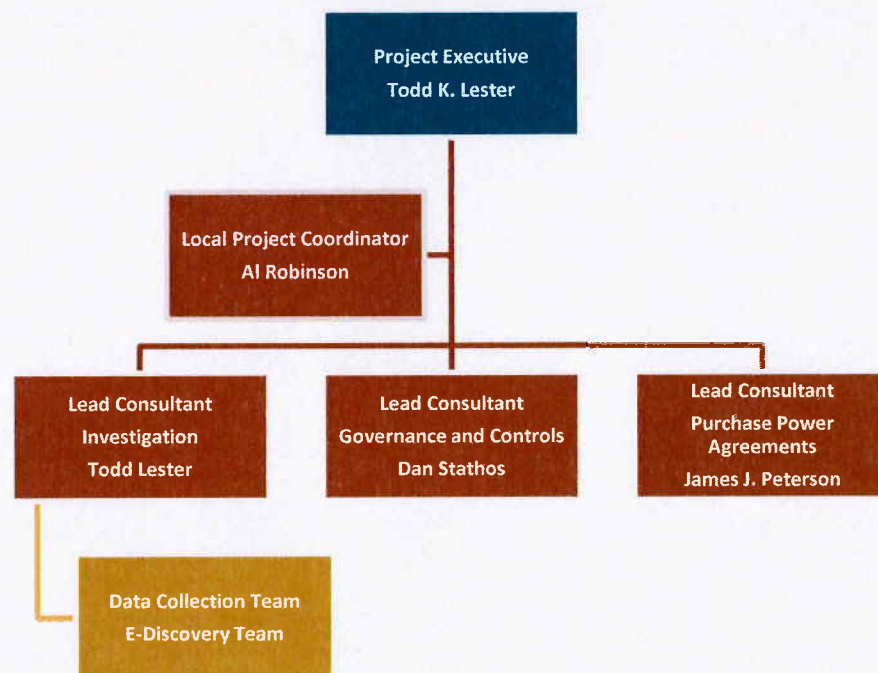
4.6 Cost of Providing Services

Navigant's Pricing Proposal has been submitted under separate cover.

5. Partner, Supervisory and Staff Qualifications and Experience

Navigant is proposing a project team that has directly relevant experience in performing investigations, as well as significant experience in contract negotiations related to purchase power agreements. Based upon a review of the information provided by the City of Gainesville, it is apparent that a major issue to be addressed is the “change of law” provisions that were added to the contract with American Renewables for the Gainesville Renewable Energy Center. Accordingly, the project team has been staffed with a leading expert in this area. Provided below is an overview of the proposed project organization, followed by short biographies for the individuals performing this Investigative Review.

Figure 6. Project Organization Chart



5.1 Key Personnel

5.1.1 Todd K. Lester

Mr. Todd Lester will serve as the Project Executive and will have overall responsibility for the performance of the Investigative Review.

Mr. Lester has over 25 years of experience in providing business, special investigative and forensic accounting consulting services including conducting assessments of operational performance, internal controls and other critical business processes in a wide variety of domestic and international forums. He

has extensive experience advising clients in complex evaluations, investigations and disputes, especially where complex databases and business systems are involved. Mr. Lester has worked on numerous matters involving cost justification, validation and reconciliation analyses including large government contract prudence reviews, construction delay / disruption claims and failed software implementations, as well as disputes involving complex billing and customer information management systems. Recently, Mr. Lester led Navigant's evaluation of advanced (i.e., smart) meters and advanced metering systems being deployed by the four investor-owned utilities in Texas. Mr. Lester also led Navigant's efforts in the independent assessment and cost prudence review of the approximate \$600 million nodal wholesale market design and software implementation conducted by the Electric Reliability Council of Texas ("ERCOT"). Prior to joining Navigant, Mr. Lester was a Director with PricewaterhouseCoopers. He holds a Bachelor of Business Administration in Finance / International Business, a Bachelor of Arts in Biology, and a Master of Business Administration from The University of Texas.

5.1.2 James J Peterson

Mr. James J. Peterson will serve as Lead Consultant for the review of the Purchase Power Agreement, its terms and conditions, and the contract negotiations that led to the current contractual relationship between GRU and GREC.

Mr. Peterson is a Director in Navigant's Power Markets, Systems and Pricing group. The bulk of his 40-year utility career has entailed drafting and negotiating PPAs, both as a utility employee (public power and investor-owned utility) and as a Navigant consultant. In addition to the PPAs listed at the end of his resume for the Long Island Power Authority procurements, Mr. Peterson was responsible for all of the New York Power Authority's (NYPA) PPAs with both wholesale and retail customers. Since NYPA does business with its customers solely by contract, rather than tariffs, this represented a substantial volume of contracts. In addition to numerous PPAs with the (then) seven investor-owned utilities in the New York State and 51 municipal and cooperative customers, Mr. Peterson negotiated PPAs with numerous high load factor manufacturers, governmental customers and neighboring state bargaining agents. He also negotiated PPAs on behalf of American Electric Power operating companies.

5.1.3 Albert R. Robinson

Mr. Al Robinson will serve as a Local Project Coordinator and assist on the Investigative Review. Among other things, Mr. Robinson will be tasked with ensuring the availability of consulting, technical and administrative support professionals for the project, as well as managing project logistics to provide an efficient and seamless operation between Navigant's Tampa office and onsite consulting work

Mr. Robinson is a Director in Navigant's Tampa, Florida office. Prior to joining Navigant he served in various capacities with two of the Big 4 accounting firms. He is a CPA licensed in the State of Texas¹ He is also Certified in Financial Forensics by the AICPA and a Certified Valuation Analyst (CVA). He also previously served as the Special Agent In Charge of the FBI's regional office in Tampa where he was responsible for all FBI investigations for approximately two-thirds of the state of Florida. Mr. Robinson

¹ . Neither Mr. Stathos, Mr. Robinson nor Navigant Consulting provides attestation or other services considered to be public accounting in Texas, Florida or any other jurisdiction.

has assisted clients in a variety of matters including forensic accounting analysis in complex civil/criminal litigation, internal investigations, fidelity insurance claims, business intelligence, due diligence investigations, accounting malpractice, lost profits analysis and valuations. He has successfully investigated numerous cases including allegations of conflict of interest involving executive management and board members, press leaks, national and international investment schemes, bank embezzlements, fraud in federal programs, public corruption, organized crime and money laundering. Those investigations have required conducting interviews, analysis of financial statements and other accounting related records, and forensic analyses of documents/computers and other electronic data. While serving in the FBI, Mr. Robinson had assignments in Washington D.C. which included serving as a Unit Chief in the Accounting Section and later as Chief Contracting Officer for the Agency.

5.1.4 Dan Stathos

Mr. Dan Stathos will serve as a Lead Consultant to evaluate the overall governance and controls in place covering the relationship between the City of Gainesville and the Gainesville Regional Utilities.

Mr. Stathos is an Associate Director in Navigant's Energy Practice and is a Certified Public Accountant in Texas². He has significant experience in the public power sector and has performed numerous management and prudence audits on behalf of public power entities. He is a former Partner with the independent accounting firm of Deloitte Haskins & Sells (now Deloitte & Touche), a Regional Consulting Manager for Oracle Systems, and a Division Director for Austin Energy. Mr. Stathos has been involved with electric, gas, and telecommunications companies, as well as governmental entities in a variety of areas, over the past 40 years. He has performed a significant number of management and prudence audits of electric utilities, many of those being public power entities including Lower Colorado River Authority, CPS Energy of San Antonio, Austin Energy, Bluebonnet Electric Cooperative, Pedernales Electric Cooperative, Lakeland (FL) Electric, Denton Municipal Electric and others. As a Division Director at Austin Energy, Mr. Stathos was responsible for management of the procurement and materials management functions and was actively involved with the City Purchasing Manager and City legal staff in the implementation of effective procurement processes and practices that met the City's charter, by-laws, policies and other requirements.

Each of these Lead Consultants will be supported by Navigant staff in the collection and organization of all documents related to the investigative review, governance, controls and PPA negotiations. This includes some limited time for support from Navigant's E-Discovery practice in the identification, recovery and review of electronically stored information (ESI) that may be deemed relevant to the engagement. An example of that available expertise is provided within the resume of Robert DeCicco.

² Neither Mr. Stathos, Mr. Robinson nor Navigant Consulting provides attestation or other services considered to be public accounting in Texas, Florida or any other jurisdiction.

6. Conflicts of Interest

Prior to responding to this RFP, Navigant performed a check based on the names of the parties involved in this matter and we identified no circumstances or prior material relationships with Gainesville, GRU and GREC, or current or former management, boards or the Gainesville City Commission that would constitute a conflict of interest or that could impair our ability to provide objective assistance. During our internal review process Navigant also has not identified any potential conflicts of interest due to any clients' contract or property interest or any interests of the firm's ownership, management or professional staff anticipated to be assigned to this matter.

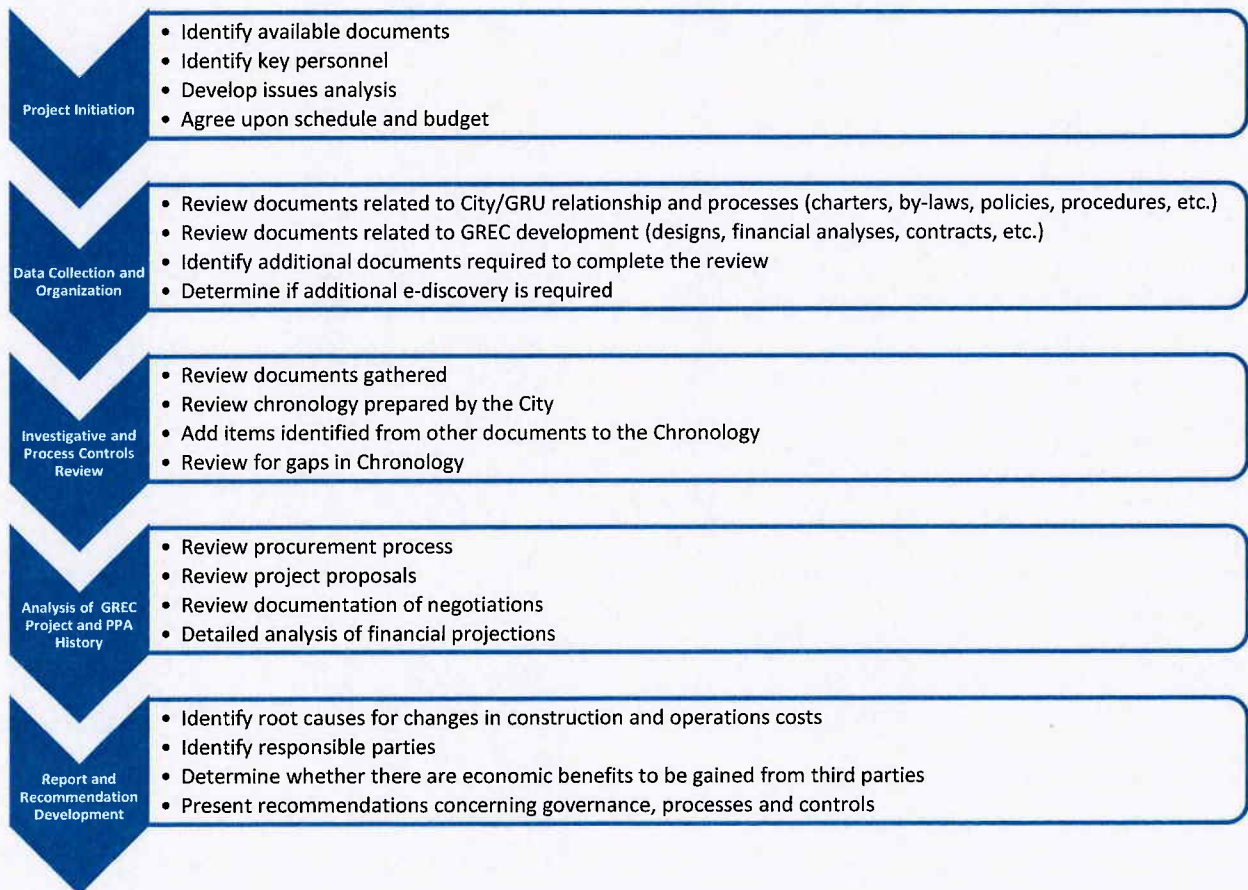
7. Proposed Approach and Schedule for the Scope of Work

