

Application of Senator Joseph I. Lieberman to serve as Independent Compliance Auditor (“ICA”) for Herbalife Ltd. in association with Kasowitz, Benson, Torres & Friedman LLP and FTI Consulting, Inc.

August 29, 2016

KASOWITZ
KASOWITZ BENSON TORRES & FRIEDMAN LLP

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CONSULTING



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Executive Summary



Executive Summary

- Senator Joseph I. Lieberman expresses interest in serving as the Independent Compliance Auditor (“ICA”), pursuant to the Stipulated Order for Permanent Injunction and Monetary Judgment (the “Order”), and pledges that, if chosen, he would vigorously and enthusiastically perform the duties and responsibilities of the ICA over the prescribed seven-year term. Senator Lieberman intends to assume personal responsibility for assuring that the work of the ICA is carried out to the satisfaction of the Court and the parties. It is a major responsibility and so Senator Lieberman would be supported by FTI Consulting (“FTI”), a global business advisory firm with extensive accounting and statistical monitoring experience, and by the full resources of Kasowitz, Benson, Torres & Friedman LLP (“KBTF”), a national law firm at which he has been Senior Counsel since he left the Senate in 2013.

- Senator Lieberman’s record of public service, including particularly six years as Attorney General of Connecticut and 24 years in the U.S. Senate, shows that he has been a persistent advocate for both consumer protection and private sector business growth. This resulted in a reputation for non-partisan support of a strong, but balanced and fair, regulatory role for government, which is exactly what the FTC has accomplished and seeks in the Order and why he would be privileged, if selected as ICA, to oversee Herbalife’s compliance with the Order.

Senator Joseph I. Lieberman



Qualifications



**Senator Joseph I.
Lieberman**

Senator Lieberman serves as senior counsel at KBTF where he applies the investigative skills he honed as United States Senator and Attorney General of the State of Connecticut to represent clients in independent and internal investigations and advise them on a range of public policy, strategic and regulatory issues.

Prior to joining KBTF, Senator Lieberman, the Democratic Vice-Presidential nominee in 2000, served 24 years in the United States Senate, retiring in January 2013 following the end of his fourth term.

During his tenure, Senator Lieberman helped shape legislation in virtually every major area of public policy including consumer protection, environmental protection, health care, national and homeland security, foreign policy, fiscal policy, human rights, trade, energy, cyber security and taxes.



Qualifications

- Senator Lieberman served in many leadership roles including as chairman of the Committee on Homeland Security and Government Affairs, which is the Senate's major oversight and investigative committee.
- On that Committee, Senator Lieberman led numerous congressional investigations, including a series of hearings about how pricing is accomplished in the energy industry in relation to the oil boycott of the early 1990s, as well as inquiries into Enron's wrongdoing and collapse, the federal government's response to Hurricane Katrina, the Fort Hood mass shooting, and the deadly attack in Benghazi, Libya.
- During Senator Lieberman's tenure as Attorney General of the State of Connecticut, he initiated and resolved important litigation, prosecuting numerous consumer protection and antitrust actions. As a result of these actions, consumers nationwide benefited greatly, through penalties, damage awards, and settlements.
- Senator Lieberman's leadership of these investigations and litigations show an ability to organize and oversee major oversight inquiries as is required of the ICA.

Senator Lieberman Proposed Activities



Proposed Activities

- Senator Lieberman will bring his integrity, impartiality and reputation for hard work and fairness in guiding the lengthy and detailed process of analyzing and evaluating Herbalife's business model to ensure compliance with the Order.
- Senator Lieberman will be the leader and manager of the KBTF and FTI teams that will assist him in carrying out his duties as the ICA.
- Senator Lieberman will interface with senior management and the Board at Herbalife to ensure a culture of cooperation and compliance.
- Senator Lieberman will review and evaluate all reports, presentations and final analyses of FTI and KBTF to ensure accuracy and completeness.
- Senator Lieberman will oversee and be responsible for reporting to United States District Court Judge Beverly Reid O'Connell, as required by the Court's Order.

Kasowitz, Benson, Torres & Friedman LLP

KBTF Personnel and Qualifications



KBTF Personnel and Qualifications

- Kasowitz, Benson, Torres & Friedman LLP is a national law firm focusing on complex commercial litigation.
- The firm is comprised of approximately 280 lawyers, with headquarters in New York, and offices in Atlanta, Houston, Los Angeles, Miami, Newark, San Francisco, Silicon Valley, and Washington, DC.
- The firm's success in implementing creative legal strategies has brought the Firm exceptionally interesting and challenging work, and has attracted recognition from various industry publications, including *Chambers USA*, *The Legal 500*, *Benchmark Litigation*, *Best Lawyers in America*, *Law360*, *Lawdragon* and *The American Lawyer*.



KBTF Personnel and Qualifications

- KBTF would deploy a team of its top attorneys to aid Senator Lieberman in ensuring Herbalife's compliance with and implementation of the Order, in preparing reports and in preparing and participating in related court proceedings.
 - Marc E. Kasowitz
 - The Hon. Clarine Nardi Riddle
 - Lyn R. Agre

KBTF Personnel and Qualifications



Marc E. Kasowitz

Described by CNBC as the "toughest lawyer on Wall Street" and by Bloomberg Financial News as an "uberlitigator," Marc E. Kasowitz is widely regarded as one of the preeminent business litigation and trial lawyers in the country. Marc is the firm's founding and managing partner, and regularly serves as national trial counsel in complex litigation in the areas of corporate governance, fraudulent conveyance, RICO, antitrust, securities, mass tort, and other commercial cases. Marc also has an extensive and successful track record in dealing with investigations and lawsuits by state attorneys general, including path-breaking settlements of attorney general tobacco litigation. Marc has also conducted numerous internal investigations on behalf of boards of directors, management and special committees regarding alleged corporate malfeasance, conflicts of interest, challenges to board authority, accounting fraud, obstruction of justice, market manipulation, and other issues relating to director and officer fiduciary responsibilities and liabilities.

KBTF Personnel and Qualifications



Clarine Nardi Riddle

Clarine Nardi Riddle chairs the Firm's Governmental Affairs and Strategic Counsel practice. She served as the first female Attorney General of Connecticut, during which time she handled many state investigations and numerous multi-state litigation matters, including major consumer protection and antitrust actions that involved the law for pyramid schemes. Many of those actions led to large damage awards and settlements for consumers nationwide. As AG, Clarine was also involved in the management of several of these settlements, including monitoring the compliance of the defendants. Furthermore, Clarine was Senator Lieberman's Senate Chief of Staff; served as a Judge of the Connecticut Superior Court, Connecticut's highest trial court of general jurisdiction; acted as Deputy and Counsel to Senator Lieberman when he was Attorney General of Connecticut; and served as Deputy Corporation Counsel of the City of New Haven, CT.



KBTF Personnel and Qualifications



Lyn R. Agre

Lyn R. Agre's practice focuses on federal and state white-collar criminal defense. She has represented and assisted in the representation of major corporations and individual targets and witnesses in a wide range of criminal cases including fraud, antitrust, securities, insurance, tax, healthcare, maritime, environmental, and public corruption. She has been selected to Super Lawyers 2012-2015 and was featured as one of the 2012 "Top Women Attorneys in Northern California."

