

**PUBLIC FILING DOCUMENT**

**BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION**

**STATE OF GEORGIA**

In Re: Generic Proceeding to Implement : Docket No. 43453  
House Bill 244 :  
:

**REBUTTAL TESTIMONY**

**AND EXHIBITS**

**OF**

**CHRISTOPHER S. EDWARDS, CPA, CVA, MAFF**

**ON BEHALF OF GEMC  
AND ITS 38 EMC MEMBERS**

**NOVEMBER 9, 2020**

**PUBLIC FILING DOCUMENT**

**TABLE OF CONTENTS**

I. INTRODUCTION AND BACKGROUND .....1

II. REBUTTAL TESTIMONY.....3

**PUBLIC FILING DOCUMENT**

**BEFORE THE  
GEORGIA PUBLIC SERVICE COMMISSION**

**PRE-FILED REBUTTAL TESTIMONY AND EXHIBITS OF  
CHRISTOPHER S. EDWARDS, CPA, CVA, MAFF  
ON BEHALF OF  
GEORGIA ELECTRIC MEMBERSHIP CORPORATION  
AND ITS 38 MEMBERS**

**DOCKET NO. 43453**

**I. INTRODUCTION AND BACKGROUND**

**Q. Please state your name, title and business address.**

A. My name is Christopher (“Chris”) S. Edwards. I am a partner at the accounting firm of McNair, McLemore, Middlebrooks & Co., LLC<sup>1</sup> and I am the partner in charge of its litigation, valuation, and forensic practice group. Our business address is 389 Mulberry Street, Macon, Georgia 31201.

**Q. On whose behalf is this testimony being presented?**

A. My testimony is offered on behalf of the Georgia Electric Membership Corporation (“GEMC”) and its thirty-eight (38) members (“EMC” or “EMCs”).

**Q. Please summarize your professional experience.**

A. I am a Certified Public Accountant, duly authorized to practice in the State of Georgia, a Certified Valuation Analyst, as credentialed by the National Association of Certified Valuators and Analysts, and a Master Analyst in Financial Forensics, as also credentialed by the National Association of Certified Valuators and Analysts. I am in my 31st year of

---

<sup>1</sup> A Georgia limited liability company licensed to practice public accounting in Georgia.

## PUBLIC FILING DOCUMENT

1 the practice of public accounting and have extensive and diversified experience in the areas  
2 of audit, tax, forensic examination, valuation, and litigation. I have served as expert  
3 consultant and/or expert witness on many occasions and have often performed analyses of  
4 the type and nature of those supporting the conclusions herein. In my professional practice,  
5 I have performed valuations, forensic analyses, and/or have provided expert testimony  
6 numerous times in various venues.

7 Notwithstanding the generality of the foregoing, I have attached at **GEMC Ex. 170**  
8 **(CE-1)** a true and accurate copy of my curriculum vitae in which my qualifications are  
9 described in more detail.

10 **Q. What is the purpose of your testimony in this proceeding?**

11 A. The purpose of my testimony herein is to provide a calculation of the Weighted Average  
12 Cost of Capital (“WACC”) of the aforementioned 38 EMCs utilizing their actual capital  
13 structure, actual cost of debt, and a suitable proxy for the estimation of their respective cost  
14 of equity. Furthermore, I have been asked to provide rebuttal opinion testimony on the  
15 nature of the cost of capital as is more fully discussed in the sections below.

16 **Q. Please summarize your conclusions.**

17 A. As discussed in more detail below, I have calculated the WACC for each of the GEMC’s  
18 38 member EMCs for each 2017, 2018, and 2019 (“Measurement Period”). For all EMCs  
19 in the Measurement Period, I have calculated the average WACC to be 10.43%, the average  
20 capital structure to be 49% debt and 51% equity, the average cost of debt to be 4.52%, and  
21 the average cost of equity to be 16.17%. The methods I have utilized are typical in

## PUBLIC FILING DOCUMENT

1 determining cost of capital and are the same as those that are used by other professionals  
2 performing such calculations.

### 3 **II. REBUTTAL TESTIMONY**

4 **Q. At pages 16 and 62 of her testimony, Ms. Kravtin contends that the EMCs' cost of**  
5 **debt in the range of 3% to 5% is a more valid economic indicator of the EMCs' true**  
6 **cost of capital than the FCC's presumed 9.75% that the FCC formula requires, since**  
7 **EMCs effectively have no equity costs. Do you agree?**

8 A. I do not agree with several of Ms. Kravtin's points and inferences. First, her statement that  
9 the EMCs' cost of debt is in the range of "3% to 5%" is misleading. Actually, the average  
10 and median cost of debt for the EMCs during the Measurement Period is 4.52% and 4.47%  
11 respectively. Second, to say that the EMCs' "true cost of capital" is equal to its cost of  
12 debt under the assumption that extant equity held in each EMC is "free" or as having no  
13 associated costs is not only contrary the standard practice and methodologies used in the  
14 calculation of a subject's cost of equity, but it also misapprehends the true nature of  
15 patronage capital in the context of an EMC.

16 The ultimate objective regarding the required response to Staff question STF-1-7 is  
17 the determination of the EMCs' average equivalent WACC, which contemplates both the  
18 debt and the equity held by the EMCs. To ignore the actual equity balances of the EMCs  
19 infers that there is no value in the equity which further infers that an EMC could, and  
20 perhaps should, simply fund its capital needs exclusively with debt capital. However,  
21 markets and lenders will not extend to EMCs debt levels that comprise 100% of its capital

## PUBLIC FILING DOCUMENT

1 needs and, therefore, they must seek alternative capital in the form of equity. To attract  
2 this equity capital, EMCs provide a return on its equity in a variety of ways including:

- 3 • the provision of power to those consumers where other utilities were  
4 unwilling to serve their needs (*because the publicly traded utilities could*  
5 *not buildout the infrastructure and still earn its required rate of return*);
- 6 • providing competitive utility consumption rates as the best and most  
7 economical alternative to other sources of power (*such as solar and*  
8 *geothermal*);
- 9 • the allocation of rate-based capital contributions to patronage capital (*much*  
10 *like a stock purchase in a publicly traded company*); and
- 11 • the opportunity for the equity holders to receive the return of their invested  
12 capital through the EMC's retirement of patronage capital (*akin to an*  
13 *investor selling their long-term stock holdings in a publicly traded*  
14 *company*).

15 Additionally, EMCs neither pay interest on patronage capital nor is there a required  
16 periodic payment or term to maturity. So in the natural sense, the patronage capital held  
17 by EMCs does, in fact, exhibit the badges and indicators of "equity" and, therefore, that  
18 equity should be considered valuable and to have a related cost, which can be estimated.