Navigant’s approach to this Investigative Review will embody the processes and methodology used previously by Navigant in performing similar reviews, and will be enhanced by the addition of subject matter experts with significant experience in the development of power supply resource plans, procurement of energy resources, negotiation of contracts, and interaction between utility executive management and its Board of Directors, City Council or other governing bodies.

7.1 Overview of Investigative Review Processes

Provided below is a graphic presentation of the Tasks that Navigant would anticipate following as part of its Investigative Review, followed by a narrative of the work activities that would be included in each phase of the Review.

Figure 7. Work Activities



A summary discussion of each of these phases is provided below.

Task 1—Project Initiation

In this task, Navigant will meet with the City of Gainesville to confirm the scope and schedule for the performance of this review. The project work plan will be reviewed, key personnel from the City and GRU will be identified, and key objectives and issues will be agreed upon through a proposed issues analysis. An initial discussion will be held concerning the level of E-Discovery that will be required, and based upon that discussion, an agreed upon budget will be developed.

Task 2—Data Collection and Organization

In this task, Navigant will begin the process of collecting relevant documents and data required to effectively perform the Investigative Review. This data will include, but not be limited to the following:

- City charters, resolutions, policies and procedures
- City organization charts and governance processes
- Documents related to the formation of GRU and its relationship with the City
- Documents listed in the Chronology included in the RFP
- Any memoranda, e-mails, etc. previously collected by the City including available information collected through prior investigative work by the City Attorney's Office in relation to this matter
- Copies of sworn testimony by the former GRU General Manager, as well as others, in relation to this matter or the civil case brought by the Gainesville Citizens Care, Inc. against the City
- GRU documents related to the biomass initiative and the GREC contract (e.g., business cases, analyses, designs, cost estimates, contracts, revisions, communications with the City and with American Renewables)
- GRU organizational charts listing GRU key personnel involved in GREC planning, acquisition and contract negotiations
- Listing of key personnel in communication with the City concerning the contract
- Any e-mails or other electronically stored information collected by the GRU and City IT departments in relation to the investigation of this matter

During this process, Navigant will conduct interviews with applicable IT and/or in-house counsel professionals to ascertain the nature, form and extent of electronically stored information (ESI) that may be available for review and identify a list of the key custodians of that information for discussion with the City. As deemed appropriate and agreed with the City, Navigant will implement efforts to identify, preserve and collect the ESI for the respective custodians and establish a repository of that information for access by a searchable review tool and portal.

Navigant personnel will also conduct certain "discovery" interviews with certain key personnel during the Data Collection and Organization to identify whether additional information may exist outside of that identified during primary data collection efforts.

This data will be collected by the team and depending upon the format or media in which the documents are available, Navigant may establish a SharePoint site to house the documents and improve the efficiency of the collection and analysis processes.

Task 3—Investigative Review of GREC Contracts Chronology and Timeline

In this task, Navigant will analyze the collected documents to create more detailed GREC project development timelines from inception through the signing of the contracts. Governance and policies related to the authority of the City and GRU personnel related to procurement and contract negotiations will be identified and a model process will be developed against which to measure the actions taken by the City, GRU and GREC personnel during this process.

The detailed timeline and support information, along with the applicable actions taken by individuals in relation to the PPA negotiations and contracting, will be evaluated against the requisite policies, procedures and internal controls, including delegations of authority, with a focus on the transparency of the negotiations, required communication protocols and standards, and representations made by the various parties during the process. Gaps in internal controls and deficiencies in specific policies and procedures will be noted in the review with the objective of providing recommendations to amend and/or modify existing controls to avoid similar occurrences in the future.

Navigant will conduct select interviews of key personnel during this phase to identify additional information that may influence our findings, as well as to confirm our existing observations and conclusions in relation to the key points to be addressed.

Task 4—GREC Power Purchase Agreement Analysis

As part of this task, Navigant will review all documents related to the GREC project and PPA including the power supply environment in Florida, the justifications used to move forward with the project, and review the changes that occurred over the time period in question, including change in law implications and changes in the ownership and management structure at GREC. Based on a review of the Gainesville RFP, it appears that the major PPA issue entails Change in Law, as well as the authority of those involved in contract negotiation and implementation process to authorize changes to the PPA.

Change in Law is typically one of the most controversial subjects from the perspective of PPA negotiations as neither party is interested in assuming the unknown risks for the potential cost increases that could result from a Change in Law. Some PPAs provide that in the event of a Change in Law, the parties will meet and confer and attempt to balance the benefits of the bargain. However, this approach is often not acceptable to at least one of the parties, particularly the Seller if the Seller is a developer and does not have another source of funds to cover any capital improvements that may be required by a Change in Law. Another approach is to include Change in Law caps in the PPA. If a developer knows its potential Change in Law cost exposure, it can incorporate that cost in the PPA pricing during the negotiations. A common Change in Law related issue that is typically resolved in PPA negotiations involves addressing the situation in which the Change in Law occurs well into the PPA term. In those instances, a proration approach is often used, e.g., if a Change in Law occurs with five years remaining in the PPA term and the capital addition has a 20 year service life, the affected party (usually the Buyer) would be responsible for 25 percent of the capital costs. Some PPAs grant the parties termination rights if Change in Law issues cannot be resolved. However, in the event of a Buyer terminating, it could be responsible for some or all of the remaining fixed payments under the PPA.

As part of this task, Navigant will explore the aspect of Change in Law as applied in this case and document its economic affect and how it is handled in other scenarios. Navigant will further evaluate the existing PPA relative to standard terms and conditions for similar type PPAs and note significant additional risks, opportunities or potential areas for remediation going forward.

Navigant also will conduct select interviews of key personnel during this phase to identify additional information, as well as to confirm, our existing observations and conclusions in relation to the PPA.



Task 5 – Develop Recommendations and Present Report

In this task, Navigant will summarize its observations and provide a report that identifies the following:

- A detailed timeline of the events and potential failures in controls that led to the concerns with the current PPA (as amended);
- The identification of potential inappropriate or other unauthorized behavior by representatives of the parties to the PPA;
- Potential opportunities for financial and operational benefit to the GRU related, but not limited to, the GREC PPA; and
- Recommendations for changes in governance and institutional controls and other process improvements that will enhance the working relationship between GRU management and the City Commission.

This report will be developed in Power Point format and used as a guide for presentation to the City Commission.

8. Proof of Professional Liability Insurance

		CERTIFICATE OF LIABILITY INSURANCE		DATE (MM/DD/YYYY) 12/31/2014 / 1/28/2014														
<p>THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.</p> <p>IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).</p>																		
PRODUCER LOCKTON COMPANIES, LLC-K CHICAGO 525 W. Monroe, Suite 600 CHICAGO IL 60661 (312) 669-6900		CONTACT NAME: PHONE (AG, Ho, Ext): FAX (AG, No): E-MAIL: ADDRESS:																
INSURED 1376611 Navigant Consulting, Inc. 30 S. Wacker Drive Suite 3550 Chicago, IL 60606		<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A: The Charter Oak Fire Insurance Company</td> <td>25615</td> </tr> <tr> <td>INSURER B: Travelers Indemnity Co of CT</td> <td>25682</td> </tr> <tr> <td>INSURER C: Sentry Insurance a Mutual Company</td> <td>24988</td> </tr> <tr> <td>INSURER D: Sentry Casualty Company</td> <td>28460</td> </tr> <tr> <td>INSURER E: Travelers Property Casualty Co of America</td> <td>25674</td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </tbody> </table>			INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: The Charter Oak Fire Insurance Company	25615	INSURER B: Travelers Indemnity Co of CT	25682	INSURER C: Sentry Insurance a Mutual Company	24988	INSURER D: Sentry Casualty Company	28460	INSURER E: Travelers Property Casualty Co of America	25674	INSURER F:	
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INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVR	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS											
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B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	N	N	BA-2B163174-13-CAG	12/31/2013	12/31/2014	COMBINED SINGLE LIMIT (Per accident) \$ 1,000,000 BODILY INJURY (Per person) \$ XXXXXXXX BODILY INJURY (Per accident) \$ XXXXXXXX PROPERTY DAMAGE (Per accident) \$ XXXXXXXX \$ XXXXXXXX											
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C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY EMPLOYEE OR PART-TIME EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	90-17820-01 (AOS) 90-17820-02 (MA, NY, WI)	12/31/2013 12/31/2013	12/31/2014 12/31/2014	<input checked="" type="checkbox"/> WE STATES <input type="checkbox"/> OTHER STATES E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000											
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)																		
CERTIFICATE HOLDER 12758678 Evidence of Insurance				CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 														

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9. Exceptions to the General Terms and Conditions

Navigant will work with the City to agree on the terms and conditions for this contract which are mutually acceptable to both parties.

Appendix A. Resumes for Project Team

Todd K. Lester

Todd K. Lester
Managing Director

Navigant Consulting (PI), LLC
98 San Jacinto, Suite 900
Austin, Texas 78701
Tel: 512 493 5420
Fax: 512 472 7721

tlester@navigant.com

Education

- Master of Business Administration
Sword Scholar, 1993
The University of Texas at Austin
- Bachelor of Business Administration
Finance, *High Honors*, 1987
The University of Texas at Austin
- Bachelor of Arts
Phi Beta Kappa, 1987
The University of Texas at Austin

Employment

- Navigant Consulting, Inc.
1999 to Present
- PricewaterhouseCoopers
1993 to 1999
- Peterson Consulting
1987 - 1993

Professional Associations

- Assoc. of Certified Fraud Examiners
- American Society of Appraisers
- Inst. of Management Accountants
- ABA Section of Litigation – Liason to
Business and Commercial Lit. Sect.

