

David N. Bateman, CPA/ABV/CFF, CFE

Mr. Bateman is a managing member with Rocky Mountain Advisory, LLC, and has nineteen years of experience in public accounting. He has worked primarily in litigation support and fraud investigations. He has also acted as a Special Master and as the accountant to receivers on numerous matters. Mr. Bateman has testified as to indicia of Ponzi schemes including insolvency, commingling of investor funds, treatment of related entities as a unitary enterprise (alter ego), and other financial characteristics of fraud. He has testified in State, Federal and Bankruptcy court in both civil and criminal proceedings. Mr. Bateman is a Certified Public Accountant, has been accredited in Business Valuation and Certified in Financial Forensics by the American Institute of Certified Public Accountants and is a Certified Fraud Examiner.



Employment History

March 2010 to Present	Rocky Mountain Advisory Salt Lake City, Utah Managing Member
November 1998-March 2010	PricewaterhouseCoopers LLP Salt Lake City, Utah Manager, Dispute Analysis & Investigation
November 1995 - November 1998	First Security Bank, N.A. Salt Lake City, Utah Commercial Loan Workout Department

Education

University of Utah, Salt Lake City, Utah
Master of Professional Accountancy, 1999

University of Utah, Salt Lake City, Utah
BS Accounting, 1998

Professional Credentials

Certified Public Accountant/Accredited in Business Valuation/Certified in Financial Forensics – Licensed in Utah
Certified Fraud Examiner

Description of Cases

Investigations / Receiverships

Investigated numerous whistleblower claims at a national laboratory over the course of several months. Nature of claims varied from contractor improprieties to expense report fraud. Conducted over 20 interviews and drafted reports of findings in each case. Also set up a database system for the laboratory to track whistleblower claims.

Investigated and quantified an employee embezzlement scheme in which more than \$4,000,000 had been taken as kickbacks and other inappropriate fees and an additional \$10,000,000 lost due to a breach of fiduciary duty. Prepared affidavit detailing the mechanics of the scheme.

Conducted international investigations in coordination with the internal audit department of a high tech company based in the Bay Area.

Acted as accountant to a receiver in tracing over \$100,000,000 in investor funds in an alleged Ponzi scheme. Testified as to indicia of Ponzi scheme, including the treatment of the over 250 entities used in the scheme as alter egos of the perpetrator's main investment company.

Acted as accountant to a receiver in tracing over \$30,000,000 in investor funds in an alleged Ponzi scheme. Testified as to indicia of a Ponzi scheme, including the treatment of dozens of entities used in the scheme as alter egos of the defendant entities named in the SEC complaint. Also testified as to cash tracing in a claw back matter.

Acted as accountant to a receiver in tracing over \$25,000,000 in investor funds in an alleged Ponzi scheme. Prepared an expert report detailing fraudulent transfers in order to recover funds for investors.

Acted as accountant to a receiver in operating a power production facility. Prepared financial projections and assisted in preparing company for sale.

Assisted with an administrative audit related to allegations of fraud and embezzlement at various businesses operated by a Native American tribe.

Investigated in coordination with client's internal audit, claims made at a division of a non-public company. Interviewed individuals including the CEO, CFO, and general counsel. Prepared report summarizing all findings and recommendations and assisted in presenting findings to management.

Assisted with an accounting analysis for a publicly traded company to verify internal calculations of under accruals in preparation for filing the company's 10-K. Assisted in presenting findings to the company's audit committee.

Assisted with investigation into vendor gratuity issues at a publicly traded client.

Performed investigation into travel and entertainment reimbursement improprieties at a publicly traded client. Investigation uncovered duplicate payments for expenses and systematic abuse of corporate policy by the Chairman of the Board, CEO and CFO.

Calculated damages related to overbilling by a contractor through analysis of contracts, invoices and over 1,000,000 related transactions.

Led an investigation into embezzlement the controller of a hotel. Uncovered thefts amounting to 10% of the company's annual revenue.

Worked on three separate cases involving losses related to the ATM industry. Traced the flow of funds in excess of \$400,000,000 to determine losses of approximately \$4,000,000.

Assisted on investigations of embezzled funds totaling over \$1,000,000 for a mortgage company owned by a large regional bank.

Assisted in the investigation of an intentional misstatement of revenue by the CEO of a publicly traded company resulting in a restatement of the company's 10-K and the dismissal of the CEO.

Assisted the SEC and a Receiver with a cash tracing investigation related to an off-shore investment company.