KBTF Prior Experience and References



KBTF Prior Experience and References

- The firm has played critical roles in numerous matters where a company's central business practices were at stake, including cases that ultimately involved monitorships or sea changes in how the company conducted its business. A few examples are:
 - Hilton Worldwide: Represented the company in parallel federal criminal investigation and civil lawsuits relating to alleged mass trade secret misappropriations. After resolving the criminal investigation without charges, the firm oversaw the company's compliance during a two-year monitorship.
 - MBIA: Represented the company, the world's largest monoline insurer, in numerous litigations in the wake of the 2008 credit crisis, brought by the major money-center banks and various investment funds, challenging the company's restructuring. In this connection, also took the lead in interfacing with the company's primary regulator, the New York State Department of Financial Services, with respect to the restructuring and other business critical transactions undertaken by the company.



KBTF Prior Experience and References

- MF Global: Represented the Board of Directors of the global financial derivatives broker in the immediate aftermath of the firm's failure and bankruptcy, including interfacing with the SEC, CFTC and DOJ. Currently, representing the trustee of the firm's bankrupt estate in pursuing claims against contributors to the firm's demise.
- Liggett: Represented this major tobacco company in reaching historic first settlements with all states' attorneys general, that resulted in major changes in how cigarettes are advertised and promoted. Also, successfully represented the company in the defense of a nine-month civil RICO disgorgement trial in action brought by US DOJ (Judge Kessler found no liability for Liggett, but found RICO violations by the other major companies).



KBTF Prior Experience and References

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KBTF Proposed Activities



KBTF Proposed Activities

- As counsel for the ICA, KBTF will interface with the Herbalife legal department and other personnel at Herbalife to ensure that all necessary information and data is provided to the ICA.
- KBTF will provide guidance to the ICA and FTI as to legal issues, including interpretive issues, as well as potential privilege and conflict issues that arise during the term of the monitorship.
- KBTF will assist the ICA and FTI in reporting to the Court as required by the Order, including with respect to written reports and court proceedings.
- KBTF will provide all other legal services that the ICA or the Court identify as necessary to carry out the mandate of the Order.

FTI Consulting, Inc.



FTI Introduction

- We have reviewed the FTC's Stipulated Order regarding the Herbalife Ltd. monitorship and have developed an understanding of the various responsibilities and obligations of the appointed Independent Monitor. We believe we are well qualified and are committed to support Senator Joseph I. Lieberman and his team at KBTF in this important role.
- Our professionals have substantial experience serving as independent monitors and supporting independent monitors. In these capacities, FTI has provided forensic accounting, investigative and other analytical support services to clients and monitors, assessed compliance programs and systems of internal control and reported our findings to government agencies. Additionally, our data analytics tools effectively automate required governance, risk management and compliance procedures, which reduces costs and enables rapid detection of anomalies or events that might indicate a failure of internal controls or other compliance safeguards. We will employ our extensive resources and industry knowledge in a manner designed to avoid unnecessary interference with ongoing Herbalife business operations and to control costs, while maintaining rigorous quality and independence.
- Our professionals have significant knowledge of and experience with multi-level marketing organizations, which will enable us to propose tailored and effective approaches to monitoring Herbalife's compliance with the various payment, recordkeeping and verification provisions of the Order.
- Additionally, we have years of experience and earned credibility working on high-profile, and successful monitorships, helping companies regain the trust of its regulators and avoid future violations of law and compliance failures. Our goal is not just to address challenges, but to anticipate them, understand them and deliver sustainable solutions to solve them.



FTI Introduction, cont.

FTI Consulting has a rigorous and dedicated approach to compliance monitoring. Below are the hallmarks:

- We will maintain a program of continuous quality assurance and internal oversight.
- FTI will mobilize the specialized resources needed for this unique situation.
 - As described within, we have assembled a team of industry, financial and operational experts to provide the necessary acumen to develop and implement workable solutions reacting quickly and confidently and reducing the demands on management.
- FTI will ensure regular communication among the parties as well as implementation of a detailed monitoring work plan that is designed to promote efficiency and manage costs while fulfilling all of Senator Lieberman’s obligations as set forth in the FTC agreement.
- FTI uniquely offers automated analytics tools and a central document repository of Herbalife’s required records in order to reduce costs and increase efficiency.



Key Takeaways on What Makes Our Team Uniquely Qualified

- 15+ monitoring and independent compliance consulting engagements in the past decade
- Hundreds of major, complex corporate investigations and compliance engagements
- First-hand industry expertise in multi-level marketing with senior level experience including global sales and management positions at Avon Products and Tupperware
- Proprietary technology and complex data analysis solutions to reduce the need for significant man hours
- Experience with dissident shareholders including Pershing Square

FTI at a Glance

FTI Consulting is a global business advisory firm that provides multidisciplinary solutions to complex challenges and opportunities.

United by a culture of urgency, our professionals are organized around the globe to provide critical assistance wherever and whenever needed.



GLOBAL REACH

With over 4,600 employees and offices in 29 countries on six continents, our breadth and depth extends across every major social, political, and economic hub across the globe



EXPERIENCED PROFESSIONALS

We are trusted advisors with diverse expertise and exceptional credentials serving clients globally



DEEP INDUSTRY EXPERTISE

We combine unparalleled expertise and industry knowledge to address critical challenges for clients.

FCN Publicly traded – NYSE	\$1.7 BLN NYSE listed enterprise value
1982 Year founded	80 Different disciplines
4,600+ Employees worldwide	700+ Industry specialists
450+ Senior Managing Directors	29 Offices in 29 countries
2 Nobel Laureates	55 55 of all Fortune 100 corporations are clients
10 / 10 Advisor to 10 of 10 of the world's top bank holding companies	95% Advisor to 95 of the world's top 100 law firms



FTI Personnel and Qualifications



FTI Personnel Overview

- FTI provides clients with the relevant professionals who possess the required industry knowledge, project management experience and electronic data analysis expertise and who are all working within the same company to ensure quality control, maximum efficiency and cost-effectiveness.
- Our Monitoring / Independent Consultant engagements are led by a senior professional who manages the engagement and serves as the primary liaison with government regulators and other stakeholders.
- In all our assignments, FTI makes available to our clients the full breadth of our staff experience throughout the course of the engagement. We constantly monitor each matter in an effort to ensure that the most relevant and focused FTI resources are brought to bear.
- The biographies of potential project team members follow. Depending on the engagement needs, FTI would designate the most appropriate professionals to be dedicated team members and organize commitments on an ongoing basis in order to ensure that the Herbalife monitorship is their primary client matter.

Our Team Covers All Bases

Monitoring and Shareholder Activism



Jay Frankl: Senior Managing Director

Jay Frankl led a team supporting one of the two monitors in the Starwood vs. Hilton settlement regarding the theft associated with The W brand. He also led a hostile takeover defense against Herbalife's most outspoken critic, Bill Ackman, on behalf of Allergan.