19 While I will discuss the estimation of the cost of capital in the following sections,  
20 it is notable that the mere existence of the EMC coop paradigm points to a fair cost of  
21 equity. As mentioned parenthetically above, publicly traded and for-profit electric utilities  
22 have historically been unwilling to invest in the infrastructure required to provide utility

## PUBLIC FILING DOCUMENT

1 services in rural areas simply because it was not economically feasible to do so and yet still  
2 earn its required rate of return.<sup>2</sup> Therefore, considering the increased risk in operating a  
3 utility in a less dense geographical area, it is not unreasonable to conclude that the cost of  
4 equity for an EMC that does operate in the rural space would be equal to or greater than  
5 that required by the publicly traded utility. This remains true given that the total debt  
6 capital available to an EMC is woefully insufficient for the purposes of funding the entirety  
7 of its capital needs, even at reduced borrowing rates.

8 **Q. At page 36 of her testimony, Ms. Kravtin claims that the retained earnings on EMC**  
9 **books in the form of patronage capital provide EMCs with an effectively cost-free**  
10 **source of capital funding. Do you agree?**

11 A. I do not agree with Ms. Kravtin on this point for, again, several reasons. As a clarification  
12 for the Commission, all “revenues” paid by the EMC member-consumer via their rate-  
13 based model are immediately characterized as capital in nature. That contributed capital is  
14 then used to fund the capital expenditures of the EMC and, additionally, to the extent that  
15 the cost of those operations is exceeded by the overall contributed capital, the net remaining  
16 capital remains with the EMC in the form of patronage capital in an amount that is generally  
17 pro rata with the power consumed by each member-consumer. Therefore, the EMC’s  
18 operations do not produce a net income that is then either retained or paid out in the form  
19 of dividends.

---

<sup>2</sup> As an example, the Southern Company (NYSE:SO) had a Return on Equity of 14% based on its trailing twelve months as of June 2019.

## PUBLIC FILING DOCUMENT

1           In the equity capital markets, the cost of equity is driven by demand and the risk  
2 tolerance of the investor given a desired rate return on their investment and the available  
3 alternative investments. As stated above, members of the EMCs invest their capital with  
4 the expectation of return on their investment via the provision of power at reasonable rates  
5 along with the potential to have the invested capital returned to them in the future. As an  
6 alternative to investing in EMCs, the members could instead invest their money in the  
7 equity markets where they would earn a rate of return<sup>3</sup> and then pay the higher energy rates  
8 that would be required of a publicly traded utility to enter that rural space and to provide  
9 the electric service. Therefore, the differential in the higher utility rates that would  
10 otherwise be paid to the publicly traded utility and the actual rates paid to the EMC infer  
11 the monetary return received by the patronage capital investor. Viewed from the  
12 perspective of the EMC, the cost of the equity in the hands of the EMC manifests itself in  
13 the reduced rate charged to its member consumers. Accordingly, the equity booked by the  
14 EMCs as patronage capital is not free of cost.

15 **Q. At page 16 of her testimony, Ms. Kravtin claims the cost of capital figures identified**  
16 **by the EMCs in response to staff data requests are “inexplicable.” Do you agree?**

17 A. I do not agree with Ms. Kravtin on this point insofar as she has improperly asserted that  
18 the cost of capital figures provided by GEMC to the Commission are inexplicable. In the  
19 question denoted as STF-1-7 in the Staff’s First Set of Data Requests to Georgia EMC  
20 Member Companies, the Commission asked “What is the EMC’s cost of capital (i.e., cost

---

<sup>3</sup> Since inception, historical rates of return for the S&P 500 have been approximately 10% per year. (yahoo.finance; macrotrends.net).



## PUBLIC FILING DOCUMENT

1 of debt and any asserted cost of equity)?". On its face, this request clearly asks that the  
2 cost of capital figures be provided with no further instruction or request to additionally  
3 provide any supporting calculations, methodology, or other minutiae in support of those  
4 figures.

5 Accordingly, GEMC provided the cost of capital figures in direct response to the  
6 Commission's request and as reproduced and supplemented herein at **GEMC Ex. 171**  
7 **(CE-2)**. In calculating the WACC, we obtained from GEMC a replete and standard  
8 accumulation of both financial and non-financial data and applied the same methodologies  
9 commonly used by those determining WACC rates, which are discussed in more detail  
10 below and provide explanation of the cost of capital rates previously proffered by the  
11 GEMC in response to STF-1-7.

12 **Q. Please explain how you calculated those cost of capital figures.**

13 A. To fully respond to this question, it is necessary to first discuss the use of "proxies" in the  
14 estimation of cost of equity and the resulting cost of capital. Consider that when dealing  
15 with a publicly traded stock, there is financial information directly and immediately  
16 available that one can use in determining its actual cost of equity. For example, if the  
17 subject company habitually pays out dividends, one can determine its cost of equity using  
18 the Dividend Capitalization Model,<sup>4</sup> which requires knowing only the stock price per share,  
19 the expected dividend to be paid in the next period, and the expected growth rate of future

---

<sup>4</sup> The Dividend Capitalization Model is a method of valuing a company's stock price based on the net present value of its future dividends. It is calculated by formula:  $Re = (D1 / P0) + g$  where "Re" is the Cost of Equity, "D1" is the dividend per share for next year, "P0" is the current share price, and "g" is the dividend growth rate.

## PUBLIC FILING DOCUMENT

1 dividend payments. Of course, not all publicly traded companies pay dividends and so  
2 determining the cost of equity in those circumstances would require the use of a different  
3 method such as the Capital Asset Pricing Model (CAPM)<sup>5</sup>, which requires knowing only  
4 the risk-free rate in the market place, the expected equity return in the market, and the  
5 subject company's volatility relative to the market as a whole, known as systematic risk  
6 and denoted as beta ("β").<sup>6</sup>

7 Contrast this with the estimation of the cost of equity for non-publicly traded  
8 entities or industry groups where direct information such as share price and dividends are  
9 not known or knowable. While the estimation of the cost of equity in these instances can  
10 also be approached in several ways, inherent in virtually all of those accepted methods is  
11 the requirement that a suitable proxy be utilized in the absence of empirical data. In those  
12 circumstances, analysts typically use the CAPM, Modified CAPM ("MCAPM"),<sup>7</sup> or

---

<sup>5</sup> Capital Asset Pricing Model (CAPM) is a model in which the cost of capital for any stock or portfolio of stocks equals a risk-free rate plus a risk premium that is proportionate to the systematic risk of the stock or portfolio ((International Glossary of Business Valuation Terms) and is expressed by the following formula:  $E(R_i) = R_f + \beta_i * [E(R_m) - R_f]$  where "E(R<sub>i</sub>)" is the expected return on asset "i", "R<sub>f</sub>" is the risk free rate of return, "β<sub>i</sub>" is the beta of asset "i", "E(R<sub>m</sub>)" is the expected market rate of return, and "R<sub>f</sub>" is the risk free rate of return.