National Association of Corporate Directors
– Advisory Director (Austin)

Mr. Lester is a Managing Director in the Disputes and Investigations practice of Navigant Consulting (PI), LLC. He has over 25 years of experience providing forensic accounting and special investigative consulting services to counsel and client companies including assessments of operational performance, internal controls and other critical business processes. He has extensive experience conducting investigations involving a wide variety of issues including accounting irregularities, breach of fiduciary duty, fraud, SEC compliance and other suspected misconduct in both domestic and international forums. His experience also includes the analysis and quantification of damages due to lost profits, incremental costs, diminution of value and business failure, among others, as well as extensive data analytics where complex data / business systems are involved. He is a Certified Fraud Examiner (CFE) and an Accredited Senior Appraiser (ASA) in business valuation.

Mr. Lester has conducted investigations into various matters for large electric utilities including investigations performed at the direction of the Public Utility Commission of Texas. Recently, Mr. Lester led Navigant's investigation into cost overruns and delays on a large IT system implementation, as well as Navigant's efforts in the investigation of various transactions, business processes, expense items and corporate governance issues at the country's largest electric cooperative.

Selected Experience

Corporate and Special Investigations

Mr. Lester has provided assistance to clients and counsel on numerous accounting, financial and special purpose investigations ranging from DOJ and SEC inquiries to operational assessments, fraud and employee theft investigations, and joint venture contract audits. His efforts often include the identification, preservation, recovery, and evaluation and analysis of extensive volumes of electronic data and records maintained in large complex business systems, database archives and email systems.

- » Cost and Schedule Investigation, Analysis and Evaluation – Retained to conduct a cost, schedule and prudence review / investigation and analysis of delays and approximately \$300 million in cost overruns incurred on a large-scale IT system implementation. Navigant’s efforts included analysis of costs incurred by prime and third-party service providers in relation to project budgets, estimates and actual costs incurred, as well as an assessment of internal controls, corporate governance and management practices during the program. Navigant evaluated the underlying causal factors for the delays in relation to the established requirements and design for the project, as well as the overall project timelines, schedules, milestones and deliverables.
- » Pipeline, Transmission Systems Company / Cost Audit / Investigation – Navigant was retained by a major energy transmission and pipeline systems company (i.e., crude oil, natural gas and liquids) to investigate potential improprieties by a large company contractor in the acquisition of right-of-way for a new interstate pipeline system. Navigant employed a computer forensics team to recover and image the computer hard drives of select contractor personnel and evaluated extracted emails and user files for evidence of impropriety. Navigant also utilized complex data analytics to investigate payments made to the contractor, as well as to landowners, in relation to right-of-way acquisition and damages payments including searching for anomalous payments, payment patterns, and payments without appropriate authorization.
- » Internal Investigation / Corporate Abuse, Waste / Mismanagement – Conducted an independent internal investigation and operational / corporate governance assessment into various allegations of corporate abuses and potential wrongdoing at a non-profit cooperatively organized entity with over \$500 million in revenues and \$1 billion in assets. Navigant analyzed and evaluated a wide range of compensation and expense items, business arrangements, interrelationships, processes and transactions involving company personnel and certain outside parties, as well as investigated allegations or the appearance of fraud, corporate misconduct, conflicts of interest and other potential financial impropriety. Navigant also evaluated business processes, behaviors and relevant internal controls in relation to those of best-performing companies, and provided recommendations in response to the issues identified.
- » Oil and Gas Exploration and Production / Internal Investigation - Recently retained by Counsel for a special committee of the Board of Directors of a large, publicly-traded energy company to evaluate allegations of improper stock-based compensation to certain officers of the company. Evaluated historical awards of restricted stock and options relative to the company’s applicable stock compensation plans and evaluated the impact to the company’s quarterly financial results including results on an earnings per share basis. Assessed the effect on the company’s financial reporting and reportable income for tax reporting purposes.
- » Operational/Regulatory Assessment – Evaluation of Advanced Meter System (AMS) Deployment in Texas – Retained by the largest electricity transmission and distribution service providers in Texas (i.e., Oncor, CenterPoint and AEP Texas) at the request of the Public Utility Commission of Texas to conduct an independent investigation and evaluation of various issues, questions and concerns raised regarding the deployment of advanced meters (i.e., smart meters) and advanced metering

systems in Texas. During the investigation, Navigant directed the independent accuracy testing of over 5,600 advanced meters, investigated complaints from customers with advanced meters who expressed concerns over increases in their electric bills, conducted an evaluation of the systems responsible for measuring, recording, and communicating electricity usage information from the advanced meters through the advanced metering systems to individual customer bills, and performed statistical analysis of the historical electricity usage of customers with and without advanced meters to identify and evaluate any unexpected variances.

- » Breach of Fiduciary Duty / Fraud / Mismanagement – Assisted counsel for a non-profit cooperatively organized electric utility entity with over \$600 million in assets and \$400 million in revenues in the evaluation and analysis of claims made pursuant to a class-action lawsuit regarding various management and past business practices. Navigant performed a detailed review and analysis of the complainant's claims for breach of fiduciary duties and fraud including evaluating various management compensation and expense items, investments, and the methodology utilized by the cooperative to retire member patronage capital. The evaluation included an analysis of the current, historical and projected financial condition of the cooperative including its capital structure and equity management plan, as well as a review of the board election process, alleged conflicts of interest related to certain subsidiaries and affiliated entities, questionable land purchases, and the public disclosure of cooperative related information.
- » Petroleum Fuels / Evaluation of Regulatory Assessment – Retained by the Office of the Attorney General of Texas to evaluate certain regulatory findings with regard to periodic inspections of fuel dispensing devices at licensed retail fuel providers in Texas. Navigant's analysis included evaluating historical regulatory violations across providers relative to alleged fraudulent activity of certain entities in question. Navigant evaluated claims in litigation regarding the regulatory practices in use, the significance of observed measuring device regulatory failures of a large retail fuel provider relative to the industry in Texas, and support for allegations of fraudulent practices.
- » Breach of Fiduciary Duty – Retained by a non-profit, cooperatively organized utility to evaluate allegations that certain senior officers breached their fiduciary duties to the organization by exercising employment agreements unbeknownst to the entity's Board of Directors and its members. Reviewed and evaluated claims for damages when the company exercised its right to terminate the agreements, including evaluating the role of management and the Board relative to prudent management and corporate governance, and the associated fiduciary duties of each in governing and managing the affairs of the entity.
- » Securities Fraud / White Collar Crime – Recently assisted counsel in a large securities fraud matter arising out of a multi-year financial restatement of a publicly traded company and claimed losses resulting from a significant drop in the company's stock price. Investigated various accounting errors (misstatements / omissions) and alleged irregularities including allegations of inflation of earnings and false regulatory disclosures, concealment of payments and transactions, and the circumstances surrounding the company's acquisition of a large distributor. Evaluated the company's accounting restatement relative to applicable GAAP guidance and the company's organizational, operational, accounting and auditing policies and procedures. Navigant is also

providing eDiscovery support and maintaining a hosted Relativity site containing over one (1) terabyte in data accumulated during the investigation.

- » Cost Analysis / Fraud Investigation – Retained by counsel to provide consulting and litigation support services in relation to allegations of asset misappropriation and fraud in the construction of a large mixed-use retail development. Analyzed the original construction estimates relative to the actual costs incurred and traced / reconciled the sources and uses of funds with applicable disclosures and representations made in relation to the overall costs, including the applicable construction and financing agreements, construction draws and associated backup support. Evaluated the respective participation and ownership structure of various developer entities, as well as their respective contributions to the development. Evaluated the due diligence process undertaken with respect to the ultimate sale of the development.
- » Employee Stock Option Investigations – Engaged to conduct internal investigations by management and / or special committees of a number of companies (primarily in the high-tech industry) related to employee stock option issues under investigation by the SEC. Investigations included the identification, collection and preservation of relevant electronic information and the analysis of historical stock option grants and granting practices, as well as an assessment of management practices, internal controls and corporate governance at the respective entities. Provided assistance in relation to financial restatements where warranted. Further supported efforts by several other companies in defense of securities class action shareholder derivative complaints brought in response to declines in stock prices following announced restatements.
- » Oil & Gas / Royalty Audit – Retained to evaluate applicable books, accounts and reports including lease, oil and gas purchase, marketing, transporting and gathering agreements, as well as well production and sales volume data from oil and gas production reports. Analysis, comparison and reconciliation of applicable oil and gas production, sales, reporting and payment of royalty due amounts to royalty paid amounts including analysis of applicable costs applied to or deducted from royalty payments in relation to a portfolio of oil and gas leases.
- » Oil and Gas / Partnership Dispute – Retained to determine damages involving the value of certain oil and gas interests held by a partnership, including the estimated oil and gas reserves, as well as the source of value for the assets. Valued the oil and gas reserves held by the partnership and conducted an audit of payments to the royalty and working interest owners over a certain period-of-time.
- » Oil & Gas Refinery / Joint Venture Contract Audit / Fraud Investigation – Analyzed a \$55 million breach of contract / license agreement pursuant to a joint venture between a major Russian oil company and a strategic investor involving certain proprietary refining processes. We analyzed and investigated overall allegations of fraud and mismanagement regarding a shared cost / revenue agreement between the two parties. We also evaluated contractual obligations of the parties and analyzed / reconciled costs incurred by the respective parties during the term of the contract. In addition, we analyzed revenue throughputs and the company's calculations in determination of the proportionate split under the revenue sharing agreement.

- » International Medical Device Manufacturer / Investigative Accounting Review – Engaged on behalf of the Audit Committee of the Board of Directors of \$3.2 billion medical device manufacturer to perform an independent investigation of certain accounting issues relating to the financial statements of both its U.S. and international operations that were subject to an SEC inquiry. As part of Navigant’s assignment, we initially performed a detailed email review and data mining with a broad focus to identify any potential accounting issues that may have been the basis for the SEC inquiry. Navigant subsequently dispersed multiple teams within the U.S. and abroad to perform an analytical review of targeted financial accounts for the period in question including the interview of numerous personnel in the U.S. and at the respective international divisions, as well as the evaluation of a wide range of accounting records.
- » Breach of Fiduciary Duty / Unjust Enrichment – Retained by counsel for a software development company in relation to alleged self-dealing and usurpation of corporate opportunity by one of the company’s officers and directors. Evaluated funds, assets and other resources in vested in certain businesses and business areas relative to the disclosure of such actions, and the relative personal benefit received by the individual in question including monetary and ownership interests in other companies. Quantified the alleged impact to the plaintiff including the diminution of value in the plaintiff’s company, as well as the alleged unjust enrichment received by the defendant.
- » Fraud / Asset Tracing – Hired by the Department of Justice to investigate certain improprieties involving the commercial lending practices and underwriting standards of a large failed financial institution. Investigated certain officers and directors with respect to various allegations of kickbacks, undisclosed interests in transactions, and whether or not certain loans were intentionally under-funded to extort illegal payments, as well as other breaches of fiduciary duties. In addition, evaluated representations made with regard to various ownership interests in third party entities and traced assets through various corporations, partnerships and trusts set up to disguise ownership and shield the assets.
- » Breach of Fiduciary Duty – Engaged by Counsel for the court appointed bankruptcy Trustee of a failed dot.com startup to provide assistance in the analysis of various claims made against management for breach of fiduciary duty, gross negligence and waste. Analyzed the rapid disposition of the company’s investment capital, including millions in questionable corporate expenditures and expense account reimbursements. Further analyzed the debtor’s business plans and overall financial performance from inception through insolvency.
- » Fraud / Theft of Trade Secrets – Determined damages in a theft of trade secrets matter involving a \$30 million project to provide proprietary processes used in the construction of the Three Gorges Dam project in China. Calculated lost profits and price erosion on existing contracts, as well as lost sales of conveyed products and services. Further evaluated the loss of potential future sales and profits based on the worldwide market for such proprietary technology.
- » Chemical Manufacturer / Fraud Investigation – Retained by a large insurance carrier to perform a fraud and investigative accounting review and lost profits analysis of an alleged \$45 million

embezzlement, price fraud and kick-back scheme claimed by the Brazilian subsidiary of a Fortune 500 chemical manufacturer. Evaluated various components of the insured's claimed loss including investigating various affiliated and third party entities and traced commission and other payments through these entities to a number of fictitious companies and individuals in question. We analyzed tens of thousands of sales transactions in relation to the overall market determinants of price including analysis of intrinsic and extrinsic factors affecting the pricing policies of the company including distribution channels, differing tax rates and the effects of inflation, currency devaluation and price controls.

