

May 2019

Valuing Digital Assets

Cryptocurrencies - Do They Fit in the
Fair Value Accounting Model
Required of Investment Companies?

Agenda

- I. Duff & Phelps Firm Overview
- II. Investment Company & Fair Value Background
- III. Digital Asset Basics
- IV. Valuing Digital Assets
- V. Questions:

Appendices

- A. Duff & Phelps Alternative Asset Advisory
- B. Duff & Phelps Digital Asset Experience and Support
- C. Duff & Phelps Bios

David L. Larsen, CPA/ABV/CEIV

Managing Director, Alternative Asset Advisory



Duff & Phelps, LLC
San Francisco
+1 415 693 5330
David.Larsen@duffandphelps.com

David Larsen is a managing director in the San Francisco office of Duff & Phelps and part of the Alternative Asset Advisory service line. He has more than 35 years of transaction and accounting experience. He specializes in fair value accounting issues, and specifically in valuation, accounting, and regulatory issues faced by Alternative Asset managers and investors.

David advises leading Private Equity Managers and Institutional Investors and has advised numerous strategic and private equity acquirers in all areas of mergers, acquisitions, joint ventures, divestitures and valuation related matters. He provides valuation policy and process assistance to a number of the world's largest institutional limited partner investors and some of the world's largest alternative investment managers. David is a member of the International Valuation Standards Council Standards Review Board, an advisor to and has served as Vice Chair of the International Private Equity and Venture Capital Valuations Board (IPEV), which in 2018 released updated International Private Equity Valuation Guidelines and serves as a member of the American Institute of Certified Public Accountants (AICPA) PE/VC Practice Guide Task Force. David has served as a special advisor to the Institutional Limited Partners Association; board member, project manager and technical advisor to the Private Equity Industry Guidelines Group and was instrumental in developing and drafting the Private Equity Industry Guidelines Group's Valuation and Reporting Guidelines; member of the Financial Accounting Standards Board's Valuation Resource Group responsible for providing the Board with input on potential clarifying guidance on issues relating to the application of the principles of FASB ASC Topic 820 (formerly SFAS No. 157), *Fair Value Measurements* and a member of the AICPA Net Asset Value Task Force.

Prior to joining Duff & Phelps, David was a Partner in KPMG LLP's Transaction Services practice, where he was the segment leader of KPMG's U.S. Institutional Investor practice. He served 13 years in KPMG's Seattle, Düsseldorf and Prague audit practices prior to moving full time to advisory work.

David received his M.S. in accounting from Brigham Young University's Marriott School, his B.S. in accounting from Brigham Young University. He is a certified public accountant licensed in California and Washington. David is also a member of the AICPA and the California and Washington Society of Certified Public Accountants and is a FINRA Series 7, 24 and 63 registered representative.

Steven Nebb, CFA

Managing Director, Alternative Asset Advisory



Duff & Phelps, LLC
San Francisco
+1 415 693 5313
Steven.Nebb@duffandphelps.com

Steven Nebb is a managing director in the San Francisco office and part of the Valuation Advisory Services business unit. He is the client relationship champion for the Company's Portfolio Valuation practice in Asia and Western North America, and is the firm's product leader for the valuation of Venture Capital and early-stage investments.

Steve has over 20 years of experience performing numerous valuations and financial analyses for a variety of purposes, including financial reporting, tax, fairness opinions and transaction advisory, litigation and strategic planning. Steve's engagement highlights include private equity, illiquid debt, and complex derivative valuations throughout the alternative asset investor industry for venture capital, hedge funds, business development corporations and private equity funds covering high-tech; biotech and healthcare; consumer durables, consumables and brand conglomerate; and, engineering, consulting and defense contracting industries.

Prior to joining Duff & Phelps, Steve performed valuation and financial advisory engagements for over eight years with the Valuation Services Practice of PricewaterhouseCoopers LLP (PwC) and Standard & Poor's Corporate Value Consulting Group (CVC). Prior to that, Steve's experience includes analyzing aerospace and defense contractor operational capabilities, financial performance and contract satisfaction. Steve provided consultation to the Department of Defense, Department of State and the Federal Aviation Administration, regarding contractual issues and contract negotiations.

Steve received his B.S. in finance from George Mason University. He is also a CFA Charterholder and a member of The CFA Institute, the Security Analysts of San Francisco and the Licensing Executives Society, San Francisco Chapter.

John S. Ward

Managing Director, Alternative Asset Advisory



Duff & Phelps, LLC
New York
+1 212 523 0946
John.Ward@duffandphelps.com

John Ward is a managing director in the New York office and is a member of the Alternative Advisory Group and the Portfolio Valuation practice. He has more than 30 years of financial and investment management experience.

John specializes in the valuation of operational risks for hedge funds, private equity funds, cryptocurrency funds, real estate funds, and fund of funds. He has performed operational risk assessments on some of the largest and most complex hedge funds, private equity funds, digital asset, real estate funds, and industry counterparties and service providers. John has extensive experience in a wide variety of investment strategies, and in both large institutional investment advisors and emerging managers.

John also works with endowments, foundations, pensions, sovereign wealth funds, and family offices to develop best practices in investment due diligence, and support their efforts to implement institutional best practices throughout their organizations.

Prior to joining Duff & Phelps, John was a managing director and Head of Operational Due Diligence for Gottex Fund Management and its predecessor firm EIM Investment Management where he was a member of the Global Investment, Risk, and Counterparty Credit Committees. Previously he was chief operating officer and executive director of Nomura Funds Research & Technologies America, Inc., the alternative asset investment management affiliate of Nomura Securities.

John started his career with Shearson Lehman Brothers working in a wide variety of operations departments, as well as the financial consulting division where he worked on the divestiture of Lehman Brothers and later the merger of Smith Barney and Shearson's operations and financial controls departments. He later joined W.P. Stewart & Co. Inc. as head of trading, and principal of their broker dealer.

John received his BSBA in Finance and Marketing from the University of Florida. He is also a Certified Due Diligence Analyst

Section I

Duff & Phelps Firm Overview

DUFF & PHELPS

Duff & Phelps is the global advisor that protects, restores and maximizes value for clients in the areas of valuation, corporate finance, investigations, disputes, cyber security, compliance and regulatory matters, and other governance-related issues. We work with clients across diverse sectors, mitigating risk to assets, operations and people.