<sup>6</sup> Beta. A critical component of using the CAPM is the selection of "beta" as a multiplier to the overall equity market risk, which is a measure of an equity's volatility, or sensitivity, to the market. Beta is a coefficient expressed as greater than 1.0 or less than 1.0 with the inference that a beta of 1.0 implies that the subject company's equity, or stock price, will vary exactly as the benchmark used to determine the beta in the first place, which is typically the S&P 500. A beta larger than 1.0 implies that the equity will vary greater than the market and a beta of less than 1.0 implies that the equity will not vary as much as the market. As mentioned, the S&P500 is most typically used in benchmarking beta, but other markets can be used which often begs the question of which market is the more appropriate benchmark. It is possible to calculate beta using an ad hoc population of equities, however, there is substantial risk in doing so in that those practitioners are often attacked for not using universally derived data that is commonly accepted. In essence, there is the speculative ire of "cherry picking" the benchmarking population.

<sup>7</sup> Modified CAPM is the same a CAPM defined about but with the addition an additional size premium and, possibly, the addition a company specific risk factor. The size premium correlates the increased risk in a stock or equity based on the relative size of the subject company in the overall equity market. This is usually stratified by market capitalization into deciles.

## PUBLIC FILING DOCUMENT

1 “Build-up Method”<sup>8</sup> in estimating the cost of equity and use a proxy for the market rate of  
2 return and for the industry’s volatility to the market, previously defined as beta ( $\beta$ ).

3 Financial analysts and business valuers use the proxy approach in virtually every  
4 valuation of any organization that is valued on an income approach or where equity capital  
5 is to be raised. This is done by using subscription based information and published stock  
6 studies.<sup>9</sup> These studies utilize actual equity market data in calculating the beta ( $\beta$ ) by  
7 industry and stratifying their results by market capitalization (i.e., organization size) and  
8 industry. Without utilizing proxy data, the ability to value companies and organizations  
9 would be severely blighted with the undesirable result that a calculated cost of equity or  
10 the resulting valuation of a company calculated on the income approach would be  
11 marginalized as speculative. Use of proxy data for calculating the cost of equity is a  
12 necessary and standard practice. I have used it here in determining a WACC for the EMCs  
13 using the MCAPM method.

14 To calculate the cost of capital for the EMCs during the measurement period, I first  
15 obtained from GEMC the RUS Form 7, or equivalent, (“RUS Form 7”) for each EMC for  
16 each 2016, 2017, 2018, and 2019 as well as the audit reports for each EMC for each year  
17 in the Measurement Period, both of which the Commission has also received and are

---

<sup>8</sup> The Build Up Method (“BUM”) is a variation of the CAPM or MCAPM where in the indicated cost equity is determined by adding increments of risk based the company relative to the equity market. Most typically it is calculated by adding to the risk-free rate an equity risk premium, an industry premium, a size premium, and a company specific risk. The industry premium is merely an expression of beta as a percentage rather than a coefficient to the equity risk premium as they are derived from exactly the same data.

<sup>9</sup> The Center for Research in Security Pricing produces what is known as “CRSP data” representing the financial performance of a broad base of equities from which beta and other calculations can be derived. Some of the purveyors of beta calculations include such as Duff & Phelps, Aswath Damodaran, Value Line Investment Services, Merrill Lynch, and others.

## PUBLIC FILING DOCUMENT

1 incorporated herein by reference. Using primarily the RUS Form 7s, we extracted the  
2 following information for each EMC for each year in the Measurement Period and  
3 compiled a data table which is attached here as **GEMC Ex. 172 (CE-3)**:

- 4 • Entity name
- 5 • Year-end month
- 6 • Beginning and ending total long-term debt, including current maturities
- 7 • Interest paid on long term debt
- 8 • Total services in place
- 9 • Miles distribution both overhead and underground
- 10 • Number of customers per mile
- 11 • Total margins and equity
- 12 • Total utility plant in service
- 13 • Number of full-time employees
- 14 • kWh Purchased
- 15 • Total cost of purchased power
- 16 • Average cost per kWh
- 17 • Total number of members
- 18 • Average number of customers and total revenue, classified by service type

19 Using the above extracted data, we calculated the following for each EMC for each  
20 year in the Measurement Period:

- 21 • Capital structure expressed as debt and equity as a percentage each of the  
22 total

## PUBLIC FILING DOCUMENT

- 1           •       Residential and commercial revenue per mile
- 2           •       Their average interest rate

3           In our determination of the capital structure for each EMC for each year, we  
4 considered debt to include both the Total Long-term Debt (RUS Form 7 Part C Line 43)  
5 and the Current Maturities – Long-term debt (RUS Form 7 Part C Line 50). For the equity  
6 component, we used Total Margins & Equities (RUS Form 7 Line 36) and for the cost of  
7 debt we calculated the average interest rate for each EMC for each year by dividing the  
8 total interest paid, as shown on (RUS Form 7 Part A Line 16), by the average of the  
9 beginning and ending debt as defined in the opening sentence of the paragraph. A schedule  
10 of the interest rate and the resulting capital structure for each EMC for each year in the  
11 Measurement Period is attached at **GEMC 173 (CE-4)**.

12           As discussed above, a component of the calculation of the WACC, whether using  
13 a CAPM, MCAPM, or BUM, is the development of the cost of equity to be utilized in the  
14 calculation. In our determination of the cost of equity, we utilized the MCAPM method as  
15 expressed in the following standard formula:

$$16 \qquad \qquad \qquad E(R_i) = R_f + (\beta_i * [E(R_m) - R_f]) + R_s + R_c$$

17           Where,

- 18           •       E(R<sub>i</sub>) is the Cost of Equity
- 19           •       (R<sub>f</sub>) is the Risk-Free Rate
- 20           •       β<sub>i</sub> is the Beta of the Asset
- 21           •       R<sub>m</sub> is the Expected Market Rate of Return
- 22           •       R<sub>s</sub> is the Size Premium of the Asset

## PUBLIC FILING DOCUMENT

- Rc is the Company Specific Risk of the Asset

Duff & Phelps is the leading purveyor of cost of equity data and was the source of information used by us in the various components in the above formula, except for Company Specific Risk (“CSR”).<sup>10</sup> A schedule of the relevant Duff & Phelps data for each EMC for each year in the Measurement Period is attached as **GEMC Ex. 174 (CE-5)** and shows the following components:

- Risk free rate
- Beta ( $\beta$ )
- Equity risk premium
- Size premium

The last component of the above MCAPM formula is the consideration of the CSR, which is a critical element if equating the equity markets to a specific asset (i.e., an EMC) in the determination of a suitable proxy for cost of equity. Failure to consider a CSR incorrectly postulates that the subject asset is homogenous to all other assets represented in the population of data, which is certainly not the case with virtually all organizations. There are numerous factors to consider when determining an appropriate CSR for the EMCs, some of which include the following:

---

<sup>10</sup> There is both “systematic” and “unsystematic” risk in every individual equity. Systematic risk is that which is measured within the collective group of equities in which beta is calculated. The risk of investing in equities is a systematic risk and the risk of investing in small-cap equities is even greater, but still systematic to the group. An equity investment into a specific industry or company is unique to the given industry or company and is, therefore, unsystematic in its nature relative to the markets as a whole. When using a CAPM where beta is used as a coefficient of systematic risk, many practitioners combine the unique risks of an industry and of the subject company into a single additional risk premium and it is often referred to a “company specific risk” or “CSR” and this modification in the CAPM is referred to MCAPM.