- » Fraud / Asset Tracing – Retained by local law enforcement to investigate allegations of fraud and misappropriation of assets in the financial management of large city-owned convention center with a \$40 million operating budget. Evaluated direct expense items as well as expense items submitted for reimbursement through the convention center's vendor contracts. Provided technical support in creating databases and performing analyses of transactions for further review by the investigative team including identifying questionable payment trends, anomalies and unsupported transactions, as well as improper payments and reimbursements through the prime vendor responsible for managing various aspects of the convention center's operations.
- » Operational Assessment / Performance Improvement / Restructuring / Valuation – Managed a team of Russian and Ukrainian professionals in the restructuring and potential spin-off of certain divisions of a large steel (i.e., pipe-rolling) complex in Ukraine. Developed integrated financial models of the restructured company, investigated legal and tax implications, and evaluated capital needs. Created a reorganization plan for the core business units including applicable cost realignment and asset redeployment.
- » Loan Portfolio Review and Re-amortization – Retained by counsel for a large bank holding company to assist in identifying, evaluating and quantifying the impact of potential discrepancies in the bank's multi-billion dollar consumer and commercial loan portfolios. Selected and reviewed a statistically significant subset of variable and fixed rate consumer and commercial loans for the purpose of identifying and estimating the frequency and potential impact of errors in the institution's loan processing system. Navigant analyzed specific loan transaction histories, investigated potential systemic issues in the loan processing system, and re-amortized loans where exceptions were noted to determine the potential effect to borrowers and the institution.
- » Fraud / Misappropriation of Assets – Engaged by a large insurance carrier to evaluate a multi-million dollar insurance claim from the Brazilian subsidiary of a large consumer appliance manufacturer. Investigated overall allegations of fraud and analyzed claimed losses at the insured's foreign subsidiary as a result of asset misappropriation through manipulation of the company's scrap metal accounts, various unauthorized sales transactions and bid rigging with certain dealers. Interviewed management and various employees at the company and reconciled raw material inventories with purchases, production use and scrap reports.

- » Business Interruption / Equipment Failure / Loss Assessment – Managed a team of professionals in the evaluation of a Fortune 500 petrochemical company’s \$70 million business interruption loss due to the shutdown of a primary manufacturing facility following the failure of stainless steel heat exchangers. Determined the effects to the company’s worldwide operations including sales, profitability and overall competitiveness. Assisted in identifying and reviewing documents pursuant to the root cause analysis of the failed heat exchangers. Quantified lost sales, lost market share, saved expenses and incremental variable and fixed costs given the existing economic conditions and trends, as well as steps taken by the company to mitigate the loss.
- » Business Failure / Operational Assessment – Identified and evaluated the key factors responsible in the failure of an oil and gas service company doing business in the former Soviet Union. Analyzed the company’s strategic plan, operating results, cash flow and available working capital with respect to Russia’s liquidity crisis, political and economic instability, ruble convertibility problems and the lack of investment capital. Prepared a competitive analysis given existing exchange rate differentials with foreign competitors, as well as the onset of competition from new companies in the more capitalistic Commonwealth of Independent States.
- » Fraud / Breach of Contract – Engaged to perform a forensic accounting analysis and fraud investigation of a large independent dealer of cellular telephone services suspected of falsifying customer enrollments. Performed extensive analysis of the timing and trend of customer enrollments, commission payments, cancellations and commission charge backs, as well as comparative analyses of observed performance metrics with industry and regional averages.
- » Fraud / Asset Tracing – Retained to investigate allegations of fraud and misappropriation of assets in the financial management of a large professional union. Traced diverted union payments through various personal and corporate bank accounts and investigated expenses incurred through corporate credit cards and expense account reimbursements, including analysis of expenses in conjunction with the union’s expenditure approval and reimbursement guidelines.
- » Fraud / Off-Book Financing – Retained by a large insurance carrier to perform a forensic accounting review and fraud investigation of a multi-million dollar embezzlement, loan fraud and kickback scheme claimed by the Brazilian subsidiary of a foreign multinational. Investigated the use of special lease arrangements, sales intermediaries and questionable financing vehicles as a means to extract wealth from the company. Analyzed the overall impact to the company including its credit standing and access to short and long-term financing.
- » Fraud / Embezzlement – Managed a forensic investigation and analysis of allegations of fraud between a domestic corporation and its Mexican joint venture partner in the airline servicing industry. Investigated allegations of embezzlement, self-dealing and misuse of corporate funds and reconciled business activity with applicable expenses and reported distributions under a revenue sharing agreement.

Litigation and Commercial Disputes

Mr. Lester has provided assistance on numerous matters involving the analysis and determination of damages from such issues as breach of contract, breach of fiduciary duty, business interruption and fraud. He has analyzed and quantified losses from lost profits, incremental costs, diminution of value, lost competitive advantage and business failure, among others. His work has led to the preparation and presentation of expert reports and testimony for use in arbitration, mediation, and claim resolution, and for deposition and trial in both state and federal courts.

- » Breach of Contract / Lost Profits Analysis / Contract Valuation – Engaged by the Department of Housing and Urban Development (HUD) and the Department of Justice to evaluate a \$30 million claim for lost profits in relation to a \$300 million contract between HUD and a government contractor. Analyzed the marketing and management of 60,000 HUD-owned properties (FHA insured) over the 6 year contract in relation to trends in FHA loans in foreclosure and the median sales price of homes. Estimated additional sales, management costs and projected net profit percentages for the contract periods in question.
- » Breach of Contract / Business Failure / Cost Analysis / Enterprise Valuation – Engaged by the U.S. Department of Justice to assist in the evaluation and forensic accounting review of a \$100 million dollar breach of contract and lost profits claim related to a failed joint venture between a former military industrial steel complex in the Ukraine and a U.S. Investor. Navigant evaluated the formation of the joint venture, relative business plans and projections, and historical and projected operating results, as well as challenges faced in establishing the joint venture and securing outside financing. Evaluated costs incurred under the government funded contract and the use of funds. Our efforts involved various trips to Russia, Ukraine and Moldova to interview witnesses, identify documents and other information for discovery, and to coordinate various aspects of our analyses with other consulting and expert witnesses retained in the matter.
- » Fraud / Asset Tracing / Bank Failure – Retained by the U.S. Department of Justice in a \$430 million breach of contract and fiduciary duty claim to assist in the investigation of alleged improprieties perpetrated by the officers, directors and certain institution-affiliated parties of a large financial institution. Investigated real estate settlement fees charged on tens of thousands of loans over a 5-year period and traced payments to various affiliated entities used as conduits to provide kickbacks to the institution's chief executive. Analyzed the illicit payments in the context of certifications and representations made by certain officers and investors in acquiring the institution, as well as with respect to RESPA and other federal statutes and regulations.
- » Oil and Gas / Bankruptcy Claims – Assisted court-appointed receivers, trustees and liquidating agents in evaluating the operations of various bankrupt oil & gas companies including the evaluation of various creditor claims and reconciliation of royalty and working interest owner payments for various oil and gas leases maintained by certain drilling and operating companies.
- » Oil and Gas / Investor Dispute – Retained in a dispute between certain working interest investors and the project owner over how investments were apportioned between various oil and gas

properties, some of which were significantly more successful than others. Analyzed the accounting for each of the investments and properties, as well as payments to both royalty and working interest owners, and quantified damages to the investors.

- » LIBOR Loan Portfolio Review – Retained to select and review a statistically significant subset (i.e., sample) of a \$10 billion portfolio of LIBOR index-based commercial loans. Our work focused on analyzing inconsistencies observed in relation to the automated servicing of change and interest period dates that would fall on certain dates. The purpose of the review was to identify and estimate the impact of discrepancies, if any, in the treatment of the described interest rate and period changes, as well as certain other loan terms, and to extrapolate those results back to the LIBOR loan population.
- » Loan Review and Reamortization – Engaged by a \$50 billion financial institution to review a statistically valid sample of variable and fixed rate commercial loans to identify and estimate the frequency and potential impact of loan servicing discrepancies. Created a stratified loan population and sampling protocol of the \$4 billion loan portfolio (~21,000 loans) using the probability-proportional-to-size sampling approach. Performed a detailed document-to-data review of the loan documentation and loan servicing systems and extrapolated the impact back to the respective loan population. Certain loans were then reamortized on a life-of-loan basis.
- » Loan Portfolio and Underwriting Standards Review – Retained by counsel for a large financial institution to assist in the review of a multi-million dollar sub-prime residential mortgage loan portfolio (~5,300 loans) purchased from the FDIC. Evaluated the representations and warranties in the purchase contract and reviewed a statistically valid sample of loans to identify any occurrence of fraud, negligence, dishonesty or misrepresentation during the underwriting process, as well as any evidence of wrong-doing related to loan classification or debt-to-income and loan-to-value ratios.
- » Class-Action Lawsuit – Loan Portfolio Review – Retained by counsel for a large commercial bank to assist in the defense of a class-action lawsuit alleging improper calculation of monthly interest amounts due on a \$41 billion Libor and Prime variable rate commercial loan portfolio. Navigant Consulting’s analysis included the development of a detailed model to analyze the impact and potential exposure to the bank from the bank’s alleged improper use of a projected billing period and “look back” provision alleged to be inconsistent with the language in applicable promissory notes and other loan documentation, as well as questions regarding the bank’s use of a standard “business day” / holiday calendar when making applicable interest rate changes.
- » Loan Review and Reamortization – Retained by counsel for a \$33 billion bank holding company in response to a threatened class action lawsuit to assist in the evaluation and forensic accounting review of alleged improprieties in the bank’s commercial and commercial real estate adjustable rate loan portfolio. Evaluated the bank’s loan servicing of a certain pool of loans obtained in a prior acquisition and in comparison to the predecessor institution’s servicing. Identified and quantified the impact of loan servicing discrepancies through a detailed loan document-to-data review and the reamortization of loans in question on a life-of-loan basis.