Monitoring and Independent Compliance Consulting



Norman Harrison: Senior Managing Director

FTI Consulting and its affiliates have advised on over fifteen monitorships over the past eight years. One of our experts, Norman Harrison, held a senior role in the JGC Corp., KPMG and Worldcom matters which were multi-year, expansive projects.



Industry and Direct Selling and Multi-level Marketing Expertise



Christa Hart: Senior Managing Director

Christa Hart's prior role was head of global sales development at Avon. Avon is a well-respected company in an industry that is frequently undermined by FCPA and fraud. She will be able to implement clean practices at Herbalife.



Jason Frankl



Senior Managing Director

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About

Jason Frankl is a Senior Managing Director at FTI Consulting and is based in Washington, DC. He leads FTI's Activism and M&A Solutions practice in which he works with companies that are the subject of shareholder activism and/or M&A activity in the development and implementation of strategies that are designed to maximize shareholder value. He also advises management teams and boards of directors on how to proactively create and implement defense strategies. Most recently, Mr. Frankl led a large team of FTI Consulting professionals supporting Allergan in its successful activism/M&A defense involving Pershing Square and Valeant Pharmaceuticals resulting in a white knight bid of \$66 billion by Actavis plc, \$20 billion above Valeant's original acquisition bid. Mr. Frankl also had a leadership role in supporting Perrigo in its successful defense against a hostile takeover bid by Mylan N.V.

Mr. Frankl has led dozens of investigations and regulatory inquiries and has provided litigation support on behalf of publicly traded companies, boards of directors, board committees, banks and broker dealers involving NASDAQ, the NYSE, FINRA, CBOE, the SEC, the CFTC and the DOJ in connection with securities trading matters (equities, options and physicals), activism and M&A defense, regulatory and disclosure requirements, fraud allegations, improper application of generally accepted accounting principles and corporate governance matters. Additionally, he led

a team supporting one of the two monitors in the Starwood Hotels & Resorts Worldwide vs. Hilton Hotels Corporation settlement regarding the theft associated with The W brand.

Mr. Frankl is also a nationally recognized expert in the areas of NASDAQ and NYSE compliance matters, corporate governance and securities trading. He has counseled hundreds of NASDAQ and NYSE listed companies with an aggregate market capitalization of more than \$200 billion on the application and strategies to achieve and regain compliance with U.S. exchange listing requirements.

Prior to joining FTI Consulting, Mr. Frankl served as Counsel with the NASDAQ Stock Market where he conducted and/or was involved in more than 1,000 hearings for issuers faced with the threat of delisting or denial of initial listing for failure to satisfy NASDAQ listing requirements. Mr. Frankl also participated in the development and implementation of NASDAQ's corporate governance rules and policies formulated in response to the Sarbanes-Oxley Act of 2002, including rules and policies pertaining to shareholder approval, voting rights and board independence

Expertise

Corporate Fraud & Investigations
Corporate Governance
Forensic Accounting & Investigations
Listing Advisory Services
Regulatory Investigations

Certifications

Attorney (non-active), admitted to practice in Florida

Professional Affiliations

American Bar Association
Florida Bar Association
Washington Lawyers' Committee for Civil Rights and Urban Affairs

Education

B.S., General Studies, Springfield College
J.D., Catholic University of America, Washington, DC

Norman Harrison



Senior Managing Director

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About

Norman Harrison is a Senior Managing Director in the FTI Consulting Forensic and Litigation Consulting practice and is based in Washington, D.C. He advises public and private companies in internal investigations, corporate compliance and governance issues, enterprise risk assessments, and regulatory enforcement matters.

Mr. Harrison has extensive experience relating to compliance consulting and monitoring. He supports clients in fulfilling their obligations under Deferred Prosecution Agreements and other settlements of criminal, civil and administrative proceedings. He has served recently as an independent consultant to an Asian engineering, procurement & construction company and to a global pharmaceutical company under the terms of DOJ and SEC settlements under the FCPA. In a prior position Mr. Harrison led a multi-disciplinary team in monitoring KPMG LLP under the terms of a DOJ Deferred Prosecution Agreement relating to the marketing of tax shelter products. He also played senior roles in multi-year monitoring appointments relating to WorldCom/MCI, Inc. and Hollinger International Inc. under the terms of SEC Consent Agreements.

Mr. Harrison has conducted numerous internal investigations in matters arising from federal investigations, shareholder allegations, media exposés and other circumstances. He also consults with boards and management teams on the design and implementation of enterprise risk management programs and risk

mitigation strategies. Mr. Harrison also advises on the design, implementation and testing of compliance programs, ethics policies and training programs.

Mr. Harrison advises boards of directors and provides expert testimony on fiduciary duty, corporate governance and compliance issues. He also has substantial experience, both as an outside adviser and an internal compliance officer, in matters involving investment funds. He consults and provides expert testimony in the areas of fund formation, operations, compliance and risk management. He also advises institutional investors (including public pension funds) in matters involving manager due diligence and performance reviews.

He serves on the Investor Advisory Group of the Public Company Accounting Oversight Board and has taught Corporation Law at the Washington College of Law at American University.

Certifications

Attorney, admitted to practice in the District of Columbia

Professional Affiliations

Investor Advisory Group, Public Company Accounting Oversight Board

Education

B.S.B.A., Finance (with highest honors), Georgetown University

J.D., (with high honors), Georgetown University Law Center

Christa Hart



Senior Managing Director

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About

Christa Hart is focused on successfully driving change within large, global companies. She has more than 18 years of hands on experience leading organizations inside companies and acting as a consultant and strategic advisor. Ms. Hart has worked with a wide range of retailers and direct selling companies to address specific challenges, including:

- Defined and executed global sales strategies
- Managed distressed business units
- Exploited new growth opportunities
- Gained value from acquisitions
- Improved business processes and reduced costs

Prior to joining FTI Consulting, Ms. Hart was the head of global sales development for Avon Products, where she led, defined and implemented global commercial and sales strategies. Ms. Hart began updating the sales management processes at Avon and piloted new global sales model (Representative compensation and incentives) across three regions, which increased sales by 2% over control groups. She also developed global training programs related to Representative compensation and incentives. In addition, she had global responsibility for approving changes to Representative compensation, policies and procedures related to Representative compensation and rewards, and long term promotions – balancing tradeoffs between top line needs and expense.

Before that, she led business development at Finish Line, including planning for geographic expansion and new business opportunities.

At Tupperware Brands, she ran a \$370M portfolio of 11 distressed businesses increasing sales by 6% and profits by 60% during first year. During that time, she put in place restructuring projects: brand consolidation in Philippines, back office merger in Asia, and space utilization in US.

Also at Tupperware Brands, she was the Executive Vice President in charge of strategy and business development. In that role, she managed corporate five-year strategic plan, led Group Presidents in implementation of key initiatives, and reported progress to board of directors:

- Created new business opportunity for independent sales force, which was rolled out across the United States, Australia, South Africa and France.
- Set out the change management strategy and training to support the transition to the new business opportunity.
- Approved changes to Representative compensation, annual incentive programs, and other elements of the global sales model.
- Co-led (in partnership with the President) the turnaround of the United States business unit improving profits from \$30M loss to \$9M gain.