## PUBLIC FILING DOCUMENT

- 1 • Industry regulation environment in Georgia.
- 2 • The differences of the rural areas and geographical limitations to market
- 3 development in Georgia to those of the publicly regulated industry.
- 4 • The size of the EMC when it is even smaller than the lowest market
- 5 capitalization in the decile 10 data from Duff & Phelps.
- 6 • Access to capital markets in contrast to the traded utilities in the market data
- 7 and who have a much greater access to capital markets that are not
- 8 geographically limited and, thus, further impacted by local economies.
- 9 • Inability to diversify the customer base in Georgia EMCs.
- 10 • The inherent inability to actively control power supply cost, even with
- 11 purchasing cooperative agreements.
- 12 • Key executive dependencies.
- 13 • Inability to fully diversify product lines in that Georgia EMCs are limited
- 14 to the supplying of power only with the inclusion of some ancillary services.
- 15 • Reliance on debt capital variances.
- 16 • The inability of EMCs to infringe on municipal and other investor owned
- 17 markets.
- 18 • Customer densities are less than that in publicly traded utilities.
- 19 • Variances in particular vulnerabilities to storm threats.
- 20 • Access to stabilized workforces and ability to attract qualified staff.

21 Naturally, there are other factors that affect CSR and those mentioned above are  
22 merely an example of some of them. Using the data on the RUS Form 7 and other

## PUBLIC FILING DOCUMENT

1 considerations, we determined a blended CSR of 5% to be suitable in developing an  
2 appropriate equity market-based proxy for the cost of equity for Georgia EMCs.

3 Using the foregoing data and calculations, we calculated the WACC for each EMC  
4 for each year in the Measurement Period. We then compiled that information a spreadsheet  
5 form, attached hereto as **GEMC Ex. 175 (CE-6)**, which presents the weighted average cost  
6 of capital to be 10.43% for all subject EMCs for the Measurement Period.

7 **Q. At page 16 of his testimony, Mr. Rhinehart proposes that the Commission follow its**  
8 **own precedent under the Universal Access Fund (“UAF”) process and use an allowed**  
9 **return on equity of 9.60% blended with the actual cost of debt and using the actual**  
10 **debt-equity mix, and then cap that overall rate of return at 8.00%. Do you agree?**

11 A. I neither agree with Mr. Rhinehart’s assertion that an allowed return on equity of 9.6%  
12 should be used nor that the overall rate of return should be capped at 8.00%. I do agree  
13 that the actual cost of debt and actual debt-equity mix should be used, though we may differ  
14 on the definition and derivation of the cost of debt to the extent that he believes the cost of  
15 debt should be adjusted for capitalized interest given that Georgia EMCs have relatively  
16 little capitalized interest.

17 Mr. Rhinehart discusses that the Edison Electric Institute (“EEI”) publishes  
18 summary results of the outcomes of investor-owned electric utility rate cases and that the  
19 average authorized return on equity presented in those results is 9.60%, which he then  
20 concludes to be the appropriate rate to be attributed to the GEMC. While I do concede that  
21 utilization of the EEI data is a measure of equity, I note that Mr. Rhinehart has not included  
22 this data in his report or as an exhibit to it. Without knowing the specifics of the source of



## PUBLIC FILING DOCUMENT

1 the data, the demographics of the individual entities, the nature of the individual rate cases  
2 driving the data, or even in what states these entities operate, I do not believe it to be an  
3 appropriate measure that is conducive to a conclusion on the rate of equity for the  
4 individual Georgia EMCs.

5 Furthermore, I do not agree on his recommendation that the WACC that is derived  
6 from the use of a 9.60% cost of equity and the actual cost debt should be capped at 8.00%.  
7 Mr. Rhinehart gives no explanation or reasoning for his recommendation that the WACC  
8 rate be capped at 8.00% and to do so is arbitrary and without foundation resulting in  
9 unnecessary speculation being interjected into this process.

**GEMC EX. 170 (CE-1)**

**Christopher S. Edwards, CPA, CVA, MAFF**  
*Curricula Vitae*

October 31, 2020

I am a Certified Public Accountant in my 32<sup>nd</sup> year of practice in the field of public accounting. I currently practice at McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC (MMM) in Macon, Georgia, where, as a partner in the firm, I serve as the director of the firm's Litigation, Valuation & Forensics Practice Group. My experiences have been diverse enabling me to develop expertise in the areas of audit, litigation support services, valuation, computer consulting, management advisory services, forensics, and in various tax areas. As an AICPA "G400" firm, MMM is one of the largest public accounting firms in the southeast with a diverse client and practice base in providing professional auditing, accounting, and tax services, as well as non-traditional specialty services.

I am responsible for the firm's litigation, valuation, and forensics (LVF) practice and have been responsible for more than 80,000 hours of professional services in this area. I have acted as an expert witness or consultant in over 200 different cases and have experience in giving expert testimony in various litigation areas. My LVF practice has included work in the areas of business valuations, claims analysis, divorce and domestic litigation, lost business profits and wages, wrongful termination, corporate fraud, embezzlement, professional malpractice, retirement benefits analysis, condemnation actions, minority shareholder rights, business buyouts, criminal cases, illegal gambling, partnership split-ups, child support modifications, fictitious vendor and fictitious employee schemes, FINRA arbitrations, and extensive work in the areas of corporate and individual bankruptcy matters. I am experienced in investigating multi-state fraud and RICO matters. I have been retained by regulatory and enforcement agencies, such as the Federal Bureau of Investigation, the Georgia Bureau of Investigation, the Federal Trade Commission, and the Georgia Secretary of State, for the purposes of investigating the commission of multi-million-dollar frauds impacting multiple states. I have testified, at deposition, trial, grand jury, regulatory hearings, or at arbitration, on **91** occasions and have prepared cases for trial numerous other times that settled on the eve of trial. I have also tendered many sworn affidavits attesting to my professional opinions on litigated and contested matters which have been instrumental in the ensuing case settlement. Within the bankruptcy arena, I have considerable experience in litigating and consulting on fraudulent and preferential adversaries as well as providing in depth solvency/valuation opinions and testimony. I have served as the court-appointed accountant in well over 1,000 bankruptcy cases. I have been retained and appointed by courts to serve as examiner, to mediate litigation prior to trial, and to serve as trustee of corporate assets. I have valuable experience in performing valuations of small businesses, family limited partnerships, ESOPs, and fractional business interests. As a part of both my governmental audit and litigation practice, I have worked in the area of actuarial science for the purposes of evaluating a future benefit obligations, present values, and pension benefit obligations.