- » Breach of Contract / Fraud – Engaged in an \$8 million dispute between a cellular telecommunications company and an independent dealer to analyze claims that customers enrolled by the dealer were fraudulently transferred out of the dealer’s compensation base. Analyzed Oracle and SQL Server based databases containing over 200 million records for enrolled customers and traced those subscribers through the cellular provider’s dealer commission and residual payment system. Prepared a comprehensive accounting of transactions between the cellular service provider and the dealer including analysis of post and pre-paid activation commissions, commission charge backs and monthly subscriber management fees.
- » Breach of Contract – Retained to provide a detailed accounting of commission and residual payments to an independent dealer of a large cellular telephone company and analyze the dealer’s contentions that it lost revenues from changes in its compensation structure. Prepared a comprehensive accounting of transactions between the cellular service provider and the dealer including analysis of post and pre-paid activation commissions, commission charge backs, optional features, and monthly subscriber management fees for hundreds of thousands of customers enrolled by the dealer.
- » Construction / Delay and Disruption – Assisted the Texas Attorney General’s Office in the evaluation of a claim filed by the general contractor on the construction of a multi-story office complex. Analyzed cost overruns and apportioned them between bid/estimate inaccuracies, increased material and labor costs, productivity concerns and project delays and disruption.
- » Construction / Breach of Contract – Hired by a large highway and bridge contractor to assess losses resulting from a breach of contract due to the failed merger/acquisition of the company by a competitor. Responsible for coordinating the quantification of losses with project delays determined through critical path management scheduling.

Select Speaking Engagements / Presentations

Mr. Lester has developed, moderated and/or made presentations on the following subjects:

- » *Snomaggedon: Will your sensitive data make the front page news...and are you prepared?*, Texas Lawyer CLE Roundtable and Event, November 21, 2013
- » *Cross-Examining the Financial Expert*, Travis County Women Lawyers Association, October 16, 2013
- » *Trying and Complex Case in a Sound Bite World*, ABA Section of Litigation Annual Conference, Technology and Litigation, April 19, 2012
- » *Managing Risk and the Role of Forensic Investigations in Data Breaches* – Association of Certified Fraud Examiners – Austin Chapter, January 9, 2012

- » *Managing Risk in a Changing Environment* – ISACA December Meeting, December 13, 2011
- » *Potential Pitfalls, Perils and Regulatory Challenges – Insights from Navigant’s Recent Public Power Work* – Executive Lunch Briefing, Texas Public Power Association (TPPA), July 2011
- » *The Smart Meter Debate: Key Challenges and Risks in the Move toward a Smart Grid*, Edison Electric Institute, EEI Transmission, Distribution and Metering Conference, October 2010
- » *The Smart Meter Debate: Key Challenges and Risks in the Move toward a Smart Grid*, Autovation 2010 – The Smart Utility Conference and Exposition, September 2010
- » *Evaluation of Advanced Metering System Deployment in Texas – Meter Accuracy Assessment*, Gulf Coast Power Association (GCPA), August 2010
- » *Evaluation of Advanced Metering System Deployment in Texas – Meter Accuracy Assessment*, Clean Air Through Energy Efficiency Conference (CATEE 2010), August 2010
- » *Information Security Breaches: Detection, Response and Management*, Austin Bar Association, October 2009
- » *Risk Management for Public & Private Companies – The Board’s Role in Oversight of Risk Management*, National Association of Corporate Directors, Texas TriCities Chapter, Sept. 2009
- » *Litigation and Enforcement – A Year into the Credit Crisis*, Austin Bar Association, Sept. 2008

James J. Peterson

James J. Peterson
Director, Energy Practice

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Professional History

- Director, Navigant Consulting, Inc.
2008 - Present
- Director of Power Contracts, Long
Island Power Authority
2001 - 2008
- Director of Power Contracts and
Billing, New York Power Authority
1978 - 2001
- Associate Engineer, American
Electric Power
1977 - 1978
- Case Analyst, New York Public
Service Commission
1973 - 1977

Education

- MBA, Economics, Pace University
- Bachelor of Engineering (Industrial),
Pratt Institute

Mr. Peterson is a Director in the Energy practice of Navigant Consulting, Inc. He has more than 40 years of utility experience with a focus on the electric, gas and water sectors. His principal areas of responsibility have involved (i) procuring power supply and transmission service, (ii) negotiating contracts for the purchase and sale of power and energy, transmission service and gas transportation, (iii) developing wholesale and retail rates and (iv) overseeing the operation of customer billing systems. Mr. Peterson has also testified in both regulatory and legal proceedings.

Professional Experience

- » Managed all aspects of a utility Power Markets organization (including power procurement and contracts, project management, planning, fuel supply and energy scheduling) of a large electric New York utility that was responsible for meeting the energy requirements of more than one million retail customers.
- » Oversaw the procurement process for more than 2,500 megawatts of generating and transmission capacity that was required to meet the growing peak load requirements of retail electric customers of a large electric utility.
- » Managed the procurement of large blocks of renewable energy and related attributes to meet the RPS commitments of a major New York electric utility.
- » Responsible for the negotiation of long term power purchase agreements ("PPAs") and firm transmission capacity purchase agreements, some of which are valued in excess of one billion dollars. Secured the requisite senior management and governmental approvals for such agreements.
- » Negotiated transportation agreements for local gas delivery (firm and interruptible) and Facilities Construction Reimbursement Agreements for gas system upgrades for all new power plants added on Long Island since 2002.
- » Negotiated long term PPAs for purchases of renewable energy and related green attributes.

- » Negotiated Memorandum of Understanding with a pipeline company for a Scoping and Feasibility Study for a 22 mile high pressure natural gas pipeline along with a related Precedent Agreement.
- » Administered new PPAs and vintage agreements with independent power producers; resolved issues pertaining to the interpretation of those agreements; and negotiated amendments to agreements as required.
- » Along with representatives of a co-owning utility of a submarine high voltage transmission cable between New York and Connecticut, administered a procurement process and negotiated an EPC contract with the selected high voltage cable vendor for the removal and replacement of such facility.
- » Negotiated and administered numerous long term agreements totaling in excess of 3,000 megawatts for the sale of low cost hydropower, nuclear power and pumped storage capacity to municipal electric utilities, neighboring state bargaining agencies, investor-owned utilities and large industries.
- » Negotiated energy service agreements providing for the installation of solar generating facilities at twelve water filtration and wastewater treatment plants.
- » Prepared Requests for Expressions of Interest and Requests for Proposals and administered the related procurement processes for large scale renewable energy projects including hydropower, wind, solar, fuel cells and landfill gas.
- » Oversaw the administration of primarily wholesale long term power contracts and related transmission contracts involving the sale of more than 4,000 megawatts.
- » Negotiated a Facilities and Marketing Agreement with the local electric utility for the installation and commercial operation of a 600 MW high voltage transmission cable between Westchester and Long, Island.
- » Negotiated a Capacity Supply Agreement with the local electric utility providing for the construction of the first state-of-the-art combined cycle power plant to be installed on Long Island.
- » Developed and negotiated agreements with investor-owned utilities for the transmission and distribution of low cost power that was made available to designated retail business customers throughout New York State pursuant to State law.

- » Negotiated wheeling agreements with investor-owned utilities, including the development of applicable transmission rates, for the transmission of wholesale power and energy to municipal electric systems and rural electric cooperatives in New York State and in states neighboring New York State.
- » Managed utility billing operations associated with the collection of more than two billion dollars in annual electric revenue.
- » Coordinated the preparation and administration of wholesale and retail rate increase applications to be filed by investor-owned utilities with state and federal regulatory bodies.
- » Prepared draft Administrative Law Judge Recommended Decisions in connection with retail rate increase applications filed by electric and gas investor-owned utilities with State regulatory authority.
- » Testified in utility regulatory proceedings on power allocation and cost-of-service issues.

Major Procurements Managed and Contracts Negotiated for the Long Island Power Authority

Off-Island Resource RFP for up to 1,000 MW – Issued 2005

Pursuant to this procurement, 1,000 MW of capacity and energy was sought from generators located in the PJM and ISO – New England control areas. The ultimate selection process resulted in awards to the FPL Marcus Hook Combined Cycle Power Plant (685 MW) in PJM and the Bear Swamp pumped storage/hydro portfolio (345 MW). Long term Power Purchase Agreements (“PPAs”) were negotiated with both parties.

2007 Generation and Transmission RFP – Issued 2003

Proposals for generating projects and/or merchant transmission lines (between 250 MW and 600 MW) to neighboring control areas were the subject of this RFP. After a thorough evaluation of all proposals pursuant to a multi-phase review process developed by Navigant, awards were granted to the Caithness Long Island Energy Center (new 326 MW combined cycle power plant) and the Neptune Regional Transmission System (new 660 MW DC cable between Sayreville, New Jersey and New Cassel, New York). A PPA was completed with Caithness and a Firm Transmission Capacity Purchase Agreement was negotiated Neptune, along with numerous ancillary agreements with both parties. The Neptune project became commercial in June 2007 and Caithness is expected to commence operations in second quarter of 2009.

2005 Combined Cycle Generation RFP – Issued 2004

Bids for combined cycle generation projects of 80 MW each were requested under this RFP. The projects needed to be constructed on an expedited basis to be commercial by the summer of 2005. To meet the ambitious schedule the procurement was conducted in an accelerated fashion. Two projects were selected (Pinelawn Power and Calpine Bethpage Energy Center) out of the 15 proposals received. PPAs were negotiated and both projects commenced commercial service on schedule.

Mobile Generation RFP - Issued 2003

To assist in meeting supper peak demands pending the completion of permanent solutions, an RFP for up to 120 MW of temporary generation for a period of four years. The multi-phase procurement process resulted in the selection of Cummins Metropower to install 88 MW of diesel generation at two locations. An agreement was negotiated with Cummins and the units provided service for the summers of 2004 through 2007.

Renewable Energy RFP – Issued 2007

In order to meet Renewable Energy Portfolio Standard commitments, an RFP seeking 300 GWH/year for ten years was issued. A thorough selection process was completed and proposals from Brookfield Power (hydro) and PPL EnergyPlus (landfill gas) were chosen. Two PPAs with Brookfield were completed and a PPA with PPL is currently under negotiation.

Power Supply Management RFP – Issued 2007

With the impending expiration of an Energy Management Agreement with KeySpan Energy Trading Services, the RFP for a new Power Supply Management service provider was issued. Among other things, the Power Supply Manager is responsible for bidding the generation from the 92 generating units under contract into the markets administered by the New York Independent System Operator. The multi-phase procurement process resulted in the selection of Con Edison Energy (for Front and Back Offices) and Pace Global (for Mid Office). Contracts were negotiated with Con Edison and Pace and the transition is currently underway.

Other RFPs

RFPs for Off-Shore Wind (2002), Fuel Cell Generation (2005) and Fuel Cell Cogeneration (2007) were also developed and administered, but did not result in contracts primarily due to pricing issues.

