

K. Luke Houston

Mr. Houston is a Manager at Rocky Mountain Advisory. Prior to joining Rocky Mountain Advisory, he worked for approximately four years in public accounting providing audit and tax services. His current experience includes bankruptcy and restructuring, forensic accounting and investigations, dispute analysis and receiverships, business workout and turnaround, business valuation, and other litigation services. Mr. Houston is a Certified Public Accountant/ Accredited in Business Valuation/ Certified in Financial Forensics, a Certified Fraud Examiner, and a Certified Insolvency and Restructuring Advisor.



Employment History

March 2012 to Present	Rocky Mountain Advisory Salt Lake City, Utah Forensic Services
February 2010 to February 2012	Robison, Hill & Company Salt Lake City, Utah Audit/Tax/Forensic Services
May 2008 to November 2009	Hinton Burdick CPAs & Advisors St. George, Utah Audit/Tax

Education

Southern Utah University, Cedar City, Utah
Master of Accountancy, 2008

Utah Valley University, Orem, Utah
BS Accounting, 2006

Professional Credentials

Certified Public Accountant – Licensed in Utah
Accredited in Business Valuation
Certified in Financial Forensics
Certified Fraud Examiner
Certified Insolvency and Restructuring Advisor

Professional Memberships

American Institute of Certified Public Accountants
Utah Association of Certified Public Accountants
American Institute of Certified Public Accountants – Forensic and Valuation Services
Association of Certified Fraud Examiners
Association of Insolvency & Restructuring Advisors

Publications

"Performing Business Valuations for Companies with Financial Difficulties," Valuation Strategies, July/August 2014.

Instructor

"An Introduction to Business Valuation," Utah Association of Certified Public Accountants Business Valuation Conference, November 2014.

Professional Experience

Bankruptcy and Restructuring

Assisted Chief Restructuring Officer of a software company with the investigation of derivative lawsuit claims, prepared liquidation analysis, and provided tax preparation services.

Compiled and analyzed the financial data of hundreds of taxable entities and adjusted various asset and liability amounts to fair value in order to determine the solvency of a real estate investment company. Assisted in analyzing data in order to assess whether or not the company had Ponzi scheme characteristics. Assisted in the preparation of an expert report and supporting exhibits of the same.

Assisted the Chief Restructuring Officer in successfully negotiating with creditors and liquidating a major national car rental franchise. Analyzed accounting records and assisted in preparing cash budgets during the wind-down period. Assisted in the analysis of inventoried vehicles and worked directly with creditors thereof. Assisted the company's counsel with various requests.

Prepared and reviewed federal and state tax returns and related disclosures of numerous bankrupt individuals, partnerships, and corporations, including multinational entities. Performed tax research related to complex tax matters. Corresponded with the Internal Revenue Service on behalf bankruptcy trustees.

Prepared and analyzed cash transactions in order to find fraudulent conveyances and fraudulent transfers. Analyzed debtor records and provided accounting guidance for bankruptcy trustees.

Assisted various bankruptcy trustees in valuing certain assets for liquidation, in the administration and liquidation of estate assets, and in verifying and settling various bankruptcy claims.

Forensic Accounting and Investigations

Assisted in evaluating overcharges to investors of a major sports team. Analyzed and quantified overcharges with the cooperation of other experts. Researched and concluded upon related-party matters. Assisted in the preparation of an expert report and supporting exhibits of the same.

Assisted in the investigation of multiple individual's post-death estates. Reviewed and analyzed various cash transactions for signs of misconduct, embezzlement, and improper transfers of estate assets. Assisted in the

preparation of a declaration and supporting exhibits of the same.

Assisted in the investigation of a contractors supply company. Reviewed and analyzed company transactions for signs of misconduct and embezzlement.

Assisted in the investigation of an alleged Ponzi scheme of a bottling company. Assembled and analyzed cash receipts and cash disbursement activity to determine the pervasiveness of fraudulent transactions.

Investigated assets and liabilities, and prepared financial summaries for various divorce proceedings.

***Dispute Analysis
and Receiverships***

Assisted in analyzing and rebutting calculation of lost profits related to an alleged breach of contract in the banking industry. Compiled and analyzed numerous audit work papers for the purpose of evaluating internal controls. Researched and analyzed various industry data related to financial assumptions. Assisted in the preparation of expert reports and supporting exhibits of the same.