Litigation

Testified in an arbitration as to the lost profits related to a misappropriation of a trade secret, fraud and breach of fiduciary duty.

Assisted with litigation filed by the SEC against a public company related to revenue recognition and inadequate financial disclosures.

Rebutted a lost profits calculation relating to a breach of contract claim in a retail industry and deposition testimony regarding same.

Calculation of appropriate fees charged to developers by municipalities for impact fees.

Testified in a criminal tax matter as to the estimated taxable income of the defendants over a period of four years.

Testified in a civil matter regarding calculations of amounts due to owners in a partnership dissolution.

Assisted in arbitrating a purchase price dispute by reviewing position papers prepared by each party and performing independent analysis to determine a final position.

Assisted with both an affirmative and defensive case regarding a \$15,000,000 construction delay claim.

Assisted in personal financial analysis relating to the defense of two individuals accused of bribery.

Assisted in data analysis and report preparation for arbitration relating to a dispute with claims totaling over \$18,000,000 between partners in a joint venture.

Analyzed records of six interrelated real estate development companies and verified the relationship of expenses incurred to each development. Testified as to the treatment of certain funds as capital contributions and in matters related to the value of the business.

Bankruptcy/Turnaround

Acted as accountant to a debtor-in-possession in a Chapter 11 bankruptcy case. Duties included assistance with first-day motions, analysis of cash collateral, budgeting and forecasting, and compliance with reporting requirements. Testified as to the feasibility of cash projections.

Acted as special accountant to a Chapter 11 trustee. Testified as to a potential fraudulent conveyance of equipment to a related party.

Prepared a rebuttal to a solvency analysis in an adversary proceeding in Chapter 7 bankruptcy.

Prepared numerous solvency analyses for clients in both Chapter 7 and Chapter 11 bankruptcy.

Assisted with distributions to unsecured creditors relating to the bankruptcy of a chain of restaurants.

Assisted with claim analysis and distribution to all creditors of a real estate investment company.

Assisted with a turnaround engagement for a medical services provider. Duties included preparing financial models, budgeting and monitoring results.

Other

Acted as controller for twelve subsidiaries of a large, international mining company. Duties included preparing financial statements, assembling information for the tax returns, and preparing other reports relating to mine reclamation.

Conducted numerous audits of accounts receivable and inventory being used as collateral by creditors of a large regional bank.

Managed a portfolio of over 200 loans as part of a public services engagement. Duties included credit analysis, loan workouts and coordination of legal remedies.

Additional Education

Mr. Bateman has over 200 hours of additional training in the areas of valuation and damage analysis, over 100 hours of additional training in the area of bankruptcy and over 250 hours of additional training in fraud investigation.

Contact Information

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801.428.1611 (Fax)
dbateman@rockymountainadvisory.com

Testimony in at least the last four years

Ensearch Holding v. MJF 1998 Investment Partnership, et al.
Highlands at South Pointe LLC vs. DJ Investment Group, LLC, et al.
Connor Sport Court International, Inc. vs. Snap Court, LLC
State of Utah v. Frank and Joan Steed
In re: SRR Partners, LLC
In re: Susi L. Kontgis (Elizabeth Loveridge v. John Lehmer)
MP NexLevel, LLC v. Codale Electric Supply, Inc.
Gil A. Miller, Receiver v. Crandall, et al.
In re: C.W. Mining (Kenneth Rushton, Chapter 7 Trustee, vs. A-FAB Engineering, Inc. and Fidelity Funding, Inc.)
Language People, Inc., v. NexTalk, Inc., Gary Bowen, Todd Wakefield, Language Factor, LLC, and Gary Sanders
Securities & Exchange Commission v. Management Solutions, Wendell A. Jacobson and Allen R. Jacobsen
TTM Ownership, LLC, Theron Miller Investment Co., Bonnie Miller Investments, LTD., and Bonnie Miller v. Larry T. Miller
Gil A. Miller, as Receiver for Management Solutions, Inc. v. Black Cliffs Investments, et al.
Western Energy Partners, LLC, et al. v. Raven Mining Company, LLC, et al.
H. Craig Jensen v. Lorraine Jensen

Publications in at least the last ten years

The Eighth Circle of Hell in the 21st Century, Attorney at Law Magazine (Greater Salt Lake City Edition), Vol. 2, No. 6.
Alter Ego, Successor Liability & Substantive Consolidation Cases, Attorney at Law Magazine (Greater Salt Lake City Edition), Vol. 3, No. 6.