Competitive Negotiations

Employing competitive negotiations, PPAs were negotiated with the following developers during the 2001 through 2003 period, all for which projects were completed:

<u>Developer</u>	<u>Project</u>	<u>MW</u>
FPL	Bayswater	55
FPL	Jamaica Bay	55
KeySpan Generation	Glenwood	80
KeySpan Generation	Port Jefferson	80
Calpine	Bethpage	45

PPL	Brentwood	80
PPL	Shoreham	80
Equus Power	Freeport	45
Global Common	Greenport	52
Village of Freeport	Freeport	10
General Electric	Temporary	230

UNDERSEA CABLE EXPERIENCE

Jim Peterson, a Director in Navigant’s Energy Practice, has substantial experience in connection with high voltage undersea cable projects. Following is a listing of the major projects with which Jim has been involved:

- 330 MW HVDC TransÉnergie Cross Sound Cable Project
- 660 MW HVDC Neptune Regional Transmission System
- 660 MW HVDC Hudson Transmission Partners Project
- 600 MW Long Island Sound Cable Project
- 450 MW Northport - Norwalk Cable Replacement Project
- 400 MW Oahu - Molokai Project (Proposed)
- 900 MW Labrador – Newfoundland Project (Proposed)

The 330 MW HVDC project interconnects the United Illuminated System in New Haven, Connecticut with the Long Island Power Authority (“LIPA”) system in Shoreham, New York. Jim was responsible for the 25 year Firm Transmission Capacity Purchase Agreement (“FTCPA”) under which LIPA purchases the capacity from this project and also had a project management role for LIPA during the project’s construction. In addition, Jim negotiated several long term Power Purchase Agreements (“PPA”) that use the cable’s capacity.

The Neptune cable interconnects First Energy in Sayreville, New Jersey with LIPA in Levittown, New York. Jim negotiated the FTCPA on behalf of LIPA and also negotiated a long term PPA with FPL under which LIPA purchases 685 MW of capacity from the Marcus Hook generating facility for delivery over the Neptune cable.

The Hudson Transmission Partners (“HTP”) project commenced commercial operation in 2013. This project will interconnect the PSEG system in North Bergen, New Jersey with the Consolidated Edison system in New York City, New York. The project is being constructed for the benefit of the New York Power Authority (“NYPA”) and Jim assisted NYPA in the negotiation of the FTCPA with HTP and also oversaw the economic analyses of the costs and benefits associated with the project.

The 600 MW Long Island Sound Cable Project was installed by NYPA and interconnects the LIPA system in East Garden City, New York with the Consolidated Edison system, in Sprain Brook, New York. On behalf of NYPA, Jim negotiated the Sound Cable Project facilities and Marketing Agreement between NYPA and LIPA. In addition, Jim was responsible for the negotiation of the agreement between

NYPA and Consolidated Edison that provided for the interconnection and operating arrangements applicable to the Consolidated Edison system.

The 450 MW Northport – Norwalk Cable Replacement project entailed the replacement of a cable crossing Long Island Sound that was jointly owned by Northeast Utilities (“NU”) in Connecticut and LIPA. Along with representatives from NU, Jim negotiated the EPC contract with Nexans under which the original cable that had been leaking oil in Long Island Sound was removed and replaced with a new cable.

The proposed 400 Mw Oahu – Molokai cable project involved an HVDC cable that would interconnect wind farms (200 MW each) planned for Molokai and Lanai that would serve the load center on Oahu (an AC cable would interconnect the wind farm on Lanai with the converter station on Molokai). Jim was part of a team that prepared a report on behalf of the State of Hawaii Department of Business, Economic Development and Tourism (“DBEDT”) setting forth a plan for developing the cable project. This State of Hawaii Public Utilities Commission (“PUC”) is now focusing on an HVDC cable project between Oahu and Maui rather than the Molokai/Lanai project. Jim was responsible for preparing the technical portions of DBEDT’s response to the PUC supporting this project.

The Labrador – Newfoundland project includes an 1100 KM HVDC project that would cross the Straits of Belle Island (30 KM undersea) for the purpose of delivering energy from a proposed Muskrat Falls generating facility in Labrador to the load center in Newfoundland. On behalf of Nalcor, the project developer, Jim reviewed the economic and technical aspects of the project.

Al Robinson, CPA/CFF,CVA

Al Robinson - Director

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Other:
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 Member, National Association of Certified Valuation Analysts.
 Licensed Private Investigator
 Member, FBI sponsored InfraGard Program
 Member, Society of Former Special Agents of the FBI
 Member/Past Commander, American Legion, FBI Post 56

Educational Background

Mr. Robinson earned his BS. Degree in Accounting at the University of Baltimore.
 He is a Certified Public Accountant, a Certified Valuation Analyst and Certified in Financial Forensics by the AICPA

Albert R. Robinson is a former FBI agent (SES) and a CPA (Texas) with extensive experience assisting clients in civil and criminal litigation, forensic accounting audits, business reengineering and change management issues. Prior to joining NCI, he served in various capacities with two of the Big 4 accounting firms. He is Certified in Financial Forensics by the AICPA, and a Certified Valuation Analyst (CVA) and a licensed private investigator in the State of Florida. He also previously served as the Special Agent In Charge of the FBI's regional office in Tampa where he was responsible for all FBI investigations for approximately two-thirds of the state of Florida. At various times Mr. Robinson served as the FBI's disciplinarian, Inspector, and Chief of Accounting and Contracting activities agency-wide.

Professional Experience

Mr. Robinson has assisted clients in a variety of matters including forensic audits/investigations in complex civil and criminal litigation, accounting malpractice, contract fraud investigations, lost - profits analysis, due diligence reviews, valuations and business-reengineering consulting support.

He has over 30 years of investigative experience and has successfully investigated numerous cases including allegations of conflict of interest involving executive management and board members, press leaks, national and international investment schemes, fraud in federal programs, bank embezzlements, public corruption, organized crime, money laundering and foreign and domestic terrorism. Those investigations have required conducting interviews, analysis of financial statements and other accounting related records, forensic processing of documents/computers, etc. He has testified in Federal and state courts on numerous occasions in support of those investigations.

Investigations/Forensic Accounting

Investigation of Deficit-School District: Retained by the audit committee for the Manatee County School District to conduct a forensic accounting investigation to determine what caused a multi-million

dollar deficit in their general fund. The investigation involved extensive interviews, detailed analysis of accounting and budget data and data systems. The investigation identified financial system failures and significant flaws in methodologies used to develop and monitor budgets. The results of the investigation were presented in televised public hearings.

Forensic Accounting Investigation-Power Utility-Contract Fraud/Conflict of Interest: At the request of the Board of Directors conducted an investigation into inflated vendor invoices and alleged conflict of interest between the contract administrator and contractor employees. The investigation identified inflated invoices submitted by the contractor, deficiencies in contract provisions, weak internal controls over contract awards and lack of oversight of contractor performance. The investigation included detailed analysis of invoices, background investigations of employees and contractor personnel, asset searches, analysis of electronic communications, and in-depth interviews. The investigation resulted in a substantial financial recovery from the contractor, dismissal of one employee and recommendations for implementation of improved internal controls over contract awards and contractor performance.

SEC Investigation - Contract Review - Revenue Recognition: For a Fortune 500 company under investigation by the SEC, assisted in conducting a review of contracts to determine if revenue was recognized in accordance with accounting standards. The results of the review were provided to the SEC.

Identity Theft/Computer Forensic Investigation: Conducted an international investigation for the State of Florida to determine if contactors located in Asia, had compromised or breached personal data for over 100,000 state employees. Investigation required conducting due diligence investigations for each contractor, coordination of on-site inspections, interviews, analysis of facility and systems security, computer forensic services, and evaluation of employee background checks.

Misappropriation/Conflict of Interest: Assisted client and counsel by providing forensic accounting services to establish collusion between the CFO and a company manager to misappropriate company funds. The investigation determined that the CFO and manager created bogus companies/vendors and submitted vendor invoices for products and services that were not provided. The CFO used his position to approve invoices for payment. The investigation resulted in a referral to law enforcement for criminal prosecution and also supported a fidelity insurance claim for breach of fiduciary duty.

Executive Management Fraud/Conflict of Interest/Internal Controls Review/Sarbanes Oxley: At the request of the Audit Committee for a national real estate development company, conducted an investigation into allegations of fraud and conflict of interest regarding a former company executive who was also the chief contracting officer. The investigation determined that the former company executive was involved in various personal business relationships with contractors and had circumvented internal controls for awarding contracts. The investigation required the review and analysis of financial records, interviews of management and vendors, background checks, asset searches and preparation of an internal control analysis report for presentation to the audit committee.

Internal Investigation/Conflict of Interest/Press Leaks: At the request of the Audit Committee for an international organization, conducted an investigation to identify the person/s response for the leak to

the media of a highly sensitive document which had limited distribution to the board of directors. The investigation required interviews and the use of polygraphs, latent fingerprint examinations, hand writing analysis and computer forensic services. The investigation resulted in the recovery of the original leaked document and identification of the persons having access to that document.

FCPA Compliance Plan Implementation – Contractor Due Diligence: Assisted client and counsel in conducting a due diligence review of overseas vendors. The engagement identified vendors with ties to officials of foreign government agencies, political leaders, and in some cases individuals engaged in illegal activities.

Asset Location and Recovery: Assisted a national bank in determining if guarantors in a construction loan had provided false or misleading information to obtain loans. The investigation required the detailed analysis of financial records along with extensive electronic records research to identify assets, businesses interests, and financial interests with related parties. The investigation resulted in identifying businesses and properties not previously disclosed on documents submitted to the bank by the guarantors and assisted the client and counsel in negotiating a favorable settlement.

Asset Location and Recovery: Assisted counsel in the location and recovery of assets. The investigation was a result of a court order against the former owners of a company that had violated a non-compete clause in the sale of a business and had also engaged in the theft of intellectual property from the sold company. Based on detailed interviews, analysis of financial records, including bank and brokerage records, and physical surveillance, the engagement identified significant assets, including real estate that had been concealed by the former owners. The investigation resulted in a favorable financial settlement for the client.

Executive Management Fraud/Alteration of Electronic Inventory Records: At the request of the board of directors, conducted an investigation into the multi-million dollar theft and/or destruction of inventory at facilities operated by an international warehouse system headquartered in the U.S. The investigation resulted in the arrest/termination of several employees, the filing of insurance claims, and implementation of improvements in internal controls.

Asset Location and Recovery: Assisted counsel in the location and recovery of assets. The investigation was a result of a court order against the former owners of a company that had violated a non-compete clause in the sale of a business and had also engaged in the theft of intellectual property from the sold company. Based on detailed interviews, analysis of financial records, including bank and brokerage records, and physical surveillance, the engagement identified significant assets that had been concealed by the former owners. The investigation resulted in a favorable financial settlement for the client.