I have direct and meaningful LVF experience in many industries to include, but not limited to, manufacturing, wholesale distributors, retail stores, eminent domain (i.e., condemnation), hospitals, physician practices, governments, not-for-profits, schools and school boards, construction contractors, Sarbanes-Oxley "404" matters, manufacturing, information technology companies, churches, stock brokers and brokerage accounts, web-based businesses, and many other areas.

I graduated with honors from a local college preparatory school and received my BBA from the University of Georgia. I am a Certified Public Accountant (CPA) and a member in good standing of the American Institute of CPAs and the Georgia Society of CPAs. I am credentialed as a Certified Valuation Analyst (CVA) and also as a Master Analyst in Financial Forensics (MAFF), both of which are recognized as leading credentials in their respective practice areas. I am the past chair of the Advisory Board of the Georgia Southern University Center for Forensic Studies in Accounting & Business. I am a past member of the Executive Board of the Georgia Society of CPAs statewide Litigation Services Committee and I was a charter member of the Georgia Society of CPAs Litigation & Valuation services section. For three years, I chaired the State of Georgia Professional Ethics Board Committee for CPAs where I served for ten years administering and adjudicating cases of ethics violations alleged against CPAs in the state. I have spoken publicly at professional conferences and seminars on more than 50 occasions covering various topics such as auditing standards, litigation practices, business valuation, forensic accounting, and information technology. Such presentations include, but are not limited to, the annual Georgia Association of Regional Commissions Conference (2007, 2008, 2009, 2010, 2012, 2014), the Georgia Southern University Forensic Accounting and Education Conference (2008, 2010, 2012, 2013, 2016), the Georgia Department of Transportation SAAG Conference (2006, 2007, 2008), Issues in Condemnation Conference (2014, 2015, 2020), and the NACVA Annual Consultants' Conference (2019). I have lectured on dozens of occasions to colleges, law schools, and professional groups on a wide variety of LVF, auditing, valuation, and professional ethics topics that have been published in Georgia circulated professional journals. Cases in which I have been involved have been featured in leading news outlets such as CBS News, Wall Street Journal, and Money Magazine. I have served on various boards throughout the state and have been jointly responsible for the board oversight function for financial statement presentation and investment management of over \$100 million in liquid assets.

Following is a list of cases in which I have testified as an expert at trial or by deposition:

Christopher S. Edwards, CPA CVA MAFF  
McNair, McLemore, Middlebrooks & Co., LLC  
389 Mulberry Street | Macon, Georgia | 31201 | (478) 746-6277

CE 1 000001

Prior Testimony of Christopher S. Edwards, CPA CVA MAFF

1. Charles H. Jones Family Foundation, Inc. v. Raymond James and Associates, Inc. FINRA-DR No. 16-02458, Bibb County, Georgia. February 28, 2020. Expert witness testimony at arbitration regarding my analysis of account churning, excessive trading, and excessive commissions as well as market benchmarking and economic damages. Retained by the plaintiff. Arbitration.
2. David Jerome Story v. Pamela Edith Story, et al. Civil Action No. 2018V119202K, Houston County, Georgia, Superior Court. – October 31, 2019. Expert witness testimony regarding the valuation of marital property incident to two defined benefit plans, a defined contribution plan, and rebuttal of actuarial report and related actuarial testimony. Retained by the plaintiff. Jury Trial.
3. Elliott & Turner Motor Company, LLC v. Savannah International Motors, Inc. and Ralph W. Tolman. Civil Action No. CV17-0630-BA, Chatham County, Georgia, Superior Court. – October 24, 2019. Expert witness testimony regarding economic damages related to automotive dealership, fraud and embezzlement, and income tax implications. Retained by the defendant. Jury Trial.
4. Theresa Kowalski, M.D., v. Phoebe Putney Memorial Hospital, Inc., Civil Action No. SUCV2018001135, Dougherty County, Georgia, Superior Court. – April 24, 2019. In relation to a permanent injunction, expert witness testimony economic damages from a wrongful termination. Retained by the plaintiff. Hearing.
5. Elliott & Turner Motor Company, LLC v. Savannah International Motors, Inc., and Ralph W. Tolman. Civil Action No. CV17-0630-BA, Chatham County, Georgia, Superior Court. – January 24, 2019. Expert witness testimony regarding economic damages related to automotive dealership. Retained by the defendant. Deposition.
6. M.A.C. Building v. Rollins, Inc., and Orkin, LLC f/k/a Orkin, Inc. f/k/a Orkin Exterminating Company, Inc. Civil Action No. CV12-0620-FR, Chatham County, Georgia, Superior Court. – August 27, 2018. Expert witness testimony regarding economic damages related to chemical contamination of business property. Retained by the plaintiff. Deposition.
7. In Re Georgia Department of Transportation v. 0.050 Acres of Land; CVS Pharmacy; et al. Civil Action No. SU-15-CV-452-94, Muscogee County, Georgia, Superior Court. – July 25, 2018. Expert witness testimony regarding business losses, lost profits, and related valuation methods relative to a CVS Pharmacy store incident to a State of Georgia condemnation. Retained by the petitioner. Deposition.
8. In Re State of Georgia v. Ronald D. Bartlett, et al. Indictment No. 16-CR-379, Peach County, Georgia, Superior Court. – February 14-15, 2018. Expert witness testimony regarding forensic analysis of illegal commercial gambling operation through utilization of Coin Operated Amusement Machines (COAM). Retained by the State. Jury Trial.
9. In Re Georgia Department of Transportation v. 2.365 Acres of Land; and Circle K Stores, Inc., et al. Civil Action No. 14DV-0164, Dooly County, Georgia, Superior Court. – January 18, 2018. Expert witness testimony regarding business losses and related valuation methods relative to a Circle K convenience store incident to condemnation. Retained by the petitioner. Deposition.
10. In Re DDS Enterprises, Inc. and W&S Enterprises, Inc. v. Georgia Department of Transportation. Civil Action No. 2013CV0124, Wilkinson County, Georgia, Superior Court. – October 9, 2017. Expert witness testimony regarding business losses and related valuation methods relative to a Huddle House quick service restaurant incident to a claimed inverse condemnation. Retained by the defendant. Jury Trial.
11. In Re DDS Enterprises, Inc. and W&S Enterprises, Inc. v. Georgia Department of Transportation. Civil Action No. 2013CV0124, Wilkinson County, Georgia, Superior Court. – September 14, 2017. Expert witness testimony regarding business losses and related valuation methods relative to a Huddle House quick service restaurant incident to a claimed inverse condemnation. Retained by the defendant. Deposition.
12. In Re Density, Inc.; Density Utilities of Louisiana, LLC; and Density Services, LLC. v. C. Lamont Davidson, Jr. a/k/a rocky Davidson, individually, and Davidson Collins, LLC. Civil Action No. 82944, Bibb County, Georgia, State Court. – August 3, 2017. Expert witness testimony regarding the methods used to determine the value of a regulated utility business on the eve of the event subject to litigation. Retained by the plaintiff. Hearing.
13. In Re Tracy Milford v. James Purcell Case No. SU15CV1070, Superior court of Athens-Clarke County, State of Georgia. – June 27, 2017. Expert testimony regarding the value of a Barberitos quick service restaurant operation consisting of two locations. Retained by the defendant. Jury Trial.
14. In Re Tracy Milford v. James Purcell Case No. SU15CV1070, Superior court of Athens-Clarke County, State of Georgia. – May 11, 2017. Expert testimony regarding the value of a Barberitos quick service restaurant operation consisting of two locations. Retained by the defendant. Deposition.
15. In Re Mark A. Waldrop v. Community Health Systems, Inc. Case No. 4:16-cv-235-HLM, United States District Court, Northern District of Georgia, Rome Division – April 14, 2017. Expert testimony regarding forensic examination of corporate fraud, fiduciary duties, and embezzlement. Retained by the defendant. Deposition.

