



Carolyn A. Witthoft

Carolyn A. Witthoft is the Managing Director of Libretto Group LLC and serves as a Senior Project Specialist and consultant to Global Financial Analytics LLC®. She provides consulting services to clients involved in litigation, arbitration and regulatory disputes. Ms. Witthoft has over thirty years of experience providing consulting and engineering services to clients in oil and gas, manufacturing, construction, defense contracting, electric utilities, financial services, healthcare, hospitality and retail. Her clients have included major US corporations, foreign companies, federal and state government agencies both within and outside the US, small businesses and individuals. Ms. Witthoft has provided consultation during depositions, mediations and settlement meetings, and prepared exhibits to explain complex financial and economic matters to judges, juries and arbitrators.

Ms. Witthoft has consulted on a wide variety of financial and accounting matters. Her prior work experience as a refinery process engineer and on numerous consulting matters has often involved the analysis of both technical and cost issues, and the relationship between engineering plans and actual economic damages. She has performed economic loss and cost allocation analyses involving issues such as bankruptcy, business interruption, breach of contract, construction cost overruns, environmental site remediation, expropriation, government contract termination, healthcare payment disputes, intellectual property disputes, property damage, property value diminution, and wrongful termination.

Ms. Witthoft had reviewed and developed labor, material, indirect and overhead cost rates and used these rates to calculate lost profits, model pro forma project or company income, allocate costs to projects, product lines or departments, and to forecast completion costs of major projects.

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Education

- Master of Business Administration, with concentration in Finance and Accounting, The University of California at Los Angeles
- Bachelor of Science, *cum laude*, Chemical Engineering, University of Southern California



Consulting Project Experience

Oil Industry Process Engineer

Ms. Witthoft worked for over five years as a refinery process engineer for one of the world's largest oil companies. She was responsible for determining ways to optimize the operational and economic performance of numerous types of process plants, including gasoline and jet fuel desulfurization, gasoline reforming, and sulfur and sulfuric acid plants. As part of her plant assignments, she was responsible for recommending, selecting, and/or justifying the cost of additional equipment, new catalyst or chemical additives, different combinations of feedstock, and increased energy usage to achieve additional throughput or improve product quality. In her role, Ms. Witthoft worked closely with senior refinery management and financial planners, corporate research staff, plant operators, maintenance crews, analytical laboratory staff and chemical vendors.

Investment Treaty Dispute

Ms. Witthoft assisted a party to an investment treaty dispute in the energy sector. Her involvement was directed toward the assessment of damages arising from alleged continuing violations of the treaty by a state agency of the host government. The damages analysis involved assessment of various risk factors in the hydrocarbon extractive industries, including market pricing, production fluctuations, projected inflation, associated costs and other issues.

Manufacturing Plant Expropriation

Ms. Witthoft assisted a party to an investment treaty dispute in the chemical manufacturing sector in Eastern Europe, in which the host country had allegedly expropriated the investor's production facility. Her efforts included assisting with the valuation of the investment at the time of expropriation using the cost, market transaction and income methods of valuation. She also assisted with analyzing allegations related to asset stripping.

Forced Liquidation of Foreign Investment

Ms. Witthoft assisted with an investment treaty dispute in which the investor's business was allegedly forced into liquidation by the host government. She analyzed the business's financial statements, historical revenues and costs, the profitability of its competition, and the market for the investor's food products in Europe. Ms. Witthoft also assisted with applying various valuation methodologies to the business to determine the range of its potential damages.



Expropriation of Power Generation Facilities

Ms. Witthoft assisted a party to an investment treaty dispute in the power generation sector in South America. A significant investment in both permanent and mobile generation facilities was allegedly expropriated by the host country. Ms. Witthoft assisted with identifying the investor's total costs of acquiring and maintaining generation facilities, valuing the investment at the time of expropriation, quantifying potential damages mitigation strategies, modeling an alternative "lease payment" for the expropriated investment, computing potential interest accrual for amounts owed, and determining an appropriate cost of capital for valuation purposes.

Arbitration of Construction Payment Dispute

Ms. Witthoft assisted a party in an arbitration dealing with a public-private partnership formed to build a toll road in Europe. At issue was a complex financial model agreed to by the parties. Ms. Witthoft assisted with assessing the specific inputs and calculations used in the model. Understanding the way key dates and contract provisions were incorporated into the model was critical to assessing the investor's disputed bonus payments and claims for foreign currency adjustments.

Government Contract Dispute

Ms. Witthoft assisted in a contract dispute between two defense contractors building major systems under a contract with the US Navy. Her efforts involved analyzing the cost impacts on the subcontractor arising from prime contractor-directed changes in scope. She worked closely with financial and accounting staff to identify and segregate the source(s) of the cost overruns by contract line item. She also assisted with assembling relevant documentation needed to determine which costs were compensable by the prime contractor and/or US government.

LNG Contract Dispute

Ms. Witthoft assisted with the determination of both revenues and applicable costs related to liquified natural gas shipping contracts between major oil and gas companies. The dispute involved complex contractual issues dealing with product spot market prices, transportation costs, fuel use clauses, take-or-pay provisions, and other cost factors related to world-wide delivery destinations.

Business Interruption Insurance Claim

Ms. Witthoft reviewed and prepared a client's claims for property damage and business interruption following a manufacturing plant explosion. In addition to calculating and documenting replacement costs and lost profits, she assessed the applicability of insurance coverage, deductibles and exclusions to the claims at issue.