3,500+
TOTAL PROFESSIONALS
GLOBALLY

MORE THAN
15,000
ENGAGEMENTS
PERFORMED IN 2018

7,500
CLIENTS INCLUDING NEARLY
50% OF THE
S&P 500

THE
AMERICAS

2,000+
PROFESSIONALS

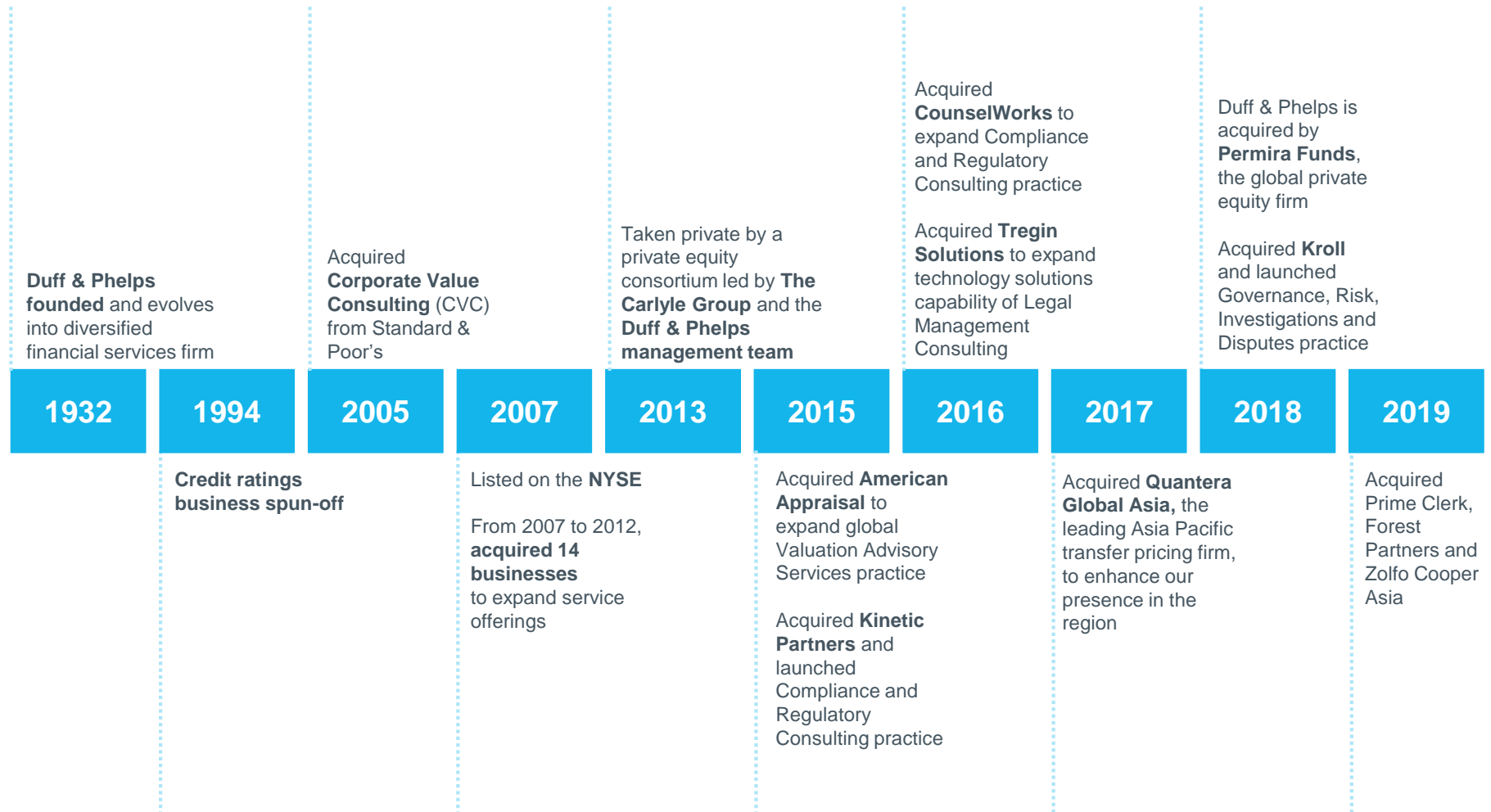
EUROPE AND
MIDDLE EAST

1000+
PROFESSIONALS

ASIA
PACIFIC

500+
PROFESSIONALS

EVOLUTION



ONE COMPANY

ACROSS 28 COUNTRIES WORLDWIDE

THE AMERICAS

Addison	Houston	Pittsburgh
Atlanta	Libertyville	Reston
Austin	Lisle	St. Louis
Bogota	Los Angeles	San Francisco
Boston	Mexico City	São Paulo
Buenos Aires	Miami	Seattle
Cayman Islands	Milwaukee	Secaucus
Chicago	Minneapolis	Silicon Valley
Dallas	Morristown	Stamford
Denver	Nashville	Toronto
Detroit	New York	Washington, DC
Grenada	Philadelphia	

EUROPE AND MIDDLE EAST

Abu Dhabi	Dublin	Munich
Agrate Brianza	Frankfurt	Padua
Amsterdam	Lisbon	Paris
Athens	London	Pesaro
Barcelona	Longford	Porto
Berlin	Luxembourg	Rome
Bilbao	Madrid	Turin
Birmingham	Manchester	Warsaw
Channel Islands	Milan	
Dubai	Moscow	

ASIA PACIFIC

Bangalore	Shanghai
Beijing	Shenzhen
Guangzhou	Singapore
Hanoi	Sydney
Ho Chi Minh City	Taipei
Hong Kong	Tokyo
Hyderabad	
Mumbai	
New Delhi	

ABOUT US

WE SERVE

69% of Fortune 100 companies

91% of Am Law 100 law firms

80% of the 25 largest Euro STOXX companies

72% of the 25 largest private equity firms in the PEI 300

68% of the 25 largest hedge funds in the Alpha Hedge Fund 100

WE RANK

#1 U.S. Fairness Opinion Provider¹

#1 Global Fairness Opinion Provider¹

#4 U.S. Middle Market M&A Advisor over the past 5 years²

#1 Forensic Consultant in North America³

#1 IP Litigation Consulting Firm in the U.S.⁴

Largest independent valuation advisory firm

WE WON

Best Cyber Security Services Provider^{5, 6}

Best Litigation Dispute Advisory Services Consultant⁶

Best Corporate Investigations Provider⁶

Compliance Consulting **Team of the Year**⁷

Best Global Risk and Investigations Consultant⁶

Thought Leader in Digital Forensics, Arbitration and Investigations³

1. Source: Published in Thomson Reuters' "Mergers & Acquisitions Review - Full Year 2018."

2. Source: Thomson Financial Securities Data (U.S. deals \$50M < \$150M, including deals without a disclosed value). Full years 2014 through 2018.

3. Who's Who Legal 2018: Forensic and Litigation Consulting.

4. 2018 IAM HedgeWeek 2018

5. The National Law Journal 2018

6. <https://www.c5-online.com/women-compliance-awards-3/2017-winners/>

ENHANCING VALUE Across a Range of Expertise

VALUATION ADVISORY

Valuation and consulting for financial reporting, tax, investment and risk management purposes

- Valuation Services
- Alternative Asset Advisory
- Real Estate Advisory
- Tax Services
- Transfer Pricing
- Fixed Asset Management and Insurance Solutions



CORPORATE FINANCE

Objective guidance to management teams and stakeholders throughout restructuring, financing and M&A transactions, including independent fairness and solvency opinions

- M&A Advisory
- Fairness Opinions
- Solvency Opinions
- Transaction Advisory
- ESOP and ERISA Advisory
- Commercially Reasonable Debt Opinions
- Distressed M&A and Special Situations



GOVERNANCE, RISK, INVESTIGATIONS AND DISPUTES

Combined Duff & Phelps and Kroll risk management and mitigation, disputes and other advisory services

- Business Intelligence and Investigations
- Disputes
- Cross-Border Restructuring
- Cyber Risk
- Legal Management Consulting
- Security Risk Management
- Compliance Risk and Diligence
- Compliance and Regulatory Consulting



SERVICES Across the Transaction Lifecycle

ASSESSMENT OF STRATEGIC ALTERNATIVES

Transaction Consulting

- Transaction identification
- Buy-side / Sell-side advisory
- Industry and market scoping studies
- Financial projections and transaction modeling
- Transfer Pricing

INVESTMENT

Transaction Pursuit

- Financial due diligence
- Business valuation
- Fairness opinions
- Accretion/Dilution analyses
- Carve-out analyses
- Solvency opinions
- Strategic tax planning

Change of Control Acquisition

- Purchase price allocation
- Valuation and structuring of contingent consideration, earn-outs and stock-based compensation
- Valuation of guarantees and indemnifications
- Tax valuations

REPORTING AND OPERATING PERFORMANCE IMPROVEMENT

Financial and Tax Reporting

- Goodwill and intangible asset impairment testing
- Transfer pricing
- Tax legal entity valuations
- Unclaimed property reporting

Cash Flow Improvement

- Property tax consulting
- Real property cost segregation
- Real estate consulting
- Sales and use tax consulting

Financing

- Private placement of debt and equity
- ESOP and ERISA advisory
- Collateral valuation

Financial Distress

- Restructuring advisory
- Fresh start accounting

EXIT PLANNING AND SALE

Exit Preparation

- Sell-side M&A advisory
- Sell-side due diligence

Post Sale

- Dispute analysis/litigation support
- Post acquisition disputes
- Shareholder disputes
- Expert witness testimony

OUR SERVICES

VALUATION

Valuation Advisory

- Purchase Price Allocation
- Goodwill and Asset Impairment
- Tax Valuation
- Intellectual Property Valuation
- Transfer Pricing
- Business Valuation
- Fresh Start Accounting
- Complex Securities Valuation
- Strategic Value Advisory
- Machinery and Equipment Valuation

Alternative Asset Advisory

- Portfolio Valuation
- Complex Asset Solutions
- Secondary Market Advisory Services

Real Estate Advisory

- Real Estate Valuation and Consulting
- Real Estate Restructuring
- Loan Services/Debt Advisory
- Lease Renegotiation
- Right of Way Appraisal
- Cost Segregation
- Property Asset Management and Optimization
- Transaction Due Diligence

Fixed Asset Management and Insurance Solutions

- Property Insurance Appraisal
- Fixed Asset Inventory and Reconciliation
- IT Fixed Asset Inventory Services
- Fixed Asset Componentization
- Property Record Outsourcing

CORPORATE FINANCE

M&A Advisory

- Fairness and Solvency Opinions
- ESOP and ERISA Advisory
- Transaction Advisory Services
- Financial Sponsors Group
- Distressed M&A and Special Situations
- Private Capital Markets

Transaction Opinions

- Fairness Opinions
- Solvency Opinions
- ESOP and ERISA Advisory
- Commercially Reasonable Debt Opinions

Restructuring Advisory

- Corporate Restructuring
- Debt Advisory
- Distressed M&A and Special Situations

COMPLIANCE AND REGULATORY CONSULTING

- Securities Enforcement and Examinations
- Compliance Consulting
- Regulatory Consulting
- Risk and Management Company Solutions
- Hosted Regulatory Solution
- Regulatory Tax Advisory
- Business Services
- Cybersecurity Services
- Placement and Staffing Services

DISPUTES AND INVESTIGATIONS

- Arbitration
- Commercial Disputes and Litigation
- Global Fraud and Forensic Investigations
- Intellectual Property Disputes and Advisory Services
- Securities Litigation
- Monitoring and Receivership Services
- Restructuring, Bankruptcy and Insolvency Litigation

LEGAL MANAGEMENT CONSULTING

- Contract Management
- Global Data Risk
- Information Lifecycle Management
- Innovation Asset Management
- Legal Operations
- Managed Services