Accounting Malpractice: Provided expert services concerning accounting malpractice litigation regarding misleading financial statements prepared for an investment firm, which had made fraudulent representations to attract investors. The engagement required the analysis of financial records of the investment firm, review of the work papers from the accounting firms that prepared the financial statements and assisting the testifying expert regarding accounting standards and guidelines for the preparation of financial statements.

OIG Voluntary Disclosure Investigation: Assisted a large healthcare system in conducting an internal forensic investigation and self-assessment of potential over-billings related to mobile diagnostic services. The investigation required periodic reporting to the Office of the Inspector General for the U.S. Department of Health and Human Services and resulted in the client avoiding exposure to over \$40 million in penalties.

OIG Voluntary Disclosure Investigation: Recently completed an internal investigation to assist a large hospital regarding allegations of False Claims Act and Stark violations concerning improper relationships between the hospital and physicians. Allegations included excessive medical director fees, space leased at less than FMV, improper patient referrals, and false data on cost reports. The investigation was conducted following the IOG protocol.

Mobile Diagnostic Service Investigation: Assisted a national mobile diagnostic service by conducting an internal investigation into allegations of fraud regarding the performing of unnecessary tests, tests performed having little or no value, and interpretations being performed by unlicensed physicians. The investigation assisted counsel in negotiations with regulatory agencies.

False Claims Act Violations – General Surgery Practice: Conducted a review/investigation of medical claims to identify high rejection rates for Medicare and Medicaid claims. Investigation identified significant non-compliance issues resulting from lack of staff training and experience. Investigation assisted client and counsel in arriving at a settlement with regulatory agencies and avoiding significant penalties.

False Claims Act Violations – Integrated Practices: Conducted investigations to assist physicians and chiropractors who formed integrated practices and have been the subject of investigations by regulatory agencies and commercial payors. Investigations identified non-compliance issues resulting from lack of staff training and experience. Investigations assisted counsel in negotiating settlements.

Economic Damages from Lost Profits Litigation/Hospital System: Assisted a national healthcare provider by conducting a forensic analysis of financial data, in defense of lost-profits litigation with alleged damage claims of \$2 billion. The litigation resulted from a contract terminated due to non-performance. The analysis was instrumental in arriving at a final settlement of no damages paid by the client

Investigation of Fraud and Theft: Conducted an investigation into allegations of theft and fraud at a major church affiliated assisted living facility of central Florida. The investigation resulted in the arrest of the Executive Director and two Division Directors and the termination of seven employees.

Investigation of Embezzled Funds/Stockbroker: Conducted an investigation into the embezzlement of over \$3 million from customers of a national stock brokerage firm. The investigation included the arrest of a stockbroker and settlements with a large number of customers of the brokerage firm.

Valuations/Bankruptcy/Business Recovery Services

Valuations: Assisted a client in a business valuation with regard to settling the estate of one of the major owners. The valuation assisted the client and counsel in the successful mediation of the estate.

Cash Flow Projections: Prepared cash flow projections to assist a diversified health care provider experiencing severe negative cash flows. Analysis included providing the client with recommendations to improve profitability of operations and also to assist in negotiations with lending institutions.

Due Diligence/Commercial Lender/Passenger Cruise Line Industry: On behalf of a commercial lender, conducted an on-site review of financial records, and prepared cash flow analysis, in order to evaluate the financial stability of a major borrower, which was in the passenger cruise line industry. As a result of the review, the lender was able to initiate legal action to successfully secure assets.

Due Diligence Review/Health Care Provider: At the request of a major lender, conducted a due diligence review of a multi-state health care provider. The review identified the deterioration in the quality of revenue sources as well as deficiencies in accounts receivable collections. The client instituted procedures to increase monitoring and reporting of the borrowers' performance.

Business Reengineering Services to Federal and State Agencies

Served as the law enforcement subject matter expert in a business-reengineering project to reorganize the Immigration and Naturalization Service. The project included extensive interviews of agency executives, facilitation of meetings with all staff levels at headquarters and in the field, benchmarking with other agencies, preparation of recommendations and presentations to the Administrator.

Provided business-reengineering services to the Texas Department of Public Safety. Conducted a detailed analysis of the organizational structure, facilitation of meetings with all components in the agency, benchmarking with other agencies and presentation of final recommendations to executive management.

Dan T. Stathos

Dan T. Stathos
Associate Director

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Professional History

- Director, Navigant Consulting
- Division Director, Austin Energy
- Regional Consulting Manager, Oracle
- Partner, Deloitte Haskins & Sells
- Manager, Ernst & Whinney
- Deputy Director Accounting, Public Utility Commission of Texas
- Staff Accountant, Heathman & Heathman, CPA's
- Sr. Staff Accountant, Gulf States Utilities Company

Education

B.B.A. – Accounting
University of Texas at Austin.

Change Management and BPI
Duke Energy, 3M

Professional Associations

Certified Public Accountant, Texas*

*Neither Mr. Stathos nor Navigant
Performs attestation or any other
services considered to be public
accounting in either Texas or any
other jurisdiction

Dan Stathos, an Associate Director in NCI's Austin, Texas office, has been involved with governmental agencies, including electric, gas, water, and telephone utilities for the past forty-two years, over twenty-five of which have been in providing consulting services. He is skilled in utility accounting and auditing, financial modeling and analysis, property valuation, rate development, information systems development, strategic planning, management audits, performance management, and process re-engineering. Mr. Stathos is a former Partner with the independent accounting firm of Deloitte Haskins & Sells (now Deloitte & Touche), a Regional Consulting Manager for Oracle Systems, and a former Assistant Director of Accounting for the Public Utility Commission of Texas.

Professional Experience

Navigant Consulting: As a Director in the firm's Energy Practice, provided consulting services to electric, gas, water, wastewater and telecommunications service companies. Project experience has included facilitating strategic planning efforts for utility executives and their stakeholders. Also served as project manager and facilitator for large-scale process improvement and information technology systems implementation projects. Performed numerous financial feasibility and business case development projects for a number of clients. Recently, he has been involved in assisting various project teams define internal controls for compliance with Sarbanes-Oxley compliance for various investor-owned utilities.

Austin Energy: As a Director for this large municipally owned utility, was responsible for all support services including fleet, purchasing, materials management, asset management, information systems, and environmental. Primary responsibility was to re-engineer processes for each of these services and automate as much as possible with a focus on provision of excellent customer service. In addition, worked with the City Purchasing Department to implement new processes to assure an open and fair process for acquisition of goods and services for the City. Was responsible to the Department Director

and the City Purchasing Manager to assure that all purchasing policies and procedures were adhered to. Responsible for also redesigning contract and contractor management processes within the utility. Also responsible for setting strategic direction for the application of technology within the utility, and the management of the Information Technology Division. Served as liaison and facilitator for a City-wide Information Technology Advisory Committee. In that role, directed the first effort at developing an optimization strategy for citywide billing and land management systems, the utilization of the internet as a customer service and communications tool, and the evaluation of the city-wide financial systems, telecommunications infrastructure, and information technology architecture.

Oracle Systems: Served as Regional Consulting Manager for this database software vendor with responsibility for marketing and delivery of consulting services to regulated industries west of the Mississippi River. Assisted a number of clients in facilitating strategic information systems planning for executive management. Clients included investor-owned utilities, municipally owned utilities, telecommunications providers and governmental agencies. Many of these studies including the introduction of cooperative processing, client to client, and client to peer information systems concepts. Most significant of these efforts included the marketing and service delivery of a new customer-centric (as opposed to premise) customer information system. This effort included documenting all business processes, developing recommendations for changes that would support additional products and services and marketing support, and the development of a design guide for implementation of the system in a RDMS operating environment.

Deloitte Haskins + Sells: As a Partner in the Public Utility Consulting practice, provided services to investor owned electric utilities, governmental utilities, telecommunications providers, and regulatory agencies. Services and experience included operational reviews, management audits, financial feasibility studies, and information systems planning and implementation. Management and other audits services were performed for Lower Colorado River Authority, Southwestern Bell-Missouri, Georgia Public Service Commission, Ohio Public Utilities Commission, Illinois Commerce Commission, the City of Austin Electric Department, and Houston Lighting & Power (now Reliant).

Ernst & Whinney: As a Sr. Consultant, provided rate and regulatory support to clients in the electric, natural gas and refined products pipeline, and telecommunications industries. Participated in a number of financial audits for local telephone service providers.

Public Utility Commission of Texas: Served as first Deputy Director of the Accounting Division with focus on rate case analysis and testimony for electric, telecommunications and water utilities.

Gulf States Utilities Company: Served as staff and supervisor in the customer billing, customer service and credit and collection functions. Also served as Sr. Accountant responsible for maintaining the corporate books and records and for all financial information provided to investors, the Securities and Exchange Commission, and the Federal Energy Regulatory Commission and other external parties.

Robert C. DeCicco

Robert C. DeCicco
Managing Director

Navigant Consulting (PI) LLC**

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rob.decicco@navigant.com

Professional History

- Managing Director, Navigant Consulting
- Managing Director FTI Consulting
- Director of Case Management, Protiviti/PG Lewis
- National Security Agency US DoD

Education

- Incident Response Forensic Analysis & Discovery, Guidance Software Professional Training Center
- B.S. in Management/Management Information Systems, Pennsylvania State University

Professional Associations

- Association of Certified Fraud Examiners
- High Tech Crime Investigation Association

Certifications

- Encase Certified Computer Examiner (EnCE)
- Licensed Private Investigator, State of Texas

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Robert DeCicco is a Managing Director in Navigant's Legal Technology Service-Forensic Consulting practice and is based in Houston. He specializes in providing services related to data acquisition and forensic examinations for a variety of high-profile and confidential clients. His responsibilities span from hands-on examination and analysis of computer data to the day to day management of the forensics staff and the enforcement of policies and procedures. DeCicco has actively managed and participated in the collection and the subsequent analysis and processing of electronic evidence from extremely complex, disparate and sensitive technology environments throughout the world.

DeCicco regularly works in conjunction with a multitude of regulatory and law enforcement agencies to provide acceptable practices and forensically sound data and review protocols for submission while continuing active involvement in the standards operating procedure committee within Navigant related to acceptable methodologies related to ESI collection and analysis in the field and in the lab.

DeCicco is a court accepted expert in the field of computer forensics and has provided expert reports, rebuttals and defended opinions related to computer forensics and electronic discovery in both civil and criminal matters and in both state and federal courts throughout the country.

DeCicco regularly lectures to the legal community and Computer Forensics communities on topics related to electronic discovery and computer forensics.

DeCicco is a published author on the topic of computer forensics and has authored protocols for electronic information document reviews which have been approved by Special Masters to court and has defended the steps and procedures in court and officially transcribed sessions.