16. *In Re Density, Inc.; Density Utilities of Louisiana, LLC; and Density Services, LLC. v. C. Lamont Davidson, Jr. a/k/a rocky Davidson, individually, and Davidson Collins, LLC.* Civil Action No. 82944, Bibb County, Georgia, State Court. – February 2, 2017. Expert witness testimony regarding value of a regulated utility business on the eve of the event subject to litigation. Retained by the plaintiff. Deposition.
17. *In Re The Post-Confirmation Committee for Small Loans, Inc., et al v. W. Derek Martin, et al.* Case No. 1:13-cv-00195-WLS. U.S. District court for the Middle District of Georgia (Albany Division) – October 19<sup>th</sup>, 2016. Expert witness testimony regarding solvency of “The Money Tree” at various points in time relative to alleged fraudulent conveyances. Retained by the defendant. Jury Trial.
18. *In Re Marcy Jill Sanders v. Vernon Clete Sanders.* Civil Action No. 2014-CV-247, Marital Dissolution, Monroe County, Georgia, Superior Court. – May 26<sup>th</sup>, 2016. Expert witness testimony regarding value of businesses owned and operated by husband and which are subject to division as marital property. Retained by the plaintiff. Deposition.
19. *In Re Georgia Department of Transportation v. 1.70 Acres of Land, and Charlotte Toler; Ray E Toler; William T. Toler; J.M. Huber Corporation, individually.* Civil Action No. 0005-12179, Condemnation of Real Property, Wilkinson County, Georgia, Superior Court. – May 4<sup>th</sup>, 2016. Expert witness testimony regarding business losses and diminution in business value relative to kaolin mineral mining, incident to condemnation. Retained by the petitioner. Jury Trial.
20. *In Re Elizabeth E. Espy vs. Miles V. Espy.* Civil Action No. 15-CV-177-RS, Lee County Superior Court. December 21, 2015. Expert witness testimony regarding the valuation issues of the defendant’s ownership in a certified public accounting firm as a marital asset. Retained by the plaintiff. Court Hearing.
21. *In Re State of Georgia vs. (Name Withheld).* Bibb County, December 2<sup>nd</sup>, 2015. Grand jury testimony regarding an embezzlement, asset misappropriation, and fictitious employee scheme allegedly perpetrated by a corporate employee. Retained by the victim company at request of the District Attorney. Grand Jury
22. *In Re Georgia Department of Transportation v. 0.605 acres of land; certain easement rights; certain access rights; The Lamar Company, LLC, individually.* Civil Action No. 14CV60892, Condemnation of Real Property, Bibb County, Georgia, Superior Court. – November 13<sup>th</sup>, 2015. Expert witness testimony regarding business or other losses relative to the loss or relocation of a billboard structure. Retained by petitioner. Deposition.
23. *In Re The Post-Confirmation Committee for Small Loans, Inc., et a. vs. W. Derek Martin, et al.* Case No. 1:13-cv-00195-WLS, U.S. District Court for the Middle District of Georgia, Albany Division. March 19<sup>th</sup>, 2015. Expert witness testimony regarding my opinion of solvency in relation to “The Money Tree” consolidated entity and SEC financial reporting. Retained by the defendant. Deposition.
24. *In Re Erika Yoder vs. Ronald Yoder.* Civil Action No. 2014-V-110199-N, Houston County Superior Court. February 3<sup>rd</sup>, 2015. Expert witness testimony regarding the valuation issues of family business as a marital asset. Retained by the plaintiff. Court Hearing.
25. *In Re Johnny L. Gayton vs. Faye Durrance Gayton.* Civil Action No. 2013-V-107909-K, Houston County Superior Court. December 3<sup>rd</sup>, 2014. Expert witness testimony regarding the plaintiff’s multi-year income analysis, asset tracing in identifying marital assets, and value of medical practices. Retained by the defendant. Deposition.
26. *In Re State of Georgia vs. (Name Withheld).* Butts County, January 14<sup>th</sup>, 2014. Grand jury testimony regarding an alleged embezzlement, asset misappropriation, and lagging scheme perpetrated by a governmental employee. Retained by the State of Georgia District Attorney Richard Milam. Grand Jury
27. *In Re David G. Puryear vs. Michele M. Puryear.* Civil Action No. 12DV-0138, Dooly County Superior Court. December 13<sup>th</sup>, 2013. Expert witness testimony regarding the plaintiff’s multi-year income analysis and asset tracing in identifying marital assets. Retained by the defendant. Deposition.
28. *In Re Georgia Department of Transportation v. 0.087 Acres of Land, and River Street Corners, LLC; Security Life of Denver Insurance Company; Emily Janice Ward, Charles Jefferson Jones, Dwight Charles Jones, as trustees of The Charles H. Jones Family Trust, II; Bank of American Corporation; City of Macon; Royal Hospitality, Inc. and Royal Hospitality Group, Inc., individually.* Civil Action No. 09CV51094, Condemnation of Real Property, Bibb County, Georgia, Superior Court. – November 8<sup>th</sup>, 2013. Expert witness testimony regarding business valuation relative to the operation of a limited service hotel franchise. Retained by petitioner. Trial.

