



Lori L. Payne, CPA/CFF, CFE, CIRA Founder and Managing Director

Ms. Payne has over 20 years of litigation support and forensic accounting experience and has directed many complex litigation engagements, including many bankruptcy and restructuring related litigation projects. Ms. Payne has testified regarding accounting matters in deposition and at trial. She has also testified as an expert witness, both in deposition and trial in Federal Court.

Ms. Payne's experience encompasses a wide variety of business disputes, including complex civil litigation, mediation and arbitration. She has provided a variety of investigative services into conduct of management and other interested parties, calculated lost profits and damages, conducted fraud investigations, assisted counsel in preparing for depositions and advised counsel on accounting-related issues for both troubled and healthy companies. These matters have included fraudulent conveyance and preference matters in bankruptcy, securities litigation, patent infringement, accountants' professional responsibilities and breach of contract litigation. Her investigatory work has spanned industries as diverse as retail, food distribution, software, restaurant, energy and legalized gambling related to both publicly and privately held companies.

In addition to the foregoing, Ms Payne has extensive experience in matters involving financially distressed entities. Her restructuring experience includes providing financial advisory services to debtors, secured lenders and unsecured creditors in both in and out-of-court situations. In addition, Ms Payne has been involved in numerous projects working directly with and for receivers and examiners. She has also directed bankruptcy and restructuring investigation and litigation engagements and has testified regarding accounting matters related to these engagements.

AREAS OF FOCUS

- **Forensic Accounting**
- **Litigation Support**
- **Bankruptcy/Insolvency**
- **Fraud Investigations**

Representative Experience

- **Central Metal, Inc.** – Performed forensic investigation into allegations of asset misappropriation by the lender for this debtor in possession. Prepared report and declaration detailing procedures and findings, which was filed with the bankruptcy court.
- **Confidential Client** – Acting on behalf of a large multi national financial institution, investigated cash flows, financial and contractual reporting for a billion dollar factor of medical receivables. Information obtained during our investigation was used by the SEC in its complaint for securities fraud and request for receiver. Provided information to assist receiver in quickly understanding issues and assembling relevant information.
- **Confidential Hotel Investigation** – Led investigation into allegations of asset misappropriations by a number of employees of a hotel management company on behalf of the hotel owner. All aspects of hotel operations were investigated to determine extent and nature of fraud and determine amount of losses and responsible parties.
- **New Century Financial** – In the capacity of financial advisors to the Examiner of this bankrupt subprime mortgage lender, analyzed mortgage industry accounting issues, including assessing management's decision making process and auditor workpapers. Prepared portions of examiner report.
- **Confidential Client** – Negotiated settlement with U.S. Trustee on behalf of owner of several bankrupt entities who was being accused of diverting and concealing assets. Our analysis provided a basis for a favorable settlement with the U.S. Trustee which was approved by the bankruptcy Court.

Lori Payne
CPA/CFF, CFE, CIRA
Founder and Managing Director
Payne Financial Forensics
3949 Heritage Oak Court
Simi Valley, CA 93063
Mobile: (818) 414-8324
Direct: (805) 527-1499
LPayne@PayneFF.com
www.PayneFF.com



Lori L. Payne, CPA/CFF, CFE, CIRA

Founder and Managing Director

Payne Financial Forensics is a financial consulting firm, specializing in Forensic Accounting, Fraud Investigations, Litigation Support, including Bankruptcy and Insolvency related litigation, and Expert Testimony.

With a middle market focus, our professionals have broad experience in financial consulting, and are credentialed as Certified Public Accountants, Certified Fraud Examiners, Certified in Financial Forensics, and Certified Insolvency and Restructuring Advisors. Personalized service by senior professionals on each and every engagement, as well as a dedication to high quality work and achieving client objectives in a timely and efficient manner are the hallmarks of Payne Financial Forensics.