Data Forensic Expertise

- Case management for major matters (involving multi-billion dollar issues)
- Encase, FTK, Paraben, Helix and other software based forensic examinations
- Atypical physical media device examinations (e.g. Smartphones, iDevices, Game Systems, etc.)
- Social Media and Cloud based collections (Facebook, LinkedIn, Twitter, Amazon etc.)
- Windows, Unix & Linux, MacOS, iOS examinations
- E-Mail Investigations
- Software authoring investigations
- Internet traffic monitoring and site capture and analysis
- Multi-platform/multi technology based recovery and acquisitions (Intel, Unix, PDA's, Mac)
- Backup Tape and Disaster Recovery System acquisitions
- Direct friendly and hostile and/or clandestine acquisitions (domestic and international)
- Voicemail and audio recording systems
- Digital video surveillance system acquisition and recovery
- Full electronic collection scene processing:
 - Interviewing
 - Scene and evidence photography
 - Documenting personnel arrival and departure
 - Chain of Custody documentation
 - Situation management and control

CLE Presentations

- *Mock Trial Security Expert Witness*. American Board of Trial Attorney, Austin, TX 1/2014
- *E-Discovery Update* Texas Bar Association & ABA Annual Conference. Austin, TX 1/2014
- *Understanding the Impact of the iPad, Kindle & Other New Mobile Devices and Services on e-Discovery* ExecSense 11/2011, 2012, 2013
- *Strategies for Responding to Regulator Requests for Forensic Collection and Production*
The NY Computer Forensics Show – NY, NY 4/2010
- *Computer Hard Drive Inspections* – Fordham University Law School – NY, NY 2/2010
- *Computer Forensics* – Hofstra University Physics and Forensic Science Dept – NY 10/08
- *Lawyers, Ethics and Electronic Discovery* - Thelen Reid – NY (NY CLE accredited)
- *Computer Hard Drive Inspections* – Rutgers University Law School – Newark, NJ 10/07
- *A Practical Guide to Litigation Technology* - NYSBA -The Sagamore, NY 10/07
- *Data Forensics for Legal Professionals* – Protiviti 5/04-3/06 (NJ CLE accredited)
- *"Legal, Technical and Ethical Aspects of E-Discovery & Data Forensics"* Mock trial participant as expert witness and open forum Q&A. NJ ICLE Center, NJ
- *Data Forensics for Legal Professionals* - Matthews, Collins, Shepherd, & McKay

Publications

- *"Data Forensics For Legal Professionals"*, Lorman Education Services (2006)
- Co-author of FTI Forensics and EEC Electronic Evidence Collection Methodologies 2006 -2013
- Authored Electronic Evidence handling and analysis SOP – Protiviti, Inc. 2006

Clearance(s)

- NSA DoD Top Secret / Sensitive Compartmented Information (TS/SCI) clearance Full-Scope
+ CI (Counter Intelligence) polygraph w/10 year DOJ Background Investigation

Select Expert Testimony/Dockets

De Lage Landen Operational Services, LLC, v. Third Pillar Systems, Inc., CIVIL ACTION NO. 09-CV-02439-HB (US District Court, Eastern District, PA) Deposition testimony in defense of supplemental expert report relating to source code theft and appropriate remediation methodologies specific to contempt charges. March 2011.

De Lage Landen Operational Services, LLC, v. Third Pillar Systems, Inc., CIVIL ACTION NO. 09-CV-02439-HB (US District Court, Eastern District, PA) Courtroom expert testimony in defense of expert report relating to source code theft and appropriate remediation methodologies specific to contempt charges. December 2010.

Mesa Air Group and Freedom Airlines v. Delta Air Lines Inc., CIVIL ACTION NO. 1:08-CV-1334-CC (US District Court, Northern District of GA). Courtroom expert testimony related to the verification of electronic mails produced in litigation. Defense of expert report issued. May 2010.

Mesa Air Group and Freedom Airlines v. Delta Air Lines Inc., CIVIL ACTION NO. 1:08-CV-1334-CC (US District Court, Northern District of GA). Deposition testimony in defense of expert report issued related to verification of content of electronic mail produced in litigation. April 2010.

Brotech Corp and Purolite International v. Thermax Inc, & Thermax India et al. CIVIL ACTION NO. 2:05-cv-02330-CMR (US Federal Court, Eastern District of PA) October 2009. Courtroom expert testimony specific to collection, processing, review and production of electronic data by multiple constituencies. Development and defense of e-Discovery joint protocol presided over and approved by Special Master.

Brotech Corp and Purolite International v. Thermax Inc, & Thermax India et al. CIVIL ACTION NO. 2:05-cv-02330-CMR (US Federal Court, Eastern District of PA) November 2007. Courtroom expert testimony specific to behavior of electronic files in a compressed (ZIP) folder and USB flash storage devices in opposition to opposing forensics firm declaration.

TFI/EPI v. Joseph DeSantis CIVIL ACTION NO. OCN-C-196-01 (NJ County Court of Ocean). June 2006. Oral testimony in the form of deposition regarding defense of opinions rendered in multiple expert reports and expert rebuttal reports pertaining to the behavior of email and file deletion. Judgment 1/30/2007 in favor of TFI.

Brotech Corp and Purolite International v. Thermax Inc, & Thermax India et al. CIVIL ACTION NO. 2:05-cv-02330-CMR (US Federal Court, Eastern District of PA) September 2005. Courtroom expert testimony producing electronic evidence from opposition.

Opteum Financial Services, Inc. v. TK et al., Case No. 03-CV-355-17MSS June, 2005 (US District Court, Middle District of Florida). Courtroom expert testimony regarding E-Mail recovery and the proper forensic protocol and opposing forensic firm.

McKesson Medical Surgical, Inc. v. Carmen Caccavale. Case No. CV04-1351-PHX-SRB (US District Court, District of Arizona) Deposition occurred in NYC, NY. June 2005. Oral testimony in deposition on the work performed in proper forensic protocol utilized in the acquisition, preservation, analysis and production of electronic data results.

DiDonato v. DiDonato, Dkt. No. FV-11-001096-05 (Ch. Div. Family Part, Mercer County) March 2005. Qualified oral expert testimony in trial on the work performed in acquisition and analysis of computer data.

Merchant Transaction Services v. Nelcela, et al, (US Federal Court, Maricopa County, AZ) Oral testimony in defense of Expert Findings Report relating to copied computer source code for credit card transaction system. May 2005.

Fabrite Laminating v. JD (Dkt No. forthcoming) (Bergen County, NJ) 2005. Oral testimony in deposition in defense of opinions expressed in affidavit regarding the forensic process and findings relating to intellectual property theft via computer.

Mobashar v. Wyeth (Dkt No. forthcoming) (Manhattan, NY) 2005. Oral testimony in deposition in defense of preliminary findings report displaying inconclusive test results of digital lab results and forensic protocol regarding the preservation and extraction of data from gas chromatograph / mass spectrometer.

Drouin v. University of Maryland School of Law. March 2005. Oral testimony on the Preliminary Findings Report based on computer forensic analysis and deleted file recovery.

DiBattisto and Micro Bio-Medics v. PSS World Medical, Inc., Case No. CV-S-03-0998-RJJ-RCJ (D.Nev.) January, 2005. Oral testimony in deposition on the work done to produce expert rebuttal reports regarding computer forensic protocol, evidence handling, destruction of data and proper analysis methodology.

Court appointed expert for computer forensics in *Federal Case of US v. Bruce Wernick*, US District Court for Eastern District of New York, 3/2005. Case No. 03CR-189-01.

Select Project Experience

Major environmental disaster incident response: Rob was selected by outside counsel to author a comprehensive expert report to be submitted to the U.S. Congress auditing and detailing all preservation efforts and protocols by another firm related to a large offshore deepwater oil rig explosion investigation in the Gulf of Mexico. Rob's team conducted a series of interviews with personnel, reviewing policies and procedures, software and hardware employed, sampling, and recommendations related to the overall defensibility of the process. The overall review consisted of thousands of evidence items and proprietary software and hardware specific to the oil and gas industry. A separate work stream hosted millions of electronic documents related to the investigation and electronic discovery to facilitate reviews and productions by dozens of lawfirms, constituencies, government agencies and insurance companies. This matter continues in litigation presently.

Congressional inquiry: Rob led all collections and processing of electronically stored information (ESI) for all franchises identified in a large government inquiry related to performance-enhancing drugs in a professional sports league. Management included designing protocols for collection methodologies to allow for consistency and efficiency in an extremely time-sensitive, media-scrutinized matter. Additional responsibilities included evidence management and certified destruction, compartmentalization of information within the professional services firm to allow for storage of sensitive HIPAA data in escrow within specified General Council offices throughout all negotiations of relevance of data and weekly reporting of collection milestones and review achievements to counsel and the U.S. Government. Rob performed interviews of key personnel at each location related to storage of information and involvement in the investigation.

Large internal investigation: Rob led the collection and investigation of misappropriation of funds and kickback accusations for a major New York fund management firm with ties to the United Kingdom. Over the course of one weekend outside of operation hours, Rob and his team collected approximately 400 hard drives, 300 email accounts and 30 terabytes of network server data, which was subsequently processed and reviewed in a document review environment and produced within 2 weeks. He designed and ensured all handoffs, protocols, work plan and a parallel "shadow audit" of all efforts put forth to report back to the European bank president and board of directors.

Landmark intellectual property theft litigation: Rob led all collections and analysis over a 6 year litigation for a high profile intellectual property theft investigation involving 2 international chemical firms. Analysis involved intense forensic analysis of over 400 evidence items and travel to 4 countries. Rob authored 3 expert opinion reports and 6 rebuttal reports that were personally defended in court on multiple occasions, and all opinions were upheld. In person court testimony resulted in a landmark order by a federal judge instructing defendants to provide access for plaintiffs to their stored ESI for the first time. Additional protocols were authored in conjunction with the opposition and a court-appointed Special Master.

DOJ-appointed monitorship: Rob led the technology team appointed by the U.S. Attorney's Office for the Southern District of New York to be the independent monitor for the world's largest online poker website. He oversaw the development of technology to check the geo-location of players to ensure compliance with client agreement with the U.S. Government. He then applied the technology to more than 320 million IP addresses. Rob was part of multiple teams that covertly tested client security measures from the U.S. using VPNs, proxies, mobile devices, and other technologies. Rob reviewed components of compliance reports submitted to the Department of Justice (DOJ) that ultimately eased settlement with the U.S. Government and continuance of business.

International Ponzi scheme investigation: Rob organized, led, and performed acquisitions of over 5,000 evidence items on a global scale in a fast-paced receivership involving the search for billions of U.S. dollars missing from a Texas-based CD investment bank. The team traced assets and liaised with multiple government agencies, law enforcement, and claimants. Rob produced affidavits to counsel and law enforcement along with monthly reports to the Judge and Receiver detailing status reports and milestone achievements.

Appendix B. Drug-Free Workplace Form

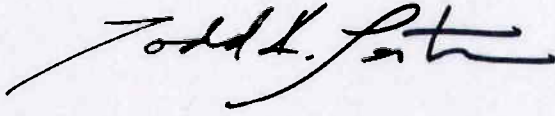
DRUG-FREE WORKPLACE FORM

The undersigned vendor in accordance with Florida Statute 287.087 hereby certifies that

Navigant Consulting, Inc. does:

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for the drug abuse violations.
3. Give each employee engaged in providing the commodities or contractual services that are under bid a copy of the statement specified in subsection (1).
4. In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
5. Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

As the person authorized to sign the statement, I certify that this firm complies fully with the above requirements.



Bidder's Signature

May 7, 2014

Date