In addition, Ms. Hart worked for more than six years in the Management Horizons practice at PricewaterhouseCoopers. Early in her career, she worked for May Company Department Stores, Wet Seal and Crystal Brands.

Education

B.S. in Business Management, Arizona State University
M.B.A. in Strategy and Finance, UCLA Anderson School of Management

David Alfaro

Senior Managing Director

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About

David Alfaro is a senior managing director in FTI's Forensic and Litigation Consulting practice and is based in San Francisco. Mr. Alfaro co-leads the Financial & Enterprise Data Analytics west coast practice, and is a nationally recognized expert in the areas of collecting and analyzing accounting, operational, and human resource information. Mr. Alfaro has extensive experience in dispute resolution including a specialization in complex, data-intensive analyses in response to government and/or internal investigations, litigation, mergers and acquisitions, and bankruptcies / restructurings.

Mr. Alfaro has provided testimony in matters involving alleged federal trademark infringement, misappropriation of trade secrets, unfair competition, intentional interference with prospective business, breach of fiduciary obligation, theft, fraud, RICO, and other similar events, which depended upon the recovery and analysis of current and historic financial, accounting, and operational data. Prior to joining FTI Consulting in 2003, Mr. Alfaro was a Director in KPMG's Forensic Dispute Advisory Services practice for nearly two years. Before that he spent nearly 10 years with Arthur Andersen, where he last served as a Senior Manager in their Economic & Financial Consulting practice. Prior to joining Andersen, Mr. Alfaro was with Bank of America.

Most recently, Mr. Alfaro was retained as the third-party monitor over a consumer finance company to conduct bi-annual reviews of the Company's policies and procedures regarding data integrity for accounts the Company services, collects, or sells. Mr. Alfaro's work includes the identification, validation, and execution of the safeguards that are in place to ensure the accuracy, integrity, and completeness of customer account information—which includes the processes in place to collect and manage such information such as loan boarding and servicing.

Mr. Alfaro was also recently Engaged by the independent Board of Directors of a multi-national company based in the United States to conduct a thorough, company-wide forensic accounting investigation into alleged acts of misconduct perpetrated by certain officers and related parties. The investigation included the consideration of over 6 million documents, 11.4 million accounting and ADP payroll records, and 50 interviews; and concluded with testimony to the Department of Justice, FBI, and the SEC.

Expertise

Bribery & Corruption
Investigations &
Compliance

Employment Litigation

Forensic Accounting &
Investigations

Litigation Support &
Analytical Services

Securities Litigation &
Risk Management

Education

B.S. in Business
Administration,
University of California
at Berkeley

B.A. in Legal Studies,
University of California
at Berkeley

Jean Chow-Callam



Senior Managing Director

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About

Jean Chow-Callam is a Senior Managing Director in the FTI Consulting Forensic and Litigation Consulting practice and is based in Hong Kong. She is serving as Asia Leader – U.S. Regulatory and Anti-bribery. Ms. Chow-Callam is a testifying forensic accountant with over 25 years of professional experience in accounting and financial statement related matters. She specializes in financial investigations and analysis, including with respect to allegations related to the Foreign Corrupt Practices Act (FCPA), corporate internal investigations, securities litigation, fraud / earnings management investigations, embezzlement issues, options backdating issues, accounting process improvements, compliance programs, and other white collar crime investigations resulting from GAAP / SEC reporting violations. Ms. Chow-Callam has deep experience working on behalf of companies under investigation, for counsel to companies, boards, audit committees, and special committees, and for DOJ or court-appointed monitors.

Ms. Chow-Callam is a leader and liaison in the segment's Asia and US practice. She speaks, reads, and writes in business settings in multiple Chinese dialects, including Mandarin / Putonghua, Cantonese, and Shanghaiese. Ms. Chow-Callam has both U.S. and international experience for U.S. based private and public companies, and she has conducted and managed engagements in the U.S., Europe, Latin America, and Asia. Ms. Chow-Callam regularly interprets and analyzes documents and data written in native Chinese, conducts interviews in Chinese dialects, and supervises investigative and forensic accounting teams.

Representative examples of Ms. Chow-Callam's FCPA engagements include: leading an investigation on cash payments to foreign government officials for a NYSE listed company, and assessing the subsequent impact on financial reporting compliance issues under SEC reporting guidelines; reconstructing accounting records from manual system kept by Chinese joint venture to quantify impact of design fees and commissions paid in relation to SOE customers for a Fortune 500 company; assisting a DOJ monitor in conducting a risk assessment and evaluating a medical device company's compliance after FCPA violation; coordinating and training the Internal Audit department of a Fortune 500 company to assess the effectiveness of its FCPA compliance program; and leading other investigations, reviews, and monitorship assignments.

Ms. Chow-Callam's other experience includes: investigating accounting irregularities in inventory for a NASDAQ listed company, leading to restated financial statements to avoid a delisting; collecting and reconstructing applicable operational records to calculate lost profits to U.S. Customs in reference to the "Buy American Act" violation on behalf of a computer distribution company, and preparing the subsequent presentation to the Port Authority for settlement discussions; establishing compliance programs for an international computer company in response to a Department of Defense investigation on whether to debar client company.

Expertise

Financial Investigations
Forensic Litigation
Consulting
Foreign Corrupt
Practices Act (FCPA)

Certifications

Certified Public
Accountant
Certified in Financial
Forensics

Professional Affiliations

American Institute of
Certified Public
Accountants (AICPA)
California Society of
Certified Public
Accountants

Education

B.S. in Accounting /
Business
Administration,
California State
University, Los Angeles

Lindi Jarvis, CPA



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About

Lindi Jarvis is a senior managing director at FTI Consulting and is based in Seattle and New York. Ms. Jarvis specializes in forensic accounting and litigation consulting. She has international experience in a wide range of large-scale financial investigative assignments, monitor support and litigation assistance.

Ms. Jarvis' financial investigative assignments have included hedge fund investigations, forensic accounting investigations, financial reporting investigations, financial fraud investigations and white-collar crime investigations. In addition, Ms. Jarvis has supported government-appointed monitors on several high profile multi-year assignments, subsequent to the conclusion of the original investigation. Ms. Jarvis has worked on behalf of management for companies under investigation by government agencies; for special committee counsel conducting investigations; and for counsel in a post-investigation monitoring or remediation capacity.

Ms. Jarvis has performed numerous investigations in matters involving SEC financial reporting, violations of the US Foreign Corrupt Practices Act (FCPA), the UK Bribery Act and other fraudulent activities. Ms. Jarvis' anti-bribery and anti-corruption experience includes leading financial and forensic accounting investigations on a global basis, including investigating allegations of inappropriate behavior and suspected violations of the FCPA by U.S. Corporations, agents, distributors or foreign operating divisions. In addition, Ms. Jarvis has been involved in assisting a Fortune 50 company to implement an anti-corruption compliance program which incorporated the review of the operations in

specific high risk countries.