29. *In Re Georgia Department of Transportation v. 0.087 Acres of Land, and River Street Corners, LLC; Security Life of Denver Insurance Company; Emily Janice Ward, Charles Jefferson Jones, Dwight Charles Jones, as trustees of The Charles H. Jones Family Trust, II; Bank of American Corporation; City of Macon; Royal Hospitality, Inc. and Royal Hospitality Group, Inc., individually.* Civil Action No. 09CV51094, Condemnation of Real Property, Bibb County, Georgia, Superior Court. – October 14<sup>th</sup>, 2013. Expert witness testimony regarding business valuation relative to the operation of a limited service hotel franchise. Retained by petitioner. Deposition.
30. *In Re Roy Reuben Chandler, III*, Chapter 7, Case No. 10-51845-JPS, Adversary Proceeding No. 12-5056, United States Bankruptcy Court for the Middle District of Georgia, Macon Division – March 20<sup>th</sup>, 2013. Expert witness testimony regarding the solvency of the debtor. Retained by the trustee, Joy R. Webster. Deposition.
31. *In Re State of Georgia vs. (Name Withheld)*, Clayton County, August 17<sup>th</sup>, 2012. Continuing grand jury testimony regarding an alleged asset misappropriation, expense padding, and kick-back scheme perpetrated by a service contractor. Retained by the State of Georgia District Attorney.
32. *In Re State of Georgia vs. (Name Withheld)*, Clayton County, July 13<sup>th</sup>, 2012. Grand jury testimony regarding an alleged asset misappropriation, expense padding, and kick-back scheme perpetrated by a service contractor. Retained by the State of Georgia District Attorney.
33. *In R Georgia Department of Transportation v. 1.70 Acres of Land, and Charlotte Toler; Ray E Toler; William T. Toler; J.M. Huber Corporation, individually.* Civil Action No. 0005-12179, Condemnation of Real Property, Wilkinson County, Georgia, Superior Court. – June 29<sup>th</sup>, 2012. Expert witness testimony regarding business losses and diminution in business value relative to kaolin mineral mining, incident to condemnation. Retained by the petitioner. Jury Trial.
34. *In Re Georgia Department of Transportation v. 1.70 Acres of Land, and Charlotte Toler; Ray E Toler; William T. Toler; J.M. Huber Corporation, individually.* Civil Action No. 0005-12179, Condemnation of Real Property, Wilkinson County, Georgia, Superior Court. – June 8<sup>th</sup>, 2012. Expert witness testimony regarding business losses and diminution in business value relative to kaolin mineral mining, incident to condemnation. Retained by the petitioner. Deposition.
35. *In Re Paul Moronese vs. Janet Guzzard Moronese*, Civil Action No. 2010-CV-65, Monroe County Superior Court. January 10<sup>th</sup>, 2012. Expert witness court testimony regarding business valuation of defendant corporation. Retained by the defendant. Court Hearing.
36. *In Re State of Georgia vs. Sohail Ind Sohani*, Civil Action No. 2010-CV-02172, Clayton County Superior Court. June 20<sup>th</sup>, 2011. Expert witness court testimony regarding alleged federal and state tax evasion in a related gambling operation. Retained by the State of Georgia. Jury trial.
37. *In Re Walter Craig McCroba*, Chapter 7, Case No. 09-53754-JDW, United States Bankruptcy Court for the Middle District of Georgia, Macon Division – March 14<sup>th</sup>, 2011. Testimony regarding the value of the sale of the debtor's dental practice. Retained by the trustee, William M. Flatau. Court Hearing.
38. *In Re Coachworks Holding, Inc.*, Chapter 11, Case No. 09-51096-JDW, United States Bankruptcy Court for the Middle District of Georgia, Macon Division – April 29<sup>th</sup>, 2010. Court hearing on Motion to Compel Production. Testimony regarding insider fraudulent and third party preferential transfers and the records required to enable final conclusion on same. Retained by Official Unsecured Creditors Committee. Court Hearing.
39. *In Re State of Georgia vs. Paula Cowan*, Bibb County, April 6<sup>th</sup>, 2010. Grand jury testimony regarding the alleged asset misappropriation perpetrated by Paula Cowan as director of the day school operations of Riverside United Methodist Church. Retained by the State of Georgia. Grand Jury.
40. *In Re Mary Neville v. Middle Georgia Regional Commission*, September 1<sup>st</sup>, 2009. DOL Court hearing providing testimony regarding the standard of care, negligence, and competency of former employee of the Middle Georgia Regional Commission. Retained by the Commission. Court Hearing.
41. *In Re State of Georgia vs. (Name Withheld)*, Lamar County, June 11<sup>th</sup>, 2008. Grand jury testimony regarding the alleged asset misappropriation perpetrated by former Lamar County Sheriff Office employee while in charge of drug interdiction unit. Retained by the State of Georgia. Grand Jury.
42. *In Re Houston Steel Fabricators, LLC*, Chapter 7, Case No. 05-50456-JDW, United States Bankruptcy Court for the Middle District of Georgia, Macon Division – January 23<sup>rd</sup>, 2008. Expert witness court testimony on an Objection to Discharge by General Steel. Testimony included analyses of corporate co-mingling of funds and asset tracing. Retained by General Steel. Court Hearing.
43. *In Re Georgia Department of Transportation v. 0.341 Acres of Land, and certain easement rights; and HENRY H. HOLMAN; LISA B. HOLMAN, individually.* Civil Action No. 05-CV-057, Condemnation of Real Property, Taylor County, Georgia, Superior Court. – October 30<sup>th</sup>, 2006. Expert witness testimony regarding business damages and diminution in business value to a hunting lodge, incident to condemnation. Retained by the petitioner. Jury trial.