Assisted in analyzing and rebutting calculation of lost profits related to an alleged misappropriation of trade secrets, trade dress infringement, trade dress dilution, and use of false advertising in the bakery industry. Researched, analyzed, and rebutted various financial assumptions. Assisted in the preparation of expert reports and supporting exhibits of the same.

Compiled and analyzed the financial data of hundreds of taxable entities and adjusted various asset and liability amounts to fair value in order to determine the solvency of a real estate investment company. Assisted in the preparation of a declaration and supporting exhibits supporting the same.

Assisted in analyzing and rebutting calculation of lost profits related to an alleged breach of contract in the shipping industry. Researched and implemented statistically based methods of calculating incremental costs. Researched and analyzed various financial assumptions. Assisted in the preparation of expert reports and supporting exhibits of the same.

Assisted the receiver of a payday loan company in receivership. The receiver was appointed due to Ponzi scheme allegations of involving investor claims of more than \$50 million. Traced and analyzed cash transactions using complex databases. Assisted in reviewing and verifying hundreds of investor claims. Calculated distributions to be made to investors. Maintained the receivership's website. Assisted in analyzing financial data in order to assess Ponzi scheme characteristics.

Assisted in the calculation of damages of an emergency response company. Analyzed company information and market data. Prepared documentation supporting expert opinions.

Analyzed expert reports and researched economic and industry data in order to assess the value of lost kickbacks owed from the sale of a mortgage company in dispute. Assisted in drafting an expert report to be used in

rebuttal.

Prepared and reviewed numerous receivership tax returns and related disclosures.

***Business Workout
and Turnaround***

Performed an analysis of a pre-bankrupt property management company. Determined the company's financial ability to pay compensatory and punitive damages awarded in judgment. Assisted in preparing declaration testimony of the same.

Assisted financial institutions in assessing certain loans by working one on one with lenders. Analyzed cash inflows and outflows, capital structuring, and review of collateral.

Examined financial data and prepared an analysis related to Troubled Debt Restructuring in order to help support expert opinions on financial statement fraud.

Assisted in the calculation of damages of a credit card company. Assistance included calculating precise present value calculations which altered the over-all damage calculation by tens of millions of dollars.

Assisted in the calculation of damages of a distributor by researching the filings of small reporting companies that were highly correlated benchmarks for our analysis.

Business Valuation

Assisted in the valuation of a registered investment advisor company. Valued the company using income approach, including the consideration of various normalization adjustments. Assisted in the preparation of the valuation report.

Assisted in the valuation of an essential oils company. Valued the company using income approach. Assisted in the preparation of the valuation report.

Assisted in the valuation of pre-revenue health and wellness company stock. Also assisted in the valuation of the health and wellness company's intangible assets. Researched and analyzed market data. Assisted in the preparation of the valuation report and supporting exhibits of the same.

Assisted in the valuation of a furniture company. Researched and analyzed various restricted stock studies and pre-initial public offering studies. Assessed qualitative factors and calculated the discount of lack of marketability.

Assisted in the valuation of an educational institution by reviewing economic data and incorporating the data into the valuation report. Assisted in analyzing management's financial statements and making normalization adjustments.

Assisted in the valuation of another educational institution by analyzing how proposed transactions relating to capital structure will affect the valuation,

and analyzed the institutions ability to execute said transactions.

Assisted in the valuation of a software company. Analyzed and concluded upon discount rates used to calculate discounted cash flows. Reviewed and analyzed guideline public companies. Assisted in the preparation of the valuation report and supporting exhibits.

Assisted in the valuation of a pre-revenue energy company. Valued the company's intangible assets such as patents by applying the cost approach. Researched and analyzed market data. Analyzed prior company transactions used to conclude upon a value using the market approach. Assisted in the preparation of the valuation report and supporting exhibits.

Other Audit -

Performed walkthroughs of various transactional types to identify internal control weaknesses. Made recommendations to strengthen internal controls and presented findings to management.

Examined journals, ledgers, and numerous analyses including variance reports, inter-company accounts, and aging reports in order to help determine the propriety of accounts.

Performed audits of governments, not-for-profits, employee benefit plans and small reporting companies.

Performed various analysis and testing related to fair value measurements for reporting purposes.

Other Tax –

Established quality relationships with clients and worked closely to examine pertinent facts and circumstances in order to recognize important tax implications. Performed tax research resulting in saving clients tens of thousands of dollars in tax liability.

Prepared tax returns for individuals, partnerships, corporations, benefit plans, estates and trusts.

References

Available upon request

Contact K. Luke Houston at:

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