Ms. Jarvis' litigation and dispute advisory services experience includes assisting domestic and international clients in commercial disputes involving corporate transactions, working capital adjustments, post-closing balance sheet adjustments and earn out calculations. In addition, Ms. Jarvis has experience with accountant malpractice claims, securities litigation, and damages analyses.

Prior to joining FTI Consulting, Ms. Jarvis spent three years in the financial advisory services practice of Deloitte in the Cayman Islands. While in Cayman, she managed the liquidation of several hedge funds which were liquidated due to fraudulent asset management, as well as assisted with court proceedings necessary to wind down the hedge funds. Ms. Jarvis began her career as an auditor with Deloitte in the Calgary, Canada office.

Ms. Jarvis has taught classes and seminars on various fraud-related topics at New York University. These topics have included; accounting investigations, in-depth anti-bribery and anti-corruption case studies and fraud prevention. In addition, Ms. Jarvis has developed and presented courses at FTI Consulting's national training program. Ms. Jarvis holds a Bachelor of Commerce with Distinction from the University of Alberta, Edmonton, Canada. She is a Certified Public Accountant, a Chartered Professional Accountant (Canada), and a Chartered Financial Analyst charterholder. Ms. Jarvis is also an executive board member of the Association of Chartered Accountants in the United States.

Certifications

Chartered Professional Accountant, Canada
Chartered Financial Analyst charterholder
Certified Public Accountant
Certified in Financial Forensics

Professional Affiliations

CPA Canada
American Institute of Certified Public Accountants
CFA Institute
Association of Chartered Accountants in the United States

Education

B.S., Commerce,
University of Alberta

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About

Katie Donnelly is a Director at FTI Consulting and is based in Washington DC. Since coming to FTI in 2008, Ms. Donnelly has focused on regulatory investigations such as Ponzi schemes and other types of fraud including market manipulation. Most recently, she has been applying these skills to activism/M&A defense engagements including Perrigo's defense against Mylan and the investigative findings featured in the Wall Street Journal related to uncovering that Mylan's Lead "Independent" Director violated NASDAQ and SEC rules warranting that designation. She has also worked on engagements providing listing advisory services to assist companies in regaining compliance from leading equity exchanges. Her listing advisory work has also includes in depth analyses on the benefits and drawbacks of reverse stock splits as well as assisting in the drafting of a comment letter to the NYSE related to rule changes. Additionally, Ms. Donnelly has performed research, review of testimony and data analytics necessary for an expert report related to hedge funds.

Ms. Donnelly has significant experience in the financial services industry related to fraudulent behavior, funds tracing, trading strategies and processes. She was a key member of the global FTI Consulting team providing investigative and litigation support to the Trustee for Bernard L. Madoff Investment Securities. Throughout this engagement, Ms. Donnelly focused on developing fact patterns to provide detailed analysis and descriptions of key

information to provide the trustee and his team a deep understanding of the intricate details involved and to support the related investigations, lawsuits and potential settlement discussions.

Additionally, Ms. Donnelly served as a project manager in several engagements on behalf of the United States Department of Defense. In these engagements, Ms. Donnelly was responsible for managing the day-to-day activities of the overall projects, including several outside subject matter experts. Her roles included the creation of work plans, ensuring project efficiency, conducting interviews, coordinating and presenting results, participating in briefings to DoD officials and managing the production of the final reports.

Ms. Donnelly also had a leadership role in a project for Bank of America Merrill Lynch in connection with an ongoing regulatory inquiry from FINRA and the CBOE into derivative trading reporting and system evaluation and testing. Prior to working with FTI, Ms. Donnelly gained experience in consulting, finance, and law through several internships.

Ms. Donnelly graduated from Bates College with a B.S. in mathematics and a minor in economics. She also spent the fall semester of her junior year abroad at the University of Melbourne in Australia where she continued her study of mathematics.

Certifications

Certified Fraud Examiner

Education

B.S. in Mathematics,
minor in Economics
Bates College

Unified Team

Extensive forensic accounting expertise

Significant experience handling many of the largest & most complex litigations & investigations

Award-winning eDiscovery tools

Leading global team focused on managing structured & unstructured data

Leading provider of compliance remediation services

Experienced team supports clients in complying with settlements of regulatory & criminal proceedings

Proven credibility

FTI and its professionals have a proven track record with over fifteen high-profile monitorships over the last decade

Deep consumer products and retail expertise

Extensive experience at various major retail corporations and with direct selling

A unified team with integrated tools uniquely suited to support Senator Lieberman as the Herbalife ICA.

Proven Track Record:

Poker Stars

Lead Independent Monitor

starwood

Hotels and Resorts

versus



One of Two Independent Monitors



Liquidation Trustee of Bernard L. Madoff Investment Securities LLC

FTI Retail And Consumer Products Practice

Brings An Unparalleled Depth And Breadth Of Cross-functional Experience

- Our retail and consumer practice has vast experience helping companies and their stakeholders at every stage of the corporate life cycle to prosper in the midst of market or internal changes.
- We have been engaged by many of the world's leading retail and consumer companies to provide a wide range of services.

Our Team's Retail and Consumer Products Engagements

Specialty Retail



Consumer Products



Apparel



Grocery and Food Stores



Restaurants and Pubs



Education



- FTI's Ringtail document review platform and its custom workflows are uniquely suited to manage important documents.
- How FTI Technology is different than most eDiscovery providers:
 - Our experience in a similar matter has made us intimately familiar with the key issues
 - We focus on the details of execution – “getting-it-done” – while planning strategically to minimize the overall interruption to the business.
- FTI's Ringtail platform is highly scalable and customizable. Both the FTI team and the KBTF team can share information in a central repository with one another and with the FTC and Herbalife, but also has the ability to organize and segregate information applicable to only a specific subject or work stream.
- Our style is to meld seamlessly with IT, in-house and outside counsel to provide strategic advice and planning around eDiscovery and also executional excellence in delivering discovery services.



FTI Experience – Data Analytics and Technology


- FTI specializes in delivering strategic business solutions where in-depth analysis of large, disparate sets of financial, operational and transactional data are required. This capability allows more to be done in less time, with greater consistency, reducing or eliminating the need for samples and partial analyses.

- Our core strength is in our ability to:
 - Target and retrieve relevant data throughout disparate corporate infrastructures and convert that information into workable databases to solve problems and maximize opportunities

 - Minimize intrusiveness into the corporate IT world through special-purpose data warehouses and deep experience in every major enterprise system (Oracle’s Core Financials, SAP, JD Edwards, Great Plains, PeopleSoft, etc.)