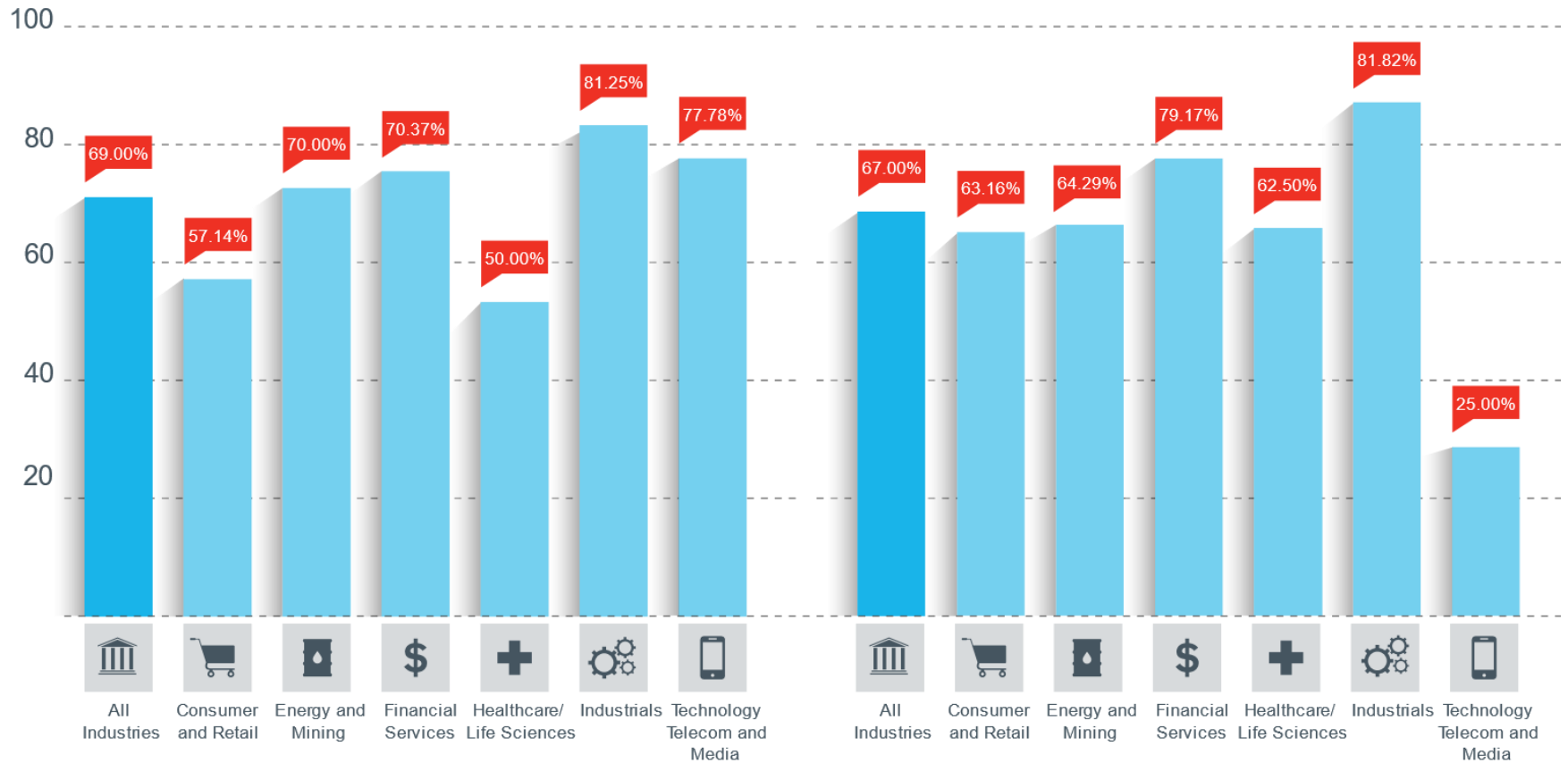
TAX SERVICES

- Property Tax Services
- Site Selection and Incentives Advisory
- Unclaimed Property and Tax Risk Advisory
- Tax Litigation
- Sales and Use Tax Services

INDUSTRY EXPERTISE

Serving Nearly **70%** of
Fortune 100 Companies

Serving Nearly **70%** of
Euro STOXX 100 Companies



PROFESSIONAL AFFILIATIONS

Duff & Phelps Managing Directors provide input to regulators and standard-setters, and actively contribute to the development of valuation industry best practices.



Section II

Investment Company & Fair Value Background

Financial Instruments

FASB defines a financial instrument as:

- *Cash, evidence of an ownership interest in an entity, or a contract that both:*
 - *Imposes on one entity a contractual obligation either:*
 - *To deliver cash or another financial instrument to a second entity*
 - *To exchange other financial instruments on potentially unfavorable terms with the second entity*
 - *Conveys to that second entity a contractual right either:*
 - *To receive cash or another financial instrument from the first entity*
 - *To exchange other financial instruments on potentially favorable terms with the first entity.*
- *The use of the term financial instrument in this definition is recursive (because the term financial instrument is included in it), though it is not circular. The definition requires a chain of contractual obligations that ends with the delivery of cash or ownership interest in an entity. Any number of obligations to deliver financial instruments can be links in a chain that qualifies a particular contract as a financial instrument.*

Investment Company Accounting Model

ASC Topic 946 (Investment Company Accounting):

All investments reported at Fair Value as dictated by ASC Topic 820

946-320-35-1: An investment company shall measure investments in debt and equity securities at fair value.

946-325-35-1 An investment company shall measure other investments at fair value.

In finance, an **investment** is a monetary asset purchased with the idea that the asset will provide income in the future or will later be sold at a higher price for a profit.

Financial Instruments measured at fair value.

Commodities measured at fair value.

For LPs to use NAV as their fair value estimate of a limited partnership interest, all underlying investments must be reported at fair value.

Fair Value Definition has Aligned!

Fair Value is defined by:

- FASB ASC Topic 820 (fka SFAS 157),
- IFRS 13, and
- GASB (US Government Accounting Standards Board) Statement 72

as:

... the price that would be received TO SELL an asset or paid to transfer a liability in an ORDERLY transaction between market participants at the measurement date. (emphasis added)

Key Considerations:

- Unit of Account
- Calibration
- Market Participant Assumptions
- Orderly transaction (Active Market)
- How does Value Accrete?
- Application of Judgement

Why Fair Value?

- **Fiduciary Duty - basis that Fund investors (such as Limited Partners, “LPs”) use to report periodic (quarterly/yearly) performance.**
 - Investors / fund beneficiaries
 - Other interested parties; corporate governance, tax payers, etc.
- **Decision Making**
 - Fair Value is the best basis for investors to make “apples to apples” asset allocation decisions.
 - Interim investment decisions (manager selection), monitoring interim investment performance, and overall performance of an investor’s portfolio, on a reasonably comparable basis.
 - For some; Fair Value is a basis for incentive compensation decisions.
- **Financial Reporting –Investors need FV based NAV to allow them to prepare their own financial statements**
- **A historical reporting basis, such as cost, does not provide meaningful comparability across investments.**

Investors (LPs) must satisfy themselves that reported NAV is based on the ASC Topic 820 compliant fair value of underlying investments!

Recent Developments in Valuing Digital Assets

- Polychain Capital is being sued for mismarking fund portfolio positions
- Coin Signals is being sued alleging they were operating as a Ponzi scheme
 - Given the steep decline in digital asset prices, is ‘cost’ the correct price for pre-ICOs?
 - Do portfolio securities being priced by a single counterparty need to be treated as ASC 820 Level 3 securities?
 - Is the CoinMarketCap.com price always the best price for coins that rarely trade?

Alphabet Soup of Valuation Regulation

- IVSC – New Financial Instruments Board; potential new IVSC FI Standards
 - Framework; Governance; Data; Financial Reporting
- MPF / CEIV – in place. Will auditors expect application?
- FIPF / CVFI – under development . Will it impact how much work is needed to estimate fair value?
- AICPA PE/VC Valuation Guide – working draft released May 2018; publication expected May 2019
- Updated AIMA Sound practices guide – Released March 2018
- IPEV Valuation Guidelines—updated December 2018
- FASB—still evaluating
- IASB—still evaluating; Inventory or Intangible Asset
- PCAOB New Audit Standards
- AICPA Digital Asset Taskforce
- National Accounting Standards Boards (Canada, Australia, others)

Valuation practice with respect to digital assets is evolving

Section III

Digital Asset Basics

Blockchain

- A blockchain's ledger is distributed and replicated throughout the applicable network
- Transactional information is recorded in “blocks” that are cryptographically signed, becoming immutable once recorded
- Individual transactions once registered within a block are unforgettable
- Participants in the blockchain have full transparency to all transactions
- Blockchains can be:
 - Public
 - Permissioned
 - Private

Where is Blockchain Used?

- Virtual Currencies
- Digital Assets
- Proof of Identity
- Smart Contracts
- Financial Sector
- Government
- Health Care
- Supply Chain Management
- Insurance
- Asset Management



What are “Virtual” or “Crypto” Currencies?

They is generally thought of as a unit of value that is not created or backed by the faith and credit of a government.

They are not new. Monopoly money has value within the game. Store coupons have value when used. Gift certificates are a form of portable money that may be accepted in specific places.

In electronic form, while Bitcoin, Monero and Ripple are probably the most well known, there are thousands of artificial currencies. Many can be converted to and from government-issued forms through exchange organizations.

They may be regulated by governments.



A virtual currency is kind of like a bank account (with no bank) that purports to have value, but only has it because people believe that it does and are willing to buy and sell it. Like a bank account, your money is an electronic entry, but you can see the account value, transact by transfers in and out, and even deposit and withdraw through ATMs.



But many bank accounts are insured by governmental entities like FDIC.



So a virtual currency is a form of stored value that has value because people believe that it does.

What we will not discuss today (see appendix)

- **Forks**
- **Custody**
- **Security**
- **Regulation**
 - Jurisdiction
 - US / Non US
 - SEC; IRS; CFTC; FTC; CFPB; FRB; OCC
 - AML
 - KYC
 - Law Enforcement
 - Homeland Security

Section IV

Valuing Digital Assets

What is being Valued?

Digital Assets:

- Currency Tokens or Cryptocurrencies (Bitcoin, Ether, etc.)
- Tokens (Crypto assets other than cryptocurrencies)
 - Security Tokens – Represent an Ownership Interest
 - Utility Tokens – exchangeable for some resource (goods or services)
 - Other (such as Asset-backed Token)

What are they?