Indemnification Agreement

Ms. Witthoft assisted a major oil and chemical company with tracing the history of ownership of a large, environmentally contaminated former manufacturing site in the U.S. A predecessor to the chemical company purchased the facility with the understanding that it would be indemnified for costs arising from future cleanup costs. In order to evaluate the indemnification and identify potential alter ego defenses, Ms. Witthoft analyzed several complex corporate restructurings using numerous years of financial statements and other detailed contemporaneous documentation.

Failed Merger Litigation

Ms. Witthoft assisted a client involved in a \$2 billion litigation over alleged interference in the proposed merger of two public utilities. Ms. Witthoft was an integral part of a team that studied potential material adverse changes that would have triggered withdrawal from the merger by one of the parties, regardless of any alleged interference. She assisted in developing models of the plaintiff's projected operating income, considering potential changes in the regulatory environment, projected investment income, agreements with third party power producers, future financing costs, and projected return on equity.

European IT Development Contract Dispute

Ms. Witthoft studied the European real estate market for a client that was under contract to build a first-of-its-kind residential property multiple listing service for a major real estate brokerage company expanding into Europe. Ms. Witthoft's analysis of the decentralized and often secretive nature of obtaining and sharing real estate listings in Europe was used to help mitigate potential future lost profits from the client's alleged failure to timely complete the development contract.

Termination for Convenience Claim

Ms. Witthoft assisted a defense contractor with preparation of a claim for cost reimbursement after a major development contract was terminated for convenience by the US government. The client was developing a heads-up display for military aircraft, and its claim depended on the appropriate allocation of costs to research, engineering development or actual production. Ms. Witthoft dealt directly with the company's engineers to understand incurred design and manufacturing costs, as well as to allocate company overhead and independent research and development costs to the contract.



Oil Refinery Environmental Projects

Ms. Witthoft drafted applications for California South Coast Air Quality Management District refinery equipment operating permits, determined annual air emission fees for a large US West Coast refinery, participated in rule-making sessions, and acted as a liaison with environmental authorities during refinery inspections. She also evaluated cleanup procedures and disposal options for by-products of plant shutdowns and equipment failures, including catalyst fines, waste water and sludge.

Business Impact from Site Contamination

Ms. Witthoft assessed a company's theory of property value diminution and business loss stemming from its alleged inability to develop environmentally impaired property. Her analysis involved reviewing the company's plans for the site, analyzing the proposed schedule and projected costs for remediation, and assessing changes in the company's ability to actually complete the project based on its financial position.

Site Remediation Cost Allocations

Ms. Witthoft has assisted a variety of clients with modeling the allocation of remediation costs and determining the proper theory of damages at sites involving multiple potentially responsible parties under the US Superfund laws. In order to appropriately allocate costs, she has gathered, reviewed and synthesized information from remediation consultants' technical reports, historical site operating data, site use and cleanup plans, and contractor cost and budget data.

Breach of Construction Contract

Ms. Witthoft prepared a lost profits claim for a major defense contractor that built missiles for the US government. The contractor's test facility was constructed by a subcontractor who failed to build to the company's specifications. Ms. Witthoft analyzed the limitations imposed on testing from the construction flaws and modeled the resulting multi-million-dollar delays in projected missile production. The matter concluded with a negotiated settlement between the parties.

Healthcare Reimbursement Rate Disputes

Ms. Witthoft assisted the Commonwealth of Pennsylvania with several litigation matters related to Medicaid prospective rate reimbursement for nursing home providers. To assess the adequacy of the reimbursement rates and rate adjustments granted under "request for hardship" procedures, she analyzed provider cost reports, the Medicaid agency's reimbursement methodology, costs incurred by providers, and actual nursing home profitability and occupancy.



US Tobacco Litigation

Ms. Witthoft assisted the State of Arizona with the preparation of its claims against the major tobacco companies over the health care costs incurred by the State as a result of tobacco-related diseases. She analyzed Arizona's Medicaid managed care and fee-for-service programs and associated medical costs in order to segregate program expenditures by type of service. Ms. Witthoft also conducted extensive interviews of managed care program and accounting personnel. Utilizing actuarial rate-setting data, she segregated program expenditures and refined the expenditure analysis using paid claims and encounter data. She also assisted in preparing the State's claims for expenditures for state employee and retiree medical and dental insurance premiums and associated tobacco-related costs.

Whistleblower Litigation

Ms. Witthoft assisted a defense contractor accused of over-billing the US government for services provided by a computer data center. She performed a detailed investigation into the center's cost structure and pricing, allocating the center's full costs, including data processing, printing, software royalties, customer service and management expenses, to its various functional departments.

Potentially Responsible Party (PRP) Identification

Ms. Witthoft assisted a PRP group with identifying over 100 other PRPs in a major CERCLA natural resources damages action in Southern California. She helped research and develop an understanding of industrial PCB uses and pathways to the environment. Ms. Witthoft also created a database to track individual PRP histories and related evidence linking each PRP to the action.

Speaking Experience

Monte Carlo Simulation Software Presentation

Ms. Witthoft presented a case study, entitled "@RISK in the Analysis of Investment Treaty Arbitration", as part of the 2010 Palisade Corporation Risk Conference held in Las Vegas, Nevada. Ms. Witthoft used the @RISK Monte Carlo simulation software as part of her analysis in an investment treaty dispute to demonstrate the wide range of possible outcomes and the uncertainty of the opposing expert's calculation of economic damages.