 - Leverage knowledge of corporate IT infrastructure

 - Serve as the “bridge” between IT and other stakeholders



Experience with Enterprise Resource Planning and Financial Systems

- Our specific services include:
 - Identifying, acquiring and normalizing sales data
 - Identifying the relationships between multiple sources and data points including categorization of sales for multi-level competition based upon participant type
 - Designing and implementing appropriate tests and triggers to identify suspected transactions

- Providing a platform for the review and investigation of these transactions among interested parties

- This data-intensive analysis serves as the foundation for the identification, investigation and mitigation of potential issues

- If issues are identified, the team supplies the analysis necessary to effectively and efficiently address and correct them

Data Analytics and Technology – How We Do It

Representative Technical Experience

Operating Systems
AS400, iOS, MacOS, Linux, Unix, and Windows

Database applications and architectures
SQL Server, MS Access, MySQL, DB2, NoSQL, Oracle, Essbase, Sybase, Hadoop / Cloudera, SPSS, and Tableau

ERP/Accounting Systems
Oracle Core Financials, SAP, JD Edwards, QuickBooks, Sage, PeopleSoft, Great Plains, Dynamics / Navision, and Agresso

Programming / Development Languages
C/C++, VB/VBA, APEX, Java, Java Script, XML, jQuery, AJAX, JSON, Perl, PHP, HTML, and XBRL

Data Operating Environments
Local, FTI data center, and cloud (AWS)

- Coupling IT infrastructure knowledge with business, legal and regulatory experience in the context of litigation, investigation, and performance improvement
- Extraction, transformation, and loading (ETL) of financial, operational and transactional data sets – without limitation in regards to volume, disparity, or complexity
- Analytical leadership and project management with record sets in the billions
- Visualization (real-time and otherwise) of analytical results and progress
- Querying / ETL for trading platforms, legacy mainframe systems, bespoke databases, off-the shelf ERP systems, accounting systems, and internet data sources
- Application development for data management and litigation/investigation workflow controls (reporting / dash boarding, automation, escalation)
- Administration of compliance / due diligence / risk assessment systems

FTI Prior Experience



Public and Notable Monitorship Experience

FTI and its professionals have worked on over fifteen monitorships in the last decade including the following...





*Only includes monitorships in the public domain.






FTI Prior Experience

Service/Location	Experience
<p>Monitoring</p> <p>Global</p> <p>Leading Italian bank</p>	<p>Pursuant to its settlement agreement with a U.S. financial services regulator, a leading Italian bank engaged FTI to act as the designated Independent Consultant with responsibility for ensuring that the terms of the settlement were met. FTI is conducting a forensic transaction review of U.S.-related payments processed by the bank over a two-year period, and evaluating the bank’s AML/BSA and OFAC compliance program. To carry out the transaction review, FTI organized a multi-disciplinary team of professionals with expertise in banking, accounting, investigations, and technology. In the initial phase of the transaction review, FTI dispatched “data extraction” teams to the bank’s various branches and subsidiaries. These teams extracted data from bank servers, back-up systems, and archives in 10 countries around the world. While onsite, the extraction teams documented data preservation and back-up procedures and conducted tests on the completeness and integrity of the data. Following the data extraction phase, FTI established a secure standalone environment to compile and filter the data for further review. Concurrently, FTI developed a bespoke web-based transaction review tool capable of running complex queries on the database of transactions. We expect the transaction review to last through 2015.</p> <p>For the compliance review portion of the engagement, FTI met with key employees of the bank to gain an understanding of its BSA/AML and OFAC compliance program. FTI has begun reviewing a voluminous collection of documents sent by the bank in response to a formal Request for Information on their compliance policies and procedures. The compliance review is also expected to continue through 2015.</p>
<p>Monitoring</p> <p>Global</p> <p>Global bank</p>	<p>Pursuant to its settlement agreement with a U.S. financial services regulator, FTI was engaged to act as the monitor for a global bank with responsibility for ensuring that the terms of the settlement were met. FTI reviewed, analyzed, monitored, and reported to the regulator on matters related to the global BSA/AML and OFAC compliance programs, including transaction monitoring. To carry out the transaction review, FTI organized a multi-disciplinary team of professionals with expertise in banking, accounting, investigations, and technology. The engagement includes; the adequacy, comprehensiveness, and effectiveness of the compliance program and internal controls; the organizational structure, management oversight, and reporting lines; review and resting of past transactions and investigations of possible violations of laws or regulations.</p>




FTI Prior Experience, cont.

Service/Location	Experience
<p>Monitoring</p> <p>Global</p> 	<p>FTI was engaged to serve as a 2-year Independent Compliance Consultant to JGC Corp. pursuant to a deferred prosecution agreement between the company and the DOJ. Our work included a review of the company's compliance policies and procedures, risk assessment and internal control operations and monitoring protocols. As part of the assignment, we conducted interviews of management and other employees to assess risks and evaluate the company's policies, procedures and internal controls designed to mitigate those risks. FTI's observations and conclusions were presented to both the company and DOJ.</p>
<p>Monitoring</p> <p>Global</p> 	<p>U.S. prosecutors in the Southern District of New York indicted an owner of PokerStars, one of the largest online websites for playing poker, and also brought a civil suit to seize its domain name, effectively putting it out of business. Subsequently, PokerStars reached an agreement with the government that allowed it to reopen around the world on the condition that PokerStars block players from the United States from accessing the site to play for real money. FTI was selected to monitor PokerStars' compliance with the agreement. FTI's multidisciplinary team comprised of former prosecutors, investigators, technology experts, financial and enterprise data analytics experts and forensic accountants traveled to PokerStars' headquarters in the Isle of Man and analyzed all of PokerStars' systems, policies, monitoring tools and protocols to measure its compliance with its agreement.</p>
<p>Monitoring</p> <p>United States</p> 	<p>FTI was selected to serve as the monitor of Aggregate Industries Northeast Region, Inc. and Aggregate Industries Management, Inc. Aggregate Industries is one of the largest producers of aggregate, asphalt and ready-mixed concrete in New England and settled allegations that the company had supplied out of specification concrete to the "Big Dig" project in Boston, MA. Under the agreement finalized by the U.S. attorney, the Massachusetts attorney general and the U.S. Department of Transportation, Aggregate Industries paid a \$50 million fine and was put on probation overseen by the monitor.</p>

FTI Prior Experience, cont.

Service/Location	Experience
<p>Monitoring</p> <p>Global</p> 	<p>FTI is currently supporting the monitor of an international manufacturer and direct selling company of Avon Products. The first phase of this engagement has involved FTI evaluating the corruption risk in the company's international locations and performing testing of high risk transactions on site in four locations. These transactions included employee expenses, cash advances, free merchandise and higher risk direct payments to vendors and other third parties. FTI is also assisting the monitor with preparation of the report to the Department of Justice which will include recommendations on changes to policies & procedures, training and communications.</p>
<p>Monitoring</p> <p>Global</p> 	<p>FTI supported Baker Hughes FCPA Monitor in 3-year, multi-country review of corporate compliance policies, procedures and internal controls, including advising the Monitors on the effectiveness of internal controls, record keeping and finance policies and procedures on anti-corruption compliance and making recommendations to the Monitor on ways to close identified gaps. FTI evaluated the corruption risk in various jurisdictions and performed testing in high risk areas including: payments to agents and government-facing business consultants, as well as freight, contributions and tax payments. We also evaluated the effectiveness of training protocols on implementation of new policies and procedures, and ultimately the compliance monitoring systems designed to detect problematic payments or gaps that may have been developing in the internal controls on a timely basis. FTI's combined work in these matters was conducted on operations in over 30 countries around the world.</p>
<p>Monitoring</p> <p>Global</p> 	<p>FTI supported the monitor for York International Corp. under the terms of a 3-year DPA relating to FCPA matters arising from violations of the U.N. Oil-for Food Program.</p>

FTI Prior Experience, cont.

