

## Overview

Law and accounting professionals agree to adhere to certain codes of ethics and standards. Newspapers often name the accountants as lawsuit defendants, along with company management, related to business failures, precipitous stock price drops, and lower than expected earnings performance. Lawyers also are exposed to liability and monetary damages awards in cases where their advice, with hindsight, may appear to have been incorrect.

## Specific Services

We consult with plaintiffs or defendants to assess potential malpractice issues relating to accounting principles and auditing standards. Through review and analysis of accountants' working papers, calculation of financial ratios and other accounting analyses, we seek to provide an objective evaluation of the accountants' compliance with relevant principles and standards. Our skills are also quite valuable for legal malpractice matters where counsel is accused of misappropriation of trust funds or inappropriate use of business information or other accounting data. Where appropriate, we calculate damages resulting from the professional malpractice.

## Relevant Experience

Our professionals assisted counsel in the following malpractice matters:

- Evaluated the reported financial results for a failed credit card company and its wholly owned bank subsidiary. Based upon company records and the working papers of its outside auditor, determined material misstatements in operating results when GAAP was inappropriately applied.
- Analyzed a law firm's financial transactions through its client trust account in response to allegations stemming from a State Bar investigation.
- Evaluated audit working papers given the professional audit standards. Established the auditor's failure to detect employee embezzlement.
- Reviewed and rebutted damages asserted in conjunction with alleged legal malpractice by a major law firm.
- Assisted in the defense of criminal charges against the CFO of a failed computer game company by demonstrating that the CFO reasonably relied upon the outside auditors to evaluate internal controls and test for accounting misstatements.
- Performed an in-depth assessment of a major chemical company's accounting policies and internal controls, generally accepted auditing standards for the evaluation of internal controls, and industry practices related to construction-type projects to prove that an environmental cost reimbursement claim predicated solely upon an audit opinion and accompanying audited financial statements is insufficient and unreliable.