Lori Payne
CPA/CFF, CFE, CIRA
Founder and Managing Director
Payne Financial Forensics
3949 Heritage Oak Court
Simi Valley, CA 93063
Mobile: (818) 414-8324
Direct: (805) 527-1499
LPayne@PayneFF.com
www.PayneFF.com



Representative Experience

- Confidential Client – Performed forensic audit procedures and advised audit team on fraud detection procedures for this manufacturer of semiconductors who experienced a massive fraud of various valuation methodologies.
- Confidential Client – Preparation of expert report related to valuation of selected equity interests of a portion of a large energy concern in defense of fraudulent conveyance actions. This engagement required extensive document review and contract interpretation, as well as in-depth analysis of industry, subject business, and application of various valuation methodologies.
- Gramercy Alumina, LLC and St. Ann Bauxite Limited vs. Kaiser Aluminum & Chemical Corporation and Kaiser Bauxite Company – Preparation of expert report and expert witness testimony in rebuttal to plaintiff's damage expert. This was a contract dispute arising from the sale of certain Jamaican assets sold by Kaiser Aluminum as part of its bankruptcy reorganization. A very favorable settlement was obtained by our client after issuance of my expert report and deposition.
- I2 Technologies – Preparation of expert report defending the actions of the former CEO of this software company against allegations of earnings management by the SEC. In depth analysis of numerous software contracts as well as interpretation and application of accounting standards related to software revenue recognition. In addition, evaluation of internal and external auditor workpapers was performed.
- Confidential Client – In capacity as confidential consultant, prepared analyses of extremely complex accounting issues related primarily to the treatment of derivatives used to hedge risk. These analyses were utilized by counsel in their defense of former CEO of a large mortgage concern against allegations of earnings management and improper financial statement reporting.
- Confidential Client - Directed team of over 30 professionals in preparation of solvency analyses of a large international energy concern. This project involved over ten million documents and a complex analysis of various off-balance sheet transactions in order to determine valuation of various business segments and other assets. The determination of solvency at various points in time required analysis of balance sheet solvency, capital adequacy and ability to pay debts as they became due.
- Kmart Corporation – Financial advisors to the Unsecured Creditors' Committee of Kmart Corporation, the nation's third largest general merchandise retailer. Services performed included providing oversight and protecting Committee during the Company's investigation of alleged accounting and stewardship issues. Provided accounting analyses and litigation support to counsel for Kmart Creditor Trust in its efforts to recover monies for the benefit of creditors.

Lori L. Payne, CPA/CFF, CFE, CIRA

Founder and Managing Director

Representative Experience

- Aladdin Gaming Holdings LLC - Financial and restructuring advisor to the debtor, which is a luxury themed resort hotel and casino located on the Las Vegas Strip. Prepared damage analysis and provided deposition testimony on behalf of the debtor with respect to litigation arising out of the bankruptcy. Assisted in completing an Information Memorandum to be used by potential buyers of the property.
- Washington Group International, Inc. ("WGI", fka Morrison Knudsen Corporation) - Performed analysis of financial information and events leading up to the second Bankruptcy filing for a large engineering and construction company. Analyzed debt and equity financing instruments as they related to certain transactions preceding to the filing and the associated documentation. Responsible for preparation of portions of the Examiner's report filed with the Court.
- Resort at Summerlin LP - Financial advisor to the debtor-in-possession which owned and operated a five star resort/casino doing business as the Regent Las Vegas (the "Resort"). Prepared analysis of cash disbursements of a bankrupt hotel/casino to determine potential preferential payments. Developed and documented an understanding of the Debtor's cash management system. Assisted Debtor in the preparation of various analyses related to the sale of the property.
- Pacificorp - Performed solvency analysis and detailed analyses of defenses to fraudulent conveyance and preference claims for a creditor of a bankrupt power marketing company. Conducted in depth review and analysis of power trading transactions, including a complex "sleeve" transaction. Prepared affidavit for use in settlement hearing, which resulted in a favorable settlement for our client.
- Confidential Client - Leasing Company - Performed analysis of operations and financial affairs on behalf of the Secured Lenders for a large leasing company. Directed the evaluation of collateral, monitoring of operations and review of cash flows, budgets and cash disbursements. Assisted in the development of a process to report cash application to various parties. Performed liquidation analysis and tracking of lease fundings with various lenders, as well as analyzing cash receipts and disbursements, inventory and accounts payable. Participated in negotiation of forbearance agreement and eventual sale of the Company's leasing portfolio and other assets. Performed monitoring of cash receipts and allocations during the wind down of the Company's operations.
- TMCI - Analyzed business operations and business plan feasibility, including revenue, expense and cash flow projections and asset values for a manufacturing debtor on behalf of a bondholder's committee. Performed liquidation analysis for a portion of the debtor's operations and prepared a recovery plan for presentation to the bankruptcy court.
- Directed the investigation of a trucking company in Chapter 11 on behalf of creditor's committee. Reviewed accounts payable and cash disbursements for preference payments, examined monthly operating reports for accuracy, participated in renegotiation of contract for leased equipment, performed analysis of expenses and cash flow.