Service/Location	Experience
<p>Monitoring</p> <p>United States</p>  	<p>FTI was retained by the independent monitor for Mellon Bank, N.A. selected by the Western District of Pennsylvania. As part of the Independent Monitor's team, FTI was responsible for oversight of the Bank's compliance with the terms and conditions of a settlement agreement, conducting annual assessments of that compliance, and providing detailed written reports to the U.S. Attorney. The monitoring included an examination of enhancements instituted by Mellon to its compliance and ethics program, code of business conduct and ethics training curriculum. In addition to assessing Mellon's centralized compliance and ethics function, FTI assisted in monitoring the Bank's internal compliance monitoring and audit process to ensure that these review functions were sufficiently robust and independent in their evaluation of business practices. This included an analysis of Mellon's case management system for ethics and compliance matters, trend assessment and escalation process for investigation and personnel action.</p> <p>FTI was selected by the U.S. Attorney's Office for the Southern and Eastern Districts of New York in 2006 to support the Independent Examiner of The Bank of New York, the law firm of Baker & Hostetler LLP, pursuant to the terms of a non-prosecution agreement reached between the Bank of New York and the U.S. Attorney's Offices. As part of the Independent Examiner's team, FTI was responsible for monitoring and reporting to the U.S. Attorney's Offices, the Federal Reserve Bank of New York, the New York State Banking Department and the Bank of New York on the state of the Bank of New York's suspicious activity reporting practices and anti-money laundering procedures.</p> <p>Please note: The Bank of New York and Mellon Bank merged on July 2, 2007 to form The Bank of New York Mellon Corporation (NYSE: BK). Our work at the bank was performed under the terms of the two settlement agreements noted below.</p>
<p>Monitoring</p> <p>United States</p> 	<p>FTI professionals were retained by the Independent Monitor of Adecco, a Fortune 100 company, to respond to SEC and other government/regulatory agency inquiries into the adequacy of internal controls and related financial accounting issues. FTI assisted and advised the independent monitor and counsel by fielding a multidisciplinary team of financial auditors and investigators, SEC advisors and computer forensic specialists.</p>

Relevant Case Study: ZeekRewards



Over 930,000 participants across the world invested over \$900 million

Situation

- ZeekRewards.com (“Zeek”), run by the Rex Venture Group (“RVG”), was a multi-level marketing business that ran a penny auction website and incentivized participants to give away “Sample” or “VIP” bids to attract new customers to its site. Program participants, deemed affiliates, would earn “VIP” points by giving away these sample bids. Each night the company would share a percentage of its daily profits with affiliates; the higher the VIP point balance, the higher the cash award.
- In August 2012, the Securities and Exchange Commission (SEC) shut down Zeek. The SEC initiated an emergency asset freeze to halt the alleged Zeek Ponzi scheme and placed a court appointed Receiver in charge of resolving debts owed. The SEC complaint stated that affiliates of the scheme could earn money by purchasing unregistered securities in the form of VIP bids.
- Zeek had no available books and records or dependable data to identify the participants in the program. The only available information associated with how the program worked was contained in three SQL databases. All told, the databases were comprised of 1.6B records that represented 628GB worth of data.

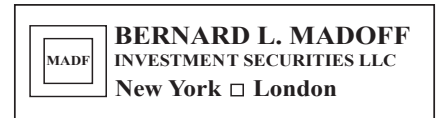
FTI Consulting Role

- Recreated the Zeek program using SQL database records to identify net winner and net loser lists.
- Built previously non-existent books and records from a combination of database records, bank statements and payment processor records.
- Performed asset tracing resulting in the identification of \$10s of millions in offshore funds not previously identified.
- Determined accurate payments received by Zeek participants in 2011 and 2012 to issue 1099s.
- Assisted in the development of an online claims portal to allow Zeek participants to assert claims for funds lost in the scheme (online portal maintained by Garden City Group).
- Developed automated claims reconciliation tool to allow for efficient claims validation (discussed on the following pages).
- Compiled quarterly check distributions and re-issuances (for checks returned or lost) to claimants and will continue to do so until all funds have been distributed.
- Authored an expert report citing evidence that Zeek operated as a Ponzi scheme that is used as the backbone of the US net winner clawback action as well as numerous foreign clawback actions.

Outcome

- Since being engaged on the case in September of 2012, FTI's work on Zeek has led to over \$361M in assets marshalled while \$250M in checks have been issued to Zeek participants that lost money in the scheme.
- Currently claimants with valid claims are eligible to receive 60% of the funds that they lost in the program; however, it is likely that the final distribution will bring their recovery close to 70% of their funds lost.
- FTI continues to assist the Receiver with various clawback actions, ad hoc support, and check distributions and will continue to do so until the remaining funds are distributed.

Relevant Case Study: Liquidation Trustee of Bernard L. Madoff Investment Securities



\$17.5 billion in principal lost by investors

Situation

- For decades, Bernard Madoff bilked investors of billions.
- A few days after Bernard L. Madoff was arrested by federal agents in mid-December 2008 and was charged with running a multibillion dollar Ponzi scheme, Irving H. Picard was appointed as Trustee under the Securities Investor Protection Act to liquidate Bernard L. Madoff Investment Securities (BLMIS) and recover the proceeds of the fraud.
- The Trustee and his counsel, BakerHostetler, engaged FTI Consulting to investigate the financial affairs of BLMIS and to identify and analyze the massive amount of BLMIS documents and data the Trustee would need as evidence to initiate legal actions and recover funds for the victims of the fraud.

FTI Consulting Role

- FTI Consulting quickly assembled a team of more than 100 professionals from offices across the globe representing a cross section of disciplines, including forensic accounting, technology and data analytics, global investigations, econometrics analysis, trial support services and e-discovery expertise.
- Operating initially from the former BLMIS offices in Manhattan's iconic Lipstick Building, the FTI Consulting team encountered formidable challenges. The Trustee faced deadlines for filing the necessary legal actions and intense pressure in the "court of public opinion" to provide immediate answers to victims and account holders. The BLMIS records were recovered from numerous computer systems, network servers and hard drives, thousands of backup tapes and microfilm reels, and tens of thousands of boxes of paper stored in multiple domestic and international locations. The beneficial ownership of many accounts was masked by trusts, offshore companies or family-like relationships, all requiring the assembly of an intricate matrix to determine which investors were actual victims of the fraud rather than its facilitators or beneficiaries. Ultimately, there still remained the question of how much money had been stolen.
- The complexity of the engagement required FTI Consulting to work simultaneously on many fronts: investigating the financial sleight of hand employed in perpetrating the Ponzi scheme, reconstructing BLMIS' books and records as far back as records would allow, determining the amounts deposited and withdrawn from thousands of customer accounts, researching the background of BLMIS account holders, assisting in the discovery and management of evidence, systematically analyzing hundreds of millions of transactions to identify unusual patterns of activity, and supporting the Trustee and his team by identifying evidence and other indications of fraud relevant to the numerous recovery initiatives being pursued. This all was done within the context of simultaneous criminal and regulatory investigations and without assistance from key BLMIS participants, all of whom were either in prison or under indictment.
- FTI Consulting's multidisciplinary global collaboration provided a depth of experience and breadth of relevant skills that were critical to the Trustee's ability to trace assets and file legal proceedings in multiple domestic and international jurisdictions for the ultimate benefit of the victims. FTI Consulting continues to assist the Trustee and his counsel with ongoing case analysis, litigation support, expert witness testimony, settlement discussions, complaint amendments and trial preparations.