- An Investment that meets the definition of a financial instrument, or
- Some other non-financial instrument Investment

What accounting model fits?

- Cash or Cash Equivalents
- Financial Instrument (other than cash)
- Intangible Asset
- Inventory

How to Determine Fair Value — Valuation Approaches

Depending to the type of digital asset being valued, various valuation approaches may be more or less relevant.

Valuation approaches to consider:

- Currency token
 - Market approach – considering the robustness of the market
 - Timeliness and volume
 - Quality of information
- Security token
 - Valuation approaches that would be utilized to value the company as a whole (transactions, milestones, traditional income or market approaches)
 - Allocation methodologies appropriate for the determination of specific rights and claims on the value of the company (waterfall/liquidation, scenario analysis, option theory or common percentage ownership)
- Utility token
 - Market approach – comparison of price of other like or similar services
 - Functionality analysis – including an excess earning approach or related transfer pricing analysis
- Cost of production approach – cost to mine subject coin/token
- Network approach – supply and demand analysis

How to Determine Fair Value — Currency Tokens

Investment Companies measure all investments at Fair Value in accordance with ASC Topic 820.

Currency Tokens:

- Is it actively traded on an exchange? Principle Market or in its absence most advantageous market.
 - If yes, valued at $P \times Q$ based on the “exchange” price if deemed actively traded and the “exchange” price is deemed to be orderly
 - If not actively traded, additional research would be undertaken to determine what a market participant would pay for the token in an orderly transaction
- Is the token tradable into other tokens or into a fiat currency?
 - If not tradable into a fiat currency it may not be deemed level 1

How to Determine Fair Value — Security Tokens

Investment Companies measure all investments at Fair Value in accordance with ASC Topic 820.

Security (Equity Interest) Tokens:

- Fair Value it like any other equity investment (may be complex; similar to early stage VC investments).

How to Determine Fair Value — Utility Tokens

Investment Companies measure all investments at Fair Value in accordance with ASC Topic 820.

Utility Token:

- Fair Value is determined using the value of the goods or services received in exchange as a proxy.

How to Determine Fair Value — Other Tokens

Investment Companies measure all investments at Fair Value in accordance with ASC Topic 820.

Other Tokens (such as asset backed tokens):

- Fair Value is determined using market participant assumptions depending on the facts and circumstances.
- May be analogous with:
 - Commodity Inventory (oil, gold, etc.)
 - Other

Questions?

Appendix A

Duff & Phelps Alternative Asset Advisory

Duff & Phelps Alternative Asset Advisory

Duff & Phelps is a market leader in providing investors and managers with valuation services related to alternative investments, specifically securities and positions for which there are **no "active market" quotations**.

Key Highlights

- Duff & Phelps' client base consists of **400 alternative asset** fund managers and investors in the **U.S. and globally**
- We perform in-depth valuation analyses of all asset types for clients across the spectrum of banks, hedge funds and private equity firms globally:
 - **70% of the top 25** largest Hedge Funds
 - **70% of the top 25** largest Private Equity Funds
 - **50% of the top 25** largest publicly traded Hedge Fund platforms (business development companies or "BDCs")
 - **80% of the top 30** Limited Partners listed by PEI
 - Our client base includes **18 BDCs** (17 public, 1 private)
 - **Venture capital, Private debt and mid-market private equity funds** are the fastest growing segment of our client base
- We review or value over **10,000 investment positions** on a quarterly basis, including derivatives and structured products
- We have **17 full-time Managing Directors** and draw from D&P's pool of over 1,000 valuation professionals with wide ranging sector and asset class expertise across the spectrum

What we do

- Duff & Phelps provides an objective and independent third party perspective on all classes of illiquid securities assisting alternative investment managers in the U.S. and globally
- Duff & Phelps assists clients with design and implementation of best in class valuation policies and procedures including drafting and ongoing review of valuation processes and procedures to ensure best practice
- Our services sought by our clients for several mission critical applications include:
 - Financial and management reporting
 - Transaction support
 - Audit and stakeholder requirements

Duff & Phelps' Alternative Asset Advisory practice enables alternative investment managers to enhance their valuation process with the independence and objectivity that investors require.

Alternative Asset Advisory - Practice Overview

Creating enhanced transparency in the Alternative Asset Investment Space

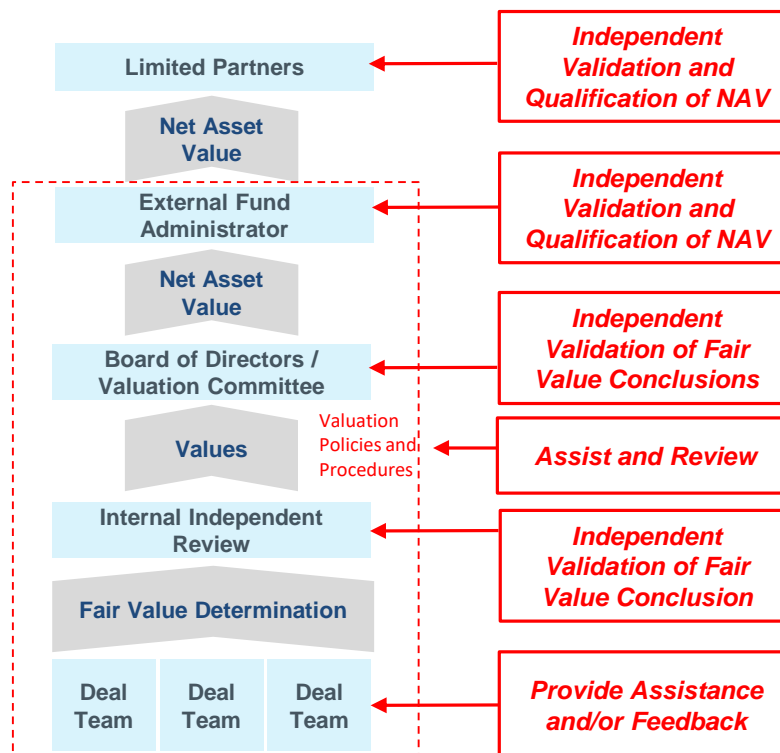
Who We Are

Duff & Phelps is a global industry leader in the alternative asset investment space, with expertise in all classes of illiquid securities and clients across North America, Europe, the Middle East, and Asia

How and Where We Can Help

Duff & Phelps provides an independent and objective view on valuation that enhances our clients' financial reporting process and internal control environment

Typical Engagements



Unparalleled Industry Thought Leadership

Creating enhanced transparency in the Alternative Asset Investment Space

Industry Thought Leadership

- Service on FASB's Valuation Resource Group
- Participation in the U.S. Securities and Exchange Commission's mark-to-market roundtable in November 2008
- Membership on the American Institute of Certified Public Accountants' Alternative Investments Net Asset Value Task Force
- Leadership in drafting the Private Equity Industry Guidelines Group's (PEIGG) U.S. Private Equity Valuation Guidelines
- Membership on the International Private Equity and Venture Capital Valuations Board, focused on providing global guidelines for valuing private equity. Duff & Phelps co-drafted the IPEV Valuation Guidelines
- Active member of Alternative Investment Management Association (AIMA)
- Special advisor to the Institutional Limited Partners Association
- Quoted by media outlets including Wall Street Journal, Financial Times, New York Times, CFO Magazine, CNBC, Fox Business News, Private Equity International, and Hedge Funds Review on issues impacting alternative investments valuation.

Benefits of Duff & Phelps Alternative Asset Advisory

- Duff & Phelps review provides an independent and objective view on valuation that enhances our Client's valuation and financial reporting process
- We ensure that our Clients' valuations methodology is compliant with current guidance and financial reporting requirements
- We ensure that our Clients' methodology and approach is aligned with industry best practise using our experience and insight
- Our involvement provides additional assurance to investors as to robustness of valuation process
- We provide support for finance teams challenging and supporting deal team values
- Our discussions with LPs indicate an increased focus on importance of timely, accurate reporting
- At our Clients' request, and with a signed third party release letter, we communicate with LPs directly
- Duff & Phelps review valuations prepared to ensure:
 - Objective and independent valuation conclusions
 - Compliance with guidelines and regulations
 - Consistent and robust approach with work-paper support

Our Areas of Expertise Span the Full Spectrum of Illiquid Assets and Securities

We are a recognized market leader, providing valuation services to the alternative investment management community. We currently review thousands of positions across a broad range of industries and clients.