44. *In Re Georgia Department of Transportation v. 0.341 Acres of Land, and certain easement rights; and HENRY H. HOLMAN; LISA B. HOLMAN, individually.* Civil Action No. 05-CV-057, Condemnation of Real Property, Taylor County, Georgia, Superior Court. – October 16<sup>th</sup>, 2006. Expert witness testimony regarding business damages and diminution in business value to a hunting lodge, incident to condemnation. Retained by the petitioner. Deposition.
45. *In Re Bibb County v. Property Commonly Known as 635-665 Riverside Drive, et al.* Civil Action No. 03-CV-20630, Condemnation of Real Property, Bibb County, Georgia, Superior Court. – March 3<sup>rd</sup>, 2006. Expert witness testimony regarding lost profits and diminution in business value to a car dealership, incident to condemnation. Retained by the plaintiff. Case settled after mediation. Deposition.
46. *In Re Access Integrated Networks, Inc., (claimant) vs. Telecom Consultants, Inc., (respondent).* American Arbitration Association, Atlanta, Georgia. Case No. 30 117 Y 01146 04 – June 23, 2005. Expert witness testimony attesting to value of respondent’s property interest in contract with claimant. Retained by the respondent. Arbitration Hearing.
47. *In Re Charlotte Jackson and Patty Anderson (claimants) vs. Access Integrated Networks, Inc. (respondent).* American Arbitration Association, Atlanta, Georgia. Case No. 30 181 Y 00986 04 – February 22, 2005. Expert witness testimony attesting to value of claimant’s property interest in contracts with respondent. Retained by the claimants. Arbitration Hearing.
48. *In Re Olin Wooten and Atlantic Coast Carriers, Inc. vs. Bank of Hazlehurst, Synovus Financial Corp., Altamaha Bank & Trust, Amanda Leticia Varnadore, Adorna L. Powell, and Kenneth D. McLeod.* United States District Court, Southern District of Georgia, Brunswick Division. Civil Action No. CV203-100. – August 26, 2004. Expert witness testimony regarding typical practices and practice standards in the certified public accountancy industry as relates to the defendant. Retained by the plaintiff. Deposition.
49. *In Re Nancy C. Harvey and Morgan D. Harvey vs. Nancy Dozier and Douglas Dozier,* Monroe Superior Court, Civil Action No. 2003-CV-81, Monroe County, Georgia. – August 10, 2004. Expert witness testimony regarding the diminution of value of plaintiff’s business and related business interruption claim incident to personal physical injury. Retained by the plaintiff. Jury trial.
50. *In Re Nancy C. Harvey and Morgan D. Harvey vs. Nancy Dozier and Douglas Dozier,* Monroe Superior Court, Civil Action No. 2003-CV-81, Monroe County, Georgia. – July 28, 2004. Expert witness testimony regarding the diminution of value of plaintiff’s business and related business interruption claim incident to personal physical injury. Retained by the plaintiff. Deposition.
51. *In Re Federal Trade Commission vs. Stewart Finance Holdings Company, Inc., et al,* United States District Court, Northern District of Georgia, Atlanta Division; Civil Action No. 1:03-CV-2648-JTC, Atlanta, Georgia. – May 10, 2004. Expert witness court testimony regarding contemptuous conduct on behalf of the defendants and interim reporting on forensic investigation. Retained by the Federal Trade Commission. Court Hearing.
52. *In Re State of Georgia ex rel. Cathy Cox, Commissioner of Securities of the State of Georgia vs. John Benjamin Stewart, Jr., Union Hosiery, Inc., Stewart Cash Advance, Inc., Pinewood Hunting, Inc., Stewart & Lawrence Insurance Agency of Georgia, Inc., Preferred Choice Auto Club, Inc., The Point Rental Purchase, Inc., Stewart Family Investments, LP, Stewart Insurance, LTD., J&J Reinsurance, LTD., and Stewart Mortgage Company, Inc.,* Greene Superior Court, Civil Action No. 03-CV-448, Greene County, Georgia. – February 16, 2004. Expert witness court testimony regarding contemptuous conduct on behalf of the defendants and interim reporting on forensic investigation. Retained by the State of Georgia. Court Hearing.
53. *In Re State of Georgia ex rel. Cathy Cox, Commissioner of Securities of the State of Georgia vs. John Benjamin Stewart, Jr., Union Hosiery, Inc., Stewart Cash Advance, Inc., Pinewood Hunting, Inc., Stewart & Lawrence Insurance Agency of Georgia, Inc., Preferred Choice Auto Club, Inc., The Point Rental Purchase, Inc., Stewart Family Investments, LP, Stewart Insurance, LTD., J&J Reinsurance, LTD., and Stewart Mortgage Company, Inc.,* Greene Superior Court, Civil Action No. 03-CV-448, Greene County, Georgia. – December 10, 2003. Expert witness court testimony regarding the financial status and professional conduct of the individual defendant. Case involved investigation of over \$38,000,000 in fraud cash transactions. Retained by the State of Georgia. Court Hearing.
54. *In Re Georgia Department of Transportation v. 0.018 Acres of Land, and certain easement rights; and KAM ME CHOW; YUN PIK KWAN CHOW, individually.* Civil Action No. 99-00564, Condemnation of Real Property, Glynn County, Georgia, Superior Court. – March 26<sup>th</sup> and 27<sup>th</sup>, 2003. Expert witness testimony regarding lost profits and diminution in business value to a restaurant, incident to condemnation. Retained by the defendant. Jury trial.
55. *In Re Georgia Department of Transportation v. 0.1385 Acres of Land, and certain easement rights; and Sound Builders & Investment Corporation; and Frederica Bank & Trust.* Civil Action No. 99-01509, Condemnation of Real Property, Glynn County, Georgia, Superior Court. – January 23<sup>rd</sup>, 2003. Expert witness testimony regarding the value of lost business profits and diminution in property value, related to condemnation of property and easements, of a motel servicing both extended stay and daily customers. Retained by the defendant. Deposition.

56. *In Re Georgia Department of Transportation v. 0.018 Acres of Land, and certain easement rights; and KAMME CHOW; YUN PIK KWAN CHOW, individually.* Civil Action No. 99-00564, Condemnation of Real Property, Glynn County, Georgia, Superior Court. – November 14<sup>th</sup>, 2002. Expert witness testimony regarding the value of lost business profits from restaurant incident to condemnation of real property and fixtures. Retained by the defendant. Deposition.
57. *In Re Jennie Morgan Foulkes v. Guy Donald Foulkes*, Bibb Superior Court, Civil Action No. 00-CV-11523, Bibb County, Georgia. – October 30, 2002. Expert witness court testimony regarding the fair value of husband's interest in medical practice and surgery center. Divorce case. Retained by the plaintiff (wife). Jury trial.
58. *In Re Jennie Morgan Foulkes v. Guy Donald Foulkes*, Bibb Superior Court, Civil Action No. 00-CV-11523, Bibb County, Georgia. – October 23, 2002. Expert witness testimony regarding the fair value of husband's interest in medical practice and surgery center. Divorce case. Retained by the plaintiff (wife). Deposition.
59. *In Re Dwight C. McDowell*, Chapter 7, Case No. 98-54657-RFH, United States Bankruptcy Court for the Middle District of Georgia (Macon) – June 19, 2002. Expert witness court testimony on tax ramifications associated with ownership interest in businesses, property, and causes of action. Business entities are a complex mire of interrelated transactions and interlocking directories. Testimony directly related to the tax effect to the trustee of selling those interests rather than abandonment. Retained by the trustee. Court Hearing.
60. *In Re Georgia Department of Transportation v. 0.079 Acres of Land, and certain easement rights; and Ambubhai M. Patel, et al.* Civil Action