

# SUBPRIME MORTGAGE INDUSTRY SERVICES

## THE SUBPRIME RIPPLE EFFECT

As the number of subprime mortgage-related home foreclosures and loan delinquencies continues to climb, federal prosecutors and regulators are launching new investigations into subprime lender activities. In addition, litigation continues to mount in a multitude of jurisdictions over business disputes arising from subprime market dealings. Mortgage companies, brokers, banks, financial institutions, and other companies that created, sold, bought, insured, and even rated mortgage-backed securities are targets of these investigations and lawsuits. BDO Consulting's seasoned professionals have the investigatory and litigation experience to assist clients in responding to these situations.

### ► CHARTING THE SUBPRIME WATERS

BDO Consulting provides expert and consulting services, including financial accounting and forensic analyses to assess the risks facing investors and institutions relating to subprime lending activities. Our experienced subprime mortgage professionals include mortgage banking and real estate professionals; investigative professionals experienced in investigating, regulating and prosecuting mortgage fraud; and executives from accounting and auditing standards-setting bodies and self-regulatory organizations. Our well-credentialed professionals have provided testimony before federal and state courts, the Securities Exchange Commission and other regulatory bodies.

As billion dollar write-downs of subprime-related mortgage-backed securities continue and institutions with impaired assets assess the viability of their business operations in the face of impending bankruptcy, BDO Consulting professionals can advise affected institutions, servicers, investors, audit committees and counsel and perform a cost effective, comprehensive business risk assessment.

While lenders, originators and loan servicers review their mortgage product offerings, market exposure, and transaction structuring in this risk-sensitive climate, the experienced advisors at BDO Consulting can provide knowledgeable, in-depth analyses and guidance for institutions and investors facing issues related to subprime mortgage-related transactions.

### ► OUR SERVICES

#### Securities Litigation Matters

BDO Consulting professionals have extensive experience assisting organizations and their legal counsel with securities litigation, directors and officers' liability litigation and enforcement proceedings before the SEC and other regulatory bodies.

We have assisted organizations with some of the nation's largest securities litigation matters, involving various complex financial accounting and reporting issues, including accounting-related allegations resulting from subprime mortgage lawsuits. BDO Consulting professionals have significant experience:



BDO Consulting provides expert and consulting services, including financial accounting and forensic analyses to assess the risks facing investors and institutions relating to subprime lending activities.

- Reviewing allegations involving fraudulent financial reporting, accounting irregularities and financial statement restatements
- Investigating and analyzing accounting transactions and financial statement disclosures to assess compliance with generally accepted accounting principles (GAAP) and SEC rules and regulations
- Assisting in conducting internal investigations into alleged financial reporting irregularities
- Preparing expert and fact witnesses for testimony
- Performing forensic accounting analyses
- Performing preliminary analyses of liability and damages issues
- Analyzing the effectiveness of internal controls

### Financial Accounting and Reporting Experience

Our professionals provide accounting advice to clients involved in lawsuits brought under the anti-fraud provisions of securities laws, and testify at deposition or trial on our findings. We have experience serving as in-court witnesses, drafting interrogatories and discovery requests, analyzing records, assisting counsel in preparing for depositions, compiling and analyzing large databases, and drafting submissions to regulatory bodies. Our professionals work closely with counsel to help identify the nature, origin and extent of the issues in question.

### Investigations

BDO Consulting's Investigations professionals offer organizations a wide array of investigative services to assist clients with issues related to the subprime mortgage crisis. Our seasoned investigators have a depth of experience investigating, regulating and prosecuting mortgage fraud in former positions within federal law enforcement, federal and local prosecution, and investigation departments at major banks and banking regulatory bodies. We conduct financial and non-financial investigations domestically and internationally, in rapid response to allegations of suspected fraud, wrongdoing, corporate misconduct, as well as in the protection and recovery of assets. Our services include:

- Anti-Corruption Compliance and Investigations
- Anti-Money Laundering Services
- Computer Forensics and E-Discovery
- Corporate Investigations
- Critical Anti-Fraud Program
- Employee Misconduct Investigations
- Fidelity Bond Crime Claims
- Independent Private Sector Inspector General and Monitorships
- Investigative Due Diligence

### Business Restructuring and Workouts

BDO Consulting's Restructuring professionals provide financial advisory, business restructuring and transaction support services to corporations, lending institutions, hedge funds, and law firms. Our professionals assist a wide range of clients, including bondholders, unsecured creditors, debtors, stockholders, and investors with matters involving bankruptcy/out-of-court workouts, lender and M&A due diligence transactional support, profit improvement, and turnaround services.

Our team of highly skilled professionals draw upon their backgrounds as former operating executives, in addition to their credentials as certified public accountants, certified turnaround professionals, certified insolvency and restructuring advisers, certified fraud examiners, financial analysts, and statisticians.

### Computer Forensics and E-Discovery

BDO Consulting's Computer Forensics and E-Discovery professionals assist in investigations and litigation based on our understanding of legal proceedings and best practices. We draw upon our experience with technology to help determine the locations where information is likely to be stored, identify potentially available information, and advise on the process for the efficient and effective retrieval, analysis and presentation of information.

## CONTACT:

---

**ANTHONY LENDEZ**

Partner

212-885-8025

---

**WILLIAM LENHART**

Partner

212-885-8340

[www.bdoconsulting.com](http://www.bdoconsulting.com)

BDO Consulting provides litigation, investigation, business restructuring and risk advisory services to clients in the United States and internationally. Our highly experienced and well-credentialed professionals leverage the global industry and accounting knowledge of the BDO international network, providing rapid, strategic advice to assist our clients.

BDO Consulting is a division of BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited. BDO International Limited is a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

© 2011 BDO USA, LLP. All rights reserved. [www.bdo.com](http://www.bdo.com)