Alternative Assets	Corporate Securities	Structured Products	Contractual Agreements	Options & Other Derivatives
<ul style="list-style-type: none"> » Private/Direct Loans » Real Estate » Private Equity and Venture Capital (Direct) » Private Equity and Venture Capital (Co-invest) » Hedge Fund and Private Equity General Partnerships (GPs) » Hedge Fund and Private Equity Limited Partnership Interests (LPs) » In-Kind Distributions » Other Illiquid investments » Non-performing loans (NPLs) 	<ul style="list-style-type: none"> » Convertible debt » Callable debt » Private Secured and Unsecured Loans » Distressed Debt » Other Debt Instruments » Preferred and Non-Public stock » PIPEs » Illiquid Common Equity » Employee stock options (FAS 123/IFRS2) and Restricted Stock » Warrants » Securities with embedded derivatives » Allocation of value among various claim holders » Common stock of highly leveraged companies » Contingent stock 	<ul style="list-style-type: none"> » Residential whole loans, MSRs and Residential Mortgage Backed Securities (RMBS): Subprime, Alt-A, Option ARMs, RPL, NPL, fix and flip » Asset-Back Securities and Structured Notes » Commercial Real Estate (CRE) Loans, CMBS, CRE CDOs and CRE CLOs » Marketplace lending/P2P loans and securities » Various types of CDOs including ABS CDO, CBO, CLO, CDO², Synthetic CDOs, and Trust Preferreds. » Collateralized Fund Obligations (CFOs) – Hedge Fund and Private Equity Interests 	<ul style="list-style-type: none"> » Executive compensation plans » Contracts with contingent payments » Employee stock options (FAS 123/IFRS2) » Management Incentive plans associated with portfolio companies (FAS123R/IFRS2) 	<ul style="list-style-type: none"> » Futures & Forwards » Swaps - Interest Rate, Variance, Dividend, Energy and Volatility Swaps » Options - Equity, Interest Rate, Currency, Commodity & Energy Options » Credit Default Swaps and other credit derivatives » Warrants (Debt) » Other OTC derivatives » Catastrophe bonds

Sector Expertise

We have over a decade of experience in the portfolio valuation and alternative investments space, as well as experts covering all major asset classes, including Real Estate, Structured Products, Technology, Industrial Products, and Healthcare:

Experience	18 full time Managing Directors to ensure timely, intelligent responses to your issues and questions that bring you unparalleled market intelligence and insights.
Breadth	The broadest exposure to deal sizes ranging from lower middle market to the largest syndicated deals. Approximately 10,000 valuations of private investments were performed in 2018. These engagements involved billions of dollars in positions across all industries in both domestic and international geographies.
Capacity	Industry leading ability to leverage our 1,300+ valuation professionals with deep industry and product experience. Over 200 professionals regularly work on alternative asset advisory engagements.
Resources	As a large firm, we invest in leading technology to leverage investment data and bring market leading experience and insights to our clients.
Product Knowledge	Expertise with the most complex debt, equity, real estate and derivative investments in companies across the business lifecycle.
Thought Leadership	Our professionals are actively involved in shaping both the US and international landscape on Fair Value reporting issues, including co-authoring the current PEIGG and IPEV Fair Value guidelines.

Our experience with complex portfolios has given us unparalleled insight in valuing a broad range of alternative investments. As the largest valuation firm in the alternative asset space, we have valued a diverse array of investment classes, enabling us to approach our clients' valuation needs with confidence. This exposure puts us at the forefront of industry trends and valuation methodologies.

Appendix B

Duff & Phelps Digital Asset Experience & Support

AML / KYC Development and Implementation

Initial Setup

Compliance Policies & Procedures Development

- Draft the compliance policies and procedures necessary to mitigating operational risk including policies around AML, KYC, enhanced due diligence, red flags, geographic risk, customer onboarding, person-wallet validation, and other Company-specific issues which may arise.
 - Onboarding investors, vendors, and counterparties – D&P would implement our in-house onboarding and compliance portal (separate pricing).
 - Conduct Compliance Policies & Procedures development in collaboration with Security Policies & Procedures development.
 - These policies will form the basis for a compliance program required by all regulator registrations.

Security Development and Implementation

Security Policies & Procedures Development

- Draft the security policies and procedures necessary to mitigating operational risk including procedures around the platform infrastructure.
- Ensure Security Policies & Procedures implement a comprehensive security system which adheres to the Cryptocurrency Security Standard (“CCSS”) to the level the Company requests.
- Independently check the risk level associated with investor funds by looking at funds history.
- Ensure that the communication protocols are verified and review those communications with custodians and each other.
- Review the interaction with exchanges to ensure proper key security.
- Policies and procedures for:
 - storage of crypto currency
 - including e-wallet policies
 - custodian
 - cold storage procedures
 - multi-signature / maker-checker
- Crisis Management / Incident Response, if necessary.

Financial Compliance and Security (“FCAS”) Review

AML / KYC Review

The purpose of our review is to evaluate the Company’s AML program under the Bank Secrecy Act (“BSA”) and the USA PATRIOT Act, and to assess compliance with Office of Foreign Assets Control (“OFAC”) requirements. This review will also assess responsibilities of any 3rd parties.

- Phase 1:
 - D&P will conduct interviews with the founding team, technical lead, and other relevant personnel. During Phase 1, D&P will provide a request list of documents for review.
- Phase 2:
 - Review of systems and processes for the identification of suspicious activity and the filing of Suspicious Activity Reports (“SARs”);
 - Review of SARs filed;
 - Review of OFAC compliance, policies and procedures;
 - Review of AML compliance, policies and procedures;
 - Review of client identification and verification;
 - 3rd party/counterparty due diligence;
 - Review of AML Risk Assessment; and
 - Review of AML and OFAC training of necessary personnel.
- Phase 3:
 - D&P will perform and provide the results of a GAP analysis of current practices vs. best-practices as well as perform testing of various actions within the compliance function.
- Phase 4:
 - Provide a report to management based on management’s needs and requirements.

Financial Compliance and Security (“FCAS”) Review

Security Review

D&P believes that a key component to a robust and well developed compliance program includes the proper implementation of policies and procedures around the Security and Infrastructure of the Company.

- Phase 1:
 - D&P will conduct interviews with the founding team, technical lead, and other relevant personnel. During Phase 1, D&P will provide a request list of documents for review.
- Phase 2:
 - Ensure Security Policies & Procedures implement a comprehensive security system which adheres to the Cryptocurrency Security Standard (“CCSS”) to the level the Company requests.
 - Review the interaction to ensure proper key security.
 - Independently check the risk level associated with investor funds by looking at funds history.
 - Ensure that the communication protocols are verified and review those communications with custodians and each other.
 - Policies and procedures for:
 - Storage of crypto currency; E-wallet policies; Custodians; Cold storage procedures; and Multi-signature/maker-checker
- Phase 3:
 - D&P will perform and provide the results of a GAP analysis of current practices vs. best-practices as well as perform testing of various actions within the compliance function.
- Phase 4:
 - Provide a report to management based on managements needs and requirements.

Operational Infrastructure Development and Implementation

Policies & Procedures Development

- D&P will draft the following policies and procedures:
 - Internal control policies;
 - Trading in the portfolio;
 - How the Company will interact with counterparties, exchanges / OTCs, and custodians;
 - PPM assistance;
 - Cash management process;
 - Segregation of duties;
 - Pricing / Valuation Policy; and
 - Business Continuity / Disaster Recovery.

Investment Advisor Registration

The filing for an Invested Advisor is a two-step process:

Development of a Customized Compliance Program

- Analysis of the Company's investment strategy (including any CFTC/NFA issues, as may be applicable), corporate structure, offering documents, marketing materials, and designation of officers.
- Creation of a comprehensive compliance calendar and compliance logs.
- Employee training on the Company's compliance policies and procedures.
- Development of customized policies and procedures including, but not limited to, the following:
 - Outside Business Activities
 - Conflicts of Interest
 - Personal Trading
 - Restricted List
 - Gifts and Entertainment
 - Political Contributions
 - Bad Actor Rule
 - Whistleblower
 - Regulatory Filings
 - Marketing and Advertising
 - Investor Relations
 - Portfolio Management
 - Record Retention
 - Privacy
 - Electronic Communications

Registration as an Investment Advisor

- Drafting, editing, and finalizing the Company's Form ADV Parts 1A and 2A and 2B.
- Filing the Company's Form ADV and coordinating the registration process through its effective date.

Investment Advisor Registration – Ongoing Support

Ongoing Support Services

- Creation and Maintenance of a Comprehensive Compliance Calendar;
- Annual and Other-Than-Annual Form ADV Updates and IARD Maintenance;
- Quarterly Review of Electronic Communications;
- Quarterly Review of Employee Personal Trading;
- Filing Form PF, as required;
- Performance of the Company's Annual Compliance Review, in accordance with Rule 206(4)-7 of the Investment Advisers Act;
- Annual Employee Compliance Training;
- Review of Marketing Materials;
- Updates to Compliance Policies and Procedures;
- Regulatory Email Updates;
- Access to Forms and Templates; and
- Consultation with Duff & Phelps Team – periodic visits, meetings, calls, questions and e-mails.

CFTC / NFA Registration

The filing for an Invested Advisor is a three-step process:

Assessment of Registration Requirements

- Conduct an analysis to determine whether the Company is required to register and, if so, in which categories.
- Assist with the identification of Associated Persons, Principals and/or Branch Offices.
- Identify required proficiency examinations, assist with scheduling, and identify available exemptions.

Registration Application and Development of Compliance Program

- Draft Company and individual registration applications.
- Ensure individual registration requirements are met (fingerprints, fees, testing, etc.).
- Preparation of a customized NFA compliance manual including, but not limited to, the following topics:
 - Ethics Training
 - Conflicts of Interest/Outside Activities
 - Compliance Inquiries
 - Recordkeeping
 - Privacy of Client Information
 - Cash Flow Procedures
 - Preparation and Use of Advertising and Promotional Material
 - Supervision of Associated Persons
 - Order Allocation
 - Trading Errors
 - Position Limits
 - NFA Bylaw 1101
 - Customer Suitability / Account Opening Process
 - Branch Office Supervision
 - Supervision of Associated Persons
 - Cash Flow Procedures

Finalize, Submit and Train

- Finalize registration applications and submit and answer any NFA related registration questions.
- Training personal on compliance procedures and the NFA platform.

CFTC / NFA Registration – Ongoing Support

Ongoing Support Services

- Creation and Maintenance of a Comprehensive NFA/CFTC Compliance Calendar;
- Annual Employee Compliance Training;
- Review of Marketing Materials;
- Updates to Compliance Policies and Procedures;
- Annual NFA Updates;
- Annual NFA Self Examination Questionnaire;
- Initial and Ongoing Ethics Training for Associated Persons;
- Bylaw 1101 Reviews;
- Periodic Checks on Registration Status, Branch Offices, and Available Exemptions;
- Regulatory Email Updates;
- Exemption Filings;
- Assistance with Quarterly Form PQR Filings;
- Response to NFA Regarding Any Filing Questions;
- Ongoing Registration/Withdrawals of Associated Persons and Principals (Form 8R and 8T) and Branch Offices (Form 7R);
- Access to Forms and Templates; and
- Consultation with Duff & Phelps Team – calls, questions and e-mails.

Broker-Dealer Registration

The filing for an Invested Advisor is a three-step process:

Establishment of Broker-Dealer

- Assessment and analysis of the Company's business strategy and organizational structure.
- Preparation of a timeline and schedule for the registration process.
- Preparation and submission of the Uniform Application for Broker-Dealer Registration (Form BD).

Registration Application and Development of Compliance Program

- Preparation of the New Membership Application (Form NMA) for up to three business activities.
- Coordination of staff fingerprinting and examination requirements.
- Preparation of all supporting documentation including:
 - Business Plan
 - Supervisory Procedures
 - Continuing Education and Needs Analysis
 - Necessary Forms U-4
 - Business Continuity Plan
- Submit Form NMA and all documents necessary to register the Company with FINRA.

FINRA Registration Support

- Attendance/support at any regulatory meetings and coordination, preparation and assistance with any follow up requests.
- Creation of compliance calendar and employee compliance training.

Broker-Dealer Registration – Ongoing Support

Ongoing Support Services

- Creation and Maintenance of a Comprehensive Compliance Calendar;
- CRD Maintenance;
- Forms BD, BR, U-4, and U-5 Updates;
- Continuing Education Program – includes annual compliance and AML training;
- Electronic Communication Reviews;
- Employee Compliance Form Management;
- Draft and Submit Responses to Miscellaneous FINRA Requests;
- Updates to Written Supervisory Procedures, as needed;
- Regulatory Email Updates;
- Access to Forms and Templates; and
- Consultation with Duff & Phelps Team – calls, questions and e-mails.

Regulatory Expertise and Litigation

Application of Regulatory Expertise

D&P assists clients with responding to allegations involving the propriety of accounting and financial reporting, fraud, regulatory scrutiny and anti-corruption inquiries.

Our approaches enable us to efficiently gather facts, analyze the issues, and prepare reports and presentations that stand up to regulatory and judicial scrutiny. We assist with complex accounting and reporting issues that arise from situations occurring outside the normal course of business, including:

- **Fraud and complex financial investigations**
- **Financial statement misstatements, inadequate disclosure and restatements**
- **Regulatory inquiries**
- **Independent internal controls and fraud risk assessment**
- **Compliance and transaction risk assessments**
- **Ponzi schemes, embezzlement and kickbacks**
- **Receiver, trustee and independent monitorships services**

Litigation

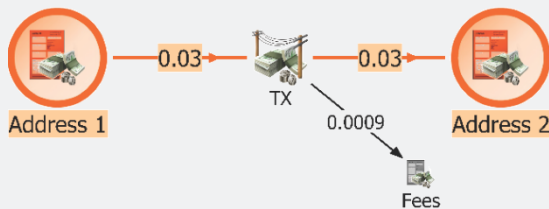
D&P's testifying experts have given evidence both for and against the government, thereby enhancing credibility with juries and courts. Several of our seasoned accounting professionals have served with the SEC's Divisions of Enforcement and Corporation Finance and in the Office of the Chief Accountant, as well as the Financial Accounting Standards Board.

Alternative Asset Advisory - Practice Overview

Bitcoin Transaction Types

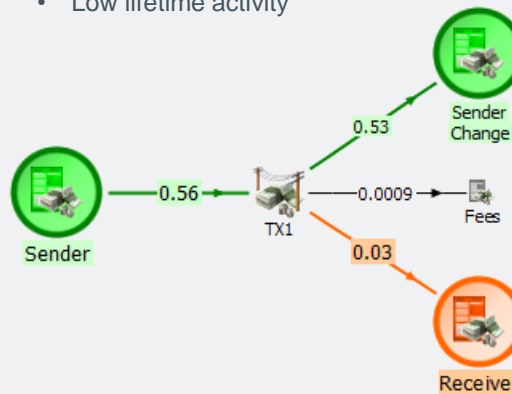
TRANSFER

- One input, one output
- No change address
- Usually both sides are controlled by the same entity
- Exact payment amounts are rare
- Lifetime transaction values and volumes are usually low



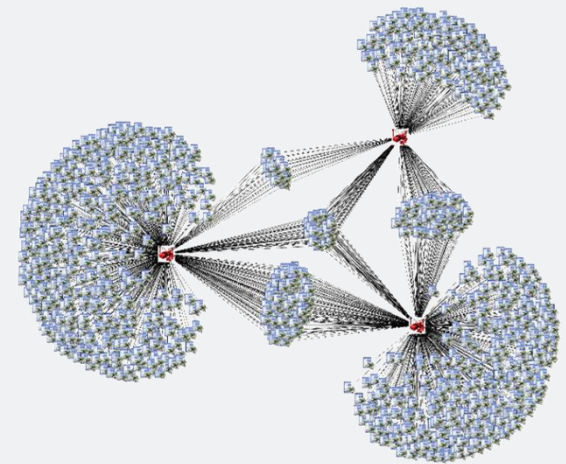
STANDARD

- Small number of inputs
- Not often more than two
- Two outputs: *One “change”, One to Payee*
- Standard vs Commercial: *Depends on lifetime and later activity*
- Determining the change address can be hard
 - Heuristics and clustering
 - Third Party Intelligence platforms, Open Source, too
- Low lifetime activity



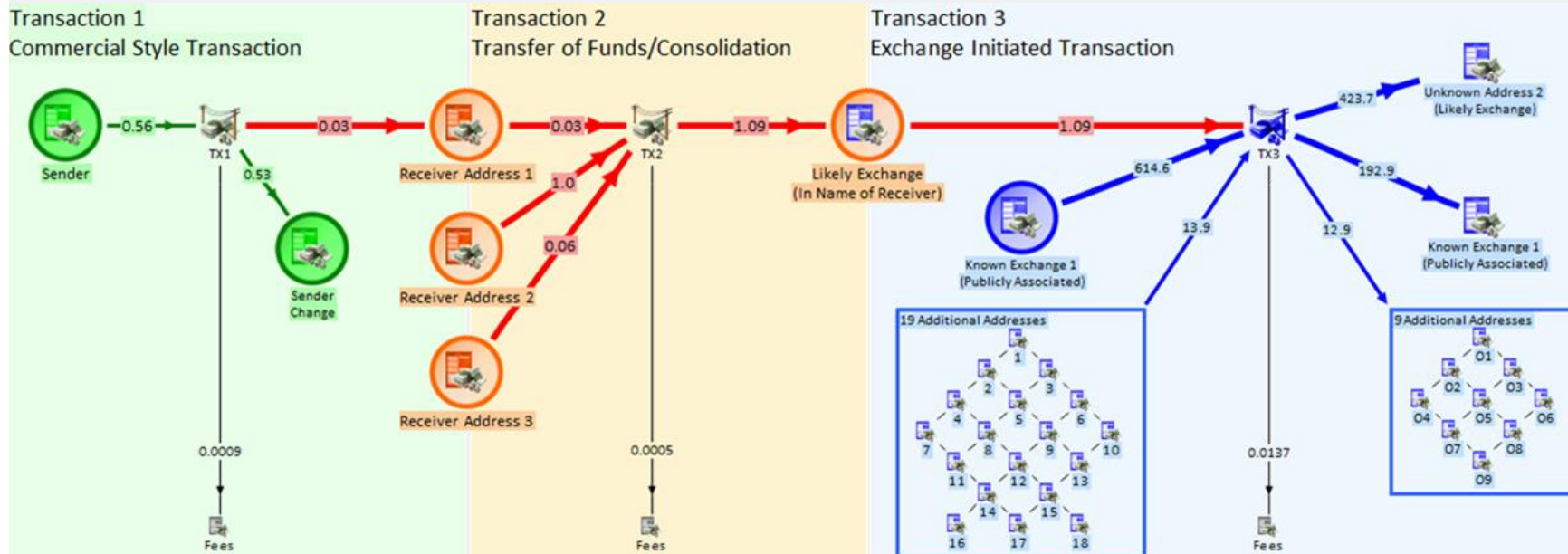
EXCHANGE

- Large number of inputs and outputs
- Multiple common addresses across transactions – *Highly Connected*
- Large lifetime activity, by orders of magnitude



Alternative Asset Advisory - Practice Overview

Transactions in Practice



Select Affiliate Party Fairness Opinion Experience

Affiliate Party

Fairness Opinion

KKR Private Equity Investors, L.P. has sold a portion of its co-investment in Biomet, Inc. to an affiliate of Kohlberg Kravis Roberts & Co.



Financial advisor to the independent directors of the general partner of KKR Private Equity Investors, L.P.

Fairness Opinion

KKR Private Equity Investors, L.P. has sold a portion of its co-investment in The Nielsen Corporation to an affiliate of Kohlberg Kravis Roberts & Co.



Financial advisor to the independent directors of the general partner of KKR Private Equity Investors, L.P.

Fairness Opinion

KKR Private Equity Investors, L.P. has sold a portion of its co-investment in HCA, Inc. to an affiliate of Kohlberg Kravis Roberts & Co.



Financial advisor to the independent directors of the general partner of KKR Private Equity Investors, L.P.

Fairness Opinion

HD Supply, Inc., a portfolio company of Bain Capital, The Carlyle Group, and Clayton Dubilier & Rice, has completed a refinancing transaction involving certain affiliates



Financial advisor to the board of directors of HD Supply, Inc.

Fairness Opinion

Viskase Companies, Inc. has completed the sale of newly issued shares of common stock to Koala Holding L.P., an affiliate of Carl Icahn



Financial advisor to the special committee of the board of directors of Viskase Companies, Inc.

Fairness Opinion

Clearwire Corporation has completed a financing transaction with Sprint Nextel Corporation in connection with the acquisition of Clearwire by SprintNextel



Financial advisor to the board of directors of Clearwire Corporation

Affiliate Party

Fairness Opinion

Sealy Corporation has completed a comprehensive recapitalization led by its majority shareholder, Kohlberg Kravis Roberts & Co.



Financial advisor to Kohlberg Kravis Roberts & Co.

Fairness Opinion

KKR Private Equity Investors, L.P. has sold a portion of its co-investment in Dollar General Corporation to an affiliate of Kohlberg Kravis Roberts & Co.



Financial advisor to the independent directors of the general partner of KKR Private Equity Investors, L.P.

Fairness Opinion

Harrah's Entertainment, Inc. has completed the transfer of the World Series of Poker intellectual property to a newly formed subsidiary



Financial advisor to the boards of directors of Harrah's Entertainment Inc. and Harrah's Operating Company, Inc.

Fairness Opinion

Vornado Operating Company was acquired by an affiliate of Vornado Realty Trust



Financial advisor to the special committee of the board of directors of Vornado Operating Company

Fairness Opinion

Kohlberg Kravis Roberts & Co. L.P. has transferred its interest in several European real estate investments to KKR Real Estate Partners Europe L.P.



Financial advisor to Kohlberg Kravis Roberts & Co. L.P.

Fairness Opinion

Caesars Entertainment Corporation has sold certain casino entertainment facilities to Caesars Acquisition Corporation, an affiliate of the company



Financial advisor to the special committee of the board of directors of Caesars Entertainment Corporation

Affiliate Party

Fairness Opinion

Converted Organics, Inc. has acquired TerraSphere, Inc.



Financial advisor to the acquisition committee of the board of directors of Converted Organics, Inc.

Fairness Opinion

Atari, Inc. sold all of its outstanding common stock (not held by Infogrames Entertainment SA) to Infogrames Entertainment SA



Financial advisor to the special committee of the board of directors of Atari, Inc.

Fairness Opinion

MetroPCS Wireless, Inc. has completed certain intercompany transactions with NextG Networks, Inc. and MetroPCS Finance, Inc.



Financial advisor to the board of directors of MetroPCS Wireless, Inc.

Fairness Opinion

Bucyrus International, Inc. has completed certain affiliate transactions prior to Bucyrus' initial public offering of common stock



Financial advisor to the board of directors of Bucyrus International, Inc.

Fairness Opinion

A subsidiary of MagnaChip Semiconductor Corporation has repurchased certain of its issued and outstanding senior notes from affiliates of Avenue Capital Management II, L.P.



Financial advisor to a special committee of the board of directors of MagnaChip Semiconductor Corporation

Fairness Opinion

ASD Americas Holding Corp., a portfolio company of Sun Capital Partners, has acquired Decorative Panels International, Inc.



Financial advisor to the board of directors of ASD Americas Holding Corp.

Cyber Security

Trust Kroll to provide superior cyber security services - end-to-end.

PREPARE & PREVENT

Kroll can help you plan and create a customized prevention program that integrates industry-leading best practices, innovative technological solutions, and insights from working on the front line of cyber security.

INVESTIGATE & RESPOND

Kroll's investigative experience in complex risk management challenges is the heart of our cyber security practice. Our multi-disciplinary expertise goes beyond the technical answers to deliver actionable intelligence.

REMEDiate & RESTORE

Kroll brings extensive resources in breach notification, remediation, and identity monitoring to help you support individuals impacted by a breach and restore trust in your organization.

Cyber Security

PREPARE & PREVENT

Kroll can help you plan and create a customized prevention program that integrates industry-leading best practices, innovative technological solutions, and insights from working on the front line of cyber security.

- Cyber Risk Assessment;
- Cyber Policy Review and Design;
- Penetration Testing Services;
- Vulnerability Scanning;
- Third Party Cyber Audits and Reviews;
- Payment Card Industry Services;
- 24x7 Endpoint Detection and Response;
- Kroll CyberDetect ER; and
- Virtual CISO Advisory Services.

Cyber Security

INVESTIGATE & RESPOND

Kroll's investigative experience in complex risk management challenges is the heart of our cyber security practice. Our multi-disciplinary expertise goes beyond the technical answers to deliver actionable intelligence.

- Incident Response Management;
- Computer Forensics:
- PHI and PII Identification;
- Data Recovery and Forensic Analysis;
- Data Collection and Preservation;
- Malware and Advanced Persistent Threat Detection;
- Cyber Litigation Support; and
- Payment Card Industry Services.

Cyber Security

REMEDiate & RESTORE

Kroll brings extensive resources in breach notification, remediation, and identity monitoring to help you support individuals impacted by a breach and restore trust in your organization.

- Data Breach Notification;
- Data Brach Call Center Services;
- Credit Monitoring;
- Identity Monitoring;
- Identity Theft Restoration; and
- IDShield Powered by Kroll.

Due Diligence

Individuals and Entities

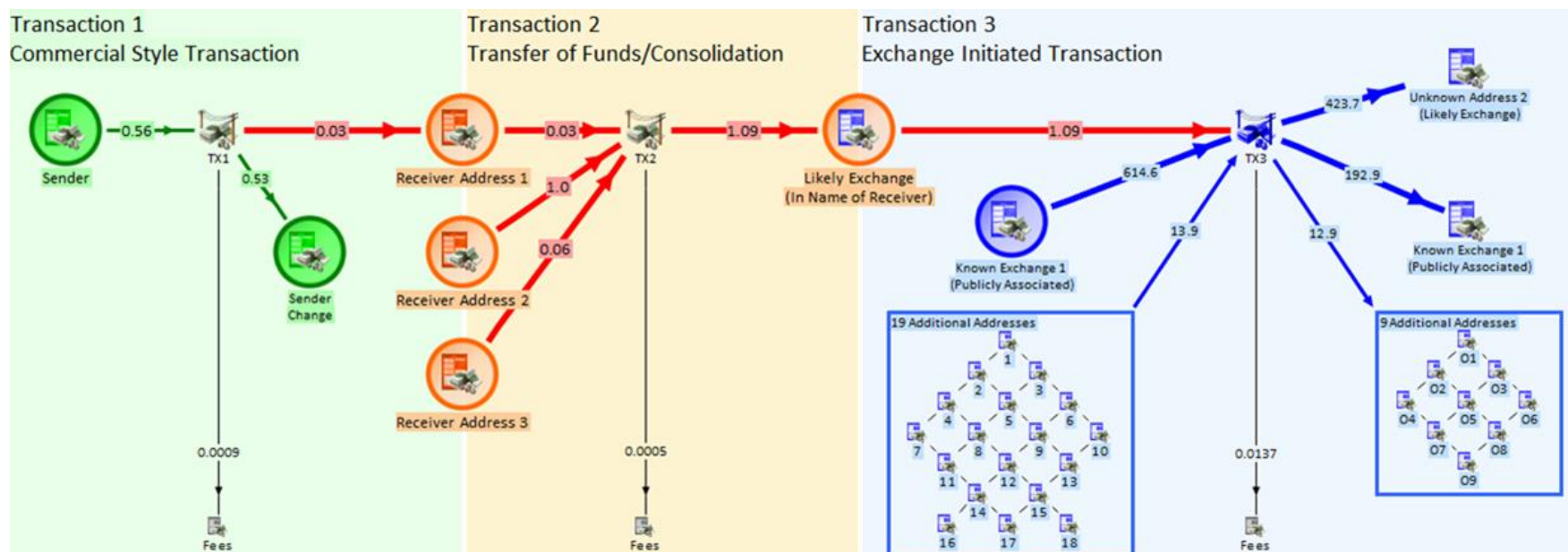
Whether you are evaluating investments, entering new markets, vetting third parties or satisfying regulatory requirements, we offer a broad spectrum of consultative and programmatic solutions to address your specific needs.



Due Diligence

Wallets and Cryptocurrency

We are able to vet wallet addresses for onboarding or counterparty due diligence as well as vet cryptocurrency provenance through our various proprietary databases. It is important to have confidence that those you are doing business with are not tied to money laundering or other similar activities.



Representative Engagements



Provided the Bermuda Monetary Authority ("BMA") training for their internal staff on blockchain and cryptocurrency introductory basics as well as the legal, regulatory and cybersecurity training. The training concluded with a written test to ensure that the BMA staff have a good understanding of what risks and mitigating tactics exist around the technology.

Investigation and Advisory for an ICO

Engaged by a lender in the crypto space to conduct multiple internal investigations of both internal and external threats; advising on improving policies and procedures around information security, physical security, and hiring methodologies. Further engaged to provide AML and Compliance Program as well a refresh for their Security Program.



Conducting due diligence for their global investors as part of their onboarding program. Also providing advisory support to compliance program development, including, but not limited to: from Code of Conduct development, policies and procedures, risk assessments and training.



Engaged to provide NFA fund registration services and ongoing support of the registration requirements, implementation and development of the AML and Compliance Program, and implementation and development of the Security Program.

Tokenized Security Fund Advisory

Duff & Phelps has been engaged to provide strategy services, initial funding advisory, investment projections model review, cash management advisory, compliance policies and procedures development, security policies and procedures development, portfolio valuation, regulating registrations and ongoing support, and fund administration services.

Appendix C

Additional Duff & Phelps Bios

Ken C. Joseph, Esq.

Managing Director, Global Head of Disputes



Duff & Phelps, LLC
New York, NY
+1 (646) 867 7864
+1 (646) 315 4450
Ken.Joseph@duffandphelps.com

Ken C. Joseph, Esq. is a managing director and Global Leader of Duff & Phelps' Disputes practice. Ken focuses on serving clients who need informed and proven strategies to successfully navigate a broad spectrum of threats arising from investigations, compliance examinations, litigation, and crisis scenarios. Ken has a unique combination of front-line expertise and experience in U.S. securities law, regulatory compliance, and corporate governance. He served with distinction for a total of over 21 years at the U.S. Securities and Exchange Commission, including service as one of the inaugural supervisors in the Division of Enforcement's specialized asset management unit, and most recently as a senior officer in the Commission's Office of Compliance Inspections and Examinations. He has investigated, supervised, and resolved numerous complex and high-profile cases involving a wide variety of alleged misconduct by market professionals, individuals, and by public and private entities.

Ken's extensive docket of cases and compliance examinations at the SEC included allegations and/or findings of breaches of the anti-fraud provisions, fiduciary duty, disclosure, custody and compliance requirements, as well as the anti-corruption, data privacy and cybersecurity obligations under the federal securities laws. In total, his enforcement and examination matters on behalf of the SEC resulted in the payment of over \$1 billion in monetary relief to shareholders, investors and clients. He was responsible for conducting numerous parallel investigations and successful actions in conjunction with federal, state, and local law enforcement authorities. And, he led his team's response to regulatory concerns involving reinsurance products, special purpose vehicles, credit default swaps, auction rate securities, cyber-intrusions, Brexit, high-yield bonds, fee and expense allocations, undisclosed conflicts, and share class selection, among others. While at the SEC, Ken served in leadership positions on several governance committees, including the National Exam Program's Executive Committee and the Risk and Exam Process Committee, where he helped develop national and local examination initiatives and priorities. He also served on the Risk Analytics Committee and contributed to the development of technology solutions to improve his program's analytical capabilities, efficiency, and techniques used to identify actual or potential misconduct.

Ken holds a Juris Doctor degree from the University of North Carolina at Chapel Hill School of Law. He also earned B.S., MBA, and post-graduate degrees in Marketing Management and International Finance from St. John's University, New York. He is admitted to practice law in the U.S. District Court for the Southern and Eastern Districts of New York, as well as the States of New York and Connecticut. He is a frequent speaker at industry panels on matters relating to SEC enforcement and securities law compliance, governance, and risk management and has represented the SEC on several foreign technical assistance missions. Ken also has substantial experience interacting with U.S. and foreign regulators and law enforcement agencies from the state, federal, and international levels, including those from the Department of Justice, the Federal Bureau of Investigation, the United States Postal Inspection Service, the Financial Industry Regulatory Authority, the Federal Reserve, and state securities regulators.

Managing Director, Valuation Advisory Services



Duff & Phelps, LLC
Silicon Valley
+1 6507985565
Lynne.Weber@duffandphelps.com

Dr. Lynne Weber is a managing director in the Silicon Valley office, in the Strategic Value Advisory practice. She has 35+ years of consulting experience, with expertise in financial projections, market analysis, market research, contingency valuation, statistics, data analytics, econometrics, forecasting, and risk assessment.

Lynne's strategic value advisory experience includes leading hundreds of engagements, often involving analysis of market entry, marketing, pricing, product development, product design, product line, distribution channel, bundling, partnering and/or business strategies. She leads OpenFraming strategy workshops and has helped clients evaluate strategic options and improve their strategy evaluation processes. She has led more than 200 market research studies, conducted throughout the United States, Canada, Europe and Asia.

Lynne also develops financial projections to support business and IP valuations and M&A transactions. She values contingencies for financial reporting purposes. She has spoken at ASA, BVR, FEI, Warranty Chain Management and AGN conferences regarding the valuation of contingent consideration, assets and liabilities arising from contingencies, and warranties. Her commercial due diligence experience includes assessing the achievability of projected results and quantifying the impact of key uncertainties on future cash flows.

Lynne leads engagements to forecast demand, supply, usage, warranty expenses, product failure rates, foreign exchange rates, and manufacturing capacity. She assists clients with statistical sampling analyses for a wide variety of business needs, including estimation of unclaimed property liability, R&D tax credits, warranty expenses. She helps clients determine profitability by product line and optimally allocate resources to improve manufacturing and sales operations.

For litigation support, Lynne provides expert reports and testimony in complex commercial litigation cases. She has provided support on patent, contract, anti-trust, trademark, false advertising, and product liability disputes, serving as an expert regarding market research surveys, projections of lost or "but for" sales, market analyses, pricing, and statistical and econometric analyses.

Prior to joining Duff & Phelps, Lynne was a managing director at Standard & Poor's, a principal at PricewaterhouseCoopers LLP and a principal at Applied Decision Analysis, Inc. Lynne received her Ph.D. in operations research and her M.S. in statistics from Stanford University and her B.A. in math from Cornell University. She is a member of the American Marketing Association and an associate member of the American Bar Association.

James P. Brennan

Director, Regulatory Consulting and Disputes



Duff & Phelps, LLC
New York
+1.212.450.2818
James.Brennan@duffandphelps.com

James is a Director in the Duff & Phelps' Regulatory Compliance and Disputes Practices and is based in New York. He has over 15 years of experience in accounting, auditing and litigation consulting services, including global forensic accounting and fraud investigations, Anti-Money Laundering Compliance, Cryptocurrency Regulatory Compliance, OFAC/sanctions review, and accounting malpractice and bankruptcy related litigation.

He has substantial experience in providing complex forensic accounting and financial fraud investigative services in connection with SEC investigations and internal investigations on behalf of Trustees, Boards of Directors, Audit Committees and creditors of both public and private companies.

His forensic accounting and financial investigation engagements include fact-finding and examinations into matters involving alleged Ponzi schemes, fraudulent financial reporting and the misapplication of GAAP. These engagements have also involved tracing significant flows of funds among accounts and related entities. He has experience in conducting internal investigations as well as assisted in the investigation of one of the largest fraud cases in the United States. His litigation experience includes cases in various U.S. District, Supreme and Federal Courts as well as U.S. Bankruptcy Courts and the Superior Court of Ontario.

James has been involved with many other large and high profile engagements, including Lipper Convertibles L.P., REFCO, USAO monitorship for The Bank of New York, Lehman Brothers Holding Inc., Bernard L. Madoff Investment Securities, Tribune Co., and Caesars Entertainment Operating Corp.

Prior to joining Duff & Phelps, James had over 15 years of experience with Alvarez & Marsal, FTI Consulting and Deloitte.

James earned a M.S. Accounting from St. John's University and a B.A. from St. John's University. He is a Certified Fraud Examiner as well as a Certified Bitcoin Professional.

Director, Regulatory Consulting and Disputes



Duff & Phelps, LLC
Denver, CO / Toronto, ON
+1 (303) 749 9070
Joshua.McDougall@duffandphelps.com

Joshua McDougall has spent the last 6 years closely researching the cryptocurrency and blockchain space to best understand how this technology will impact the work we deliver at Duff & Phelps, as well as the impact it will have on our clients. He is on the Board of Directors of the CryptoCurrency Certification Consortium (C4), a non-profit standards body, and is a co-author of their CryptoCurrency Security Standard (CCSS), the industry standard for securing digital blockchain assets. Also, Joshua helped to design and build the distrusted wallet system, policies, and procedures, that secured all the Bitcoin earned during the Ethereum crowd sale. With this experience, Duff & Phelps is a global leader for blockchain and cryptocurrency related incidence response, digital investigation and electronic discovery projects.

Joshua McDougall strives to provide the highest tier of eDiscovery services globally, overseeing all electronic discovery engagements, and relating hosting infrastructure across Duff & Phelps.

With over a decade of experience, his understanding of the EDRM lifecycle can be applied to projects big & small, even when complexity is at its highest due to data or organizational sensitivities, or the sudden emergence of new technologies within a case.

He has authored expert forensic technology reports on several occasions regarding civil matters in the province of Ontario. He has extensive experience working in the information technology field and has worked on several high-profile engagements involving active litigation, internal and external investigations and arbitrations. Additionally, Joshua is an expert in database systems, allowing him assist with any complex analysis and reporting on structured and unstructured data.

Joshua holds the degrees of Bachelor of Applied Information Science in Information Systems Security from Sheridan Institute, as well as Master of Science in Information Assurance from Davenport University, is a Certified Bitcoin Professional (CBP) and a Relativity Certified Administrator (RCA).

For more information about our global locations and services, please visit:
www.duffandphelps.com

About Duff & Phelps

Duff & Phelps is the global advisor that protects, restores and maximizes value for clients in the areas of valuation, corporate finance, investigations, disputes, cyber security, compliance and regulatory matters, and other governance-related issues. We work with clients across diverse sectors, mitigating risk to assets, operations and people. With Kroll, a division of Duff & Phelps since 2018, our firm has nearly 3,500 professionals in 28 countries around the world. For more information, visit www.duffandphelps.com

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