Lori Payne
CPA/CFF, CFE, CIRA
Founder and Managing Director
Payne Financial Forensics
3949 Heritage Oak Court
Simi Valley, CA 93063
Mobile: (818) 414-8324
Direct: (805) 527-1499
LPayne@PayneFF.com
www.PayneFF.com



Lori L. Payne, CPA/CFF, CFE, CIRA

Founder and Managing Director

Representative Experience

- Directed the investigation of a food distribution company on behalf of a secured lender. The secured lender's concern, related to potentially falsified borrowing base certificates and diversion of accounts receivable collections was confirmed by the investigation of the company's books and records, including accounts receivable, inventory and cash flow. Assisted the secured lender in evaluating alternatives and provided written testimony to the bankruptcy court. Assisted the secured lender in placing the distribution company into receivership and directed operations of the company until the receiver was in place.
- Analyzed business operations of a troubled real estate developer on behalf of the company. Performed cash flow and income statement projections and analysis of financing history. Recommended debt restructuring plan as well as examining other financing alternatives.
- Directed a team of consultants assisting a major electric utility with its efforts to institute appropriate accounting and finance tools to support its entry into a competitive electricity supply market. The team was responsible for budgeting and forecasting costs, performing cost analysis, answering data requests related to ongoing hearings with regulatory bodies and other special projects.
- Quantified damages to be presented at trial resulting from alleged breach of long term contract involving a major public utility in Texas on behalf of several Texas cities. Analyzed equity structure and organization of financing subsidiary and accounts receivable factoring with outside parties. The large monetary verdict rendered in favor of the cities by the jury was in agreement with our findings.
- Performed a performance analysis of a coal supply contract between a coal company and a large Midwest electric utility spanning over 30 years, including analysis of cash flow, revenue, expenses, production, fixed assets, and contract elements.
- Analyzed environmental "past costs" for seven contaminated sites of a large chemical manufacturer in connection with its lawsuit to recover such costs from its insurance carriers. Directed a large team involved in locating appropriate data sources, building a database containing over 200,000 records, and preparing a report that ultimately lead to a favorable settlement for our client.

Industry Experience

The following industries are among those in which Ms. Payne has experience and expertise:

Aluminum smelting	Hospitality
Computer software	Leasing
Construction	Legalized Gaming
Electric Utility	Manufacturing
Energy	Mining
Environmental	Mortgage Banking
Factoring	Real Estate
Financial Instruments/ Institutions	Restaurants
Food distribution	Retail
	Telecommunications

Lori Payne
CPA/CFF, CFE, CIRA
Founder and Managing Director

Payne Financial Forensics
3949 Heritage Oak Court
Simi Valley, CA 93063
Mobile: (818) 414-8324
Direct: (805) 527-1499
LPayne@PayneFF.com
www.PayneFF.com

P
AYNE

FINANCIAL FORENSICS

Lori L. Payne, CPA/CFF, CFE, CIRA

Founder and Managing Director

Education, Certifications and Professional Associations

B.S., Bowling Green State University

Certified Public Accountant (CPA) – California

Certified in Financial Forensics (CFF)

Certified Fraud Examiner (CFE)

Certified Insolvency and Restructuring Advisor (CIRA)

American Bankruptcy Institute

Association of Insolvency and Restructuring Advisors

International Women's Insolvency and Restructuring Confederation (IWIRC)

Southern California Network - Co-Chair (2008-present), Treasurer (2004-2007), International By-Laws Committee 2004

American Institute of Certified Public Accountants

Business Valuation and Forensic & Litigation Services

California Society of Certified Public Accountants (Los Angeles Chapter)

Association of Certified Fraud Examiners

Los Angeles Bankruptcy Forum

Turnaround Management Association

American Bar Association – Los Angeles County Bar Association, Beverly Hills Bar Association

Lori Payne

CPA/CFF, CFE, CIRA

Founder and Managing Director

Payne Financial Forensics

3949 Heritage Oak Court

Simi Valley, CA 93063

Mobile: (818) 414-8324

Direct: (805) 527-1499

LPayne@PayneFF.com

www.PayneFF.com

P
AYNE

FINANCIAL FORENSICS