As of August 2016, FTI Consulting has assisted the Trustee in filing more than 1,000 lawsuits resulting in the recovery of over \$8.8 billion. When combined with approximately \$2.17 billion in other recoveries by the Trustee, a total of more than \$11.2 billion has been recovered for the victims – a sum representing over 50 percent of the \$17.5 billion in principal lost by investors in the Madoff Ponzi scheme. Both in dollars and in the percentage of stolen assets recovered, this amount greatly exceeds any previous recovery in any other Ponzi scheme.

Relevant Case Study: Activism Defense / Allergan

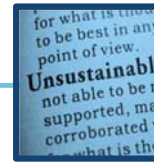
FTI Consulting's research and background investigations into Bill Ackman's Pershing Square and portfolio company, Valeant Pharmaceuticals, enabled Allergan to successfully defend itself against the aggressors' tactics.



Identified that Valeant's "double-digit" sales growth came from **excluding discontinued products and those with declining sales from its calculation**



Found Valeant likely **reorganized its reporting segments** for three consecutive years to conceal that **key products had declining sales volumes and that its 1,400+ development products did not produce meaningful revenue**



Found that Valeant's **unsustainable price increases – not growing unit sales volume** – were the revenue driver of key products



Found that Valeant used **inflated metrics** to support claims of successful acquisition history, when facts indicated otherwise



Identified that Valeant **senior management contradicted itself in public disclosures** on the profitability calculation associated with one of its top-selling products

FTI Proposed Activities



FTI Proposed Activities

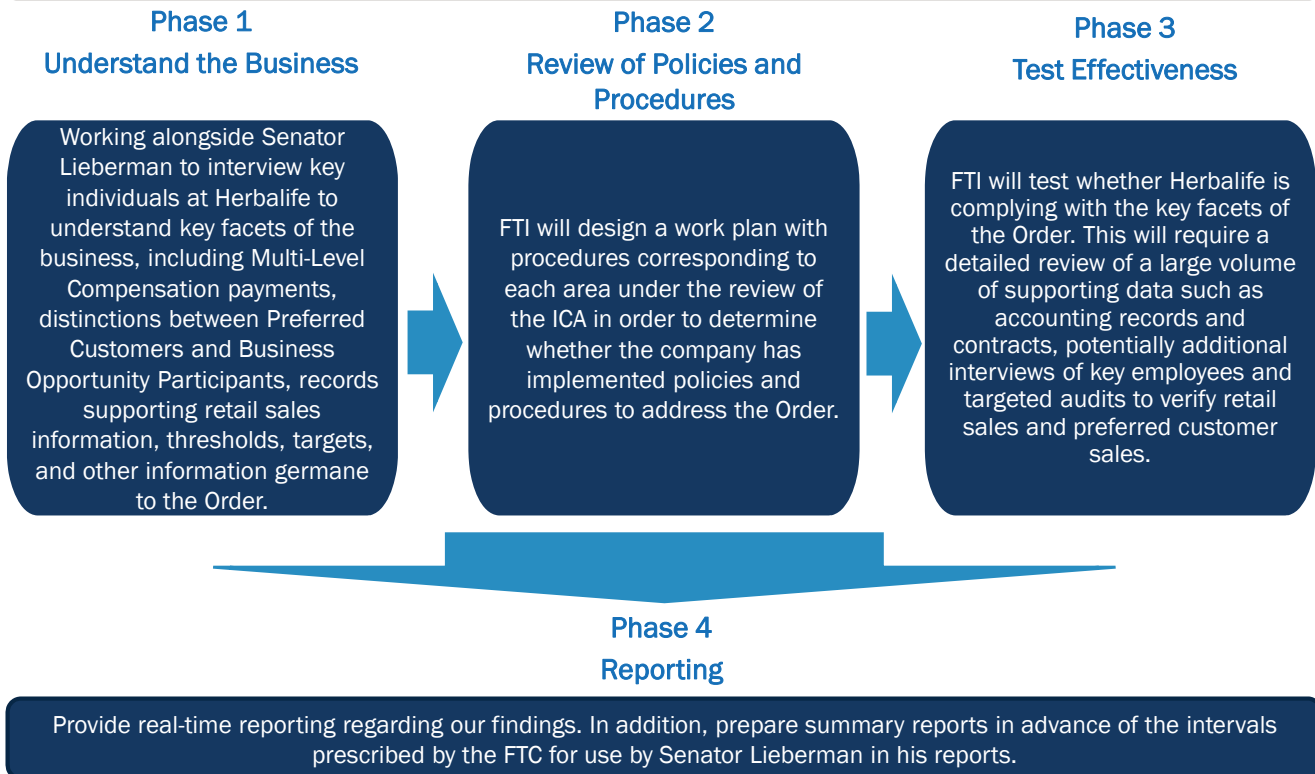
We have three paramount goals in every monitorship assignment: 1) effectiveness, 2) efficiency and 3) economy. The following are FTI Consulting's "rules of the road" in supporting monitors.

- A successful monitorship results primarily from the depth of experience and resources of the monitoring team.
- Our work plan and recommendations are designed to promote a successful outcome while maintaining our independence.
- Cooperation and transparency in monitoring activities facilitate a successful process.
- We will work within the scope of our responsibilities as set forth in the governing agreement and not engage in "scope creep."
- We will use the resources within our firm to facilitate effective oversight and accountability; we will not subcontract our responsibilities to third parties.
- We will deploy our talent and technology in a manner designed to achieve effectiveness, control costs and minimize disruption to the enterprise.

FTI Proposed Activities – Initial Phased Assessment

While engaging in discussions with Herbalife will dictate a customized approach, the approach outlined below is based on our experience in past monitoring engagements and serves as a guide.

Objective: To assess whether Herbalife is complying with the terms and conditions as set forth in the FTC order.



Potential Conflicts of Interest or Bias



Potential Conflicts of Interest or Bias

- Senator Lieberman, KBTF, and FTI have no potential or perceived conflict of interest or bias issues.
- If Senator Lieberman, KBTF, and FTI become aware of any potential or perceived conflict of interest or bias, they will disclose them immediately.

Estimated Costs





Contact Information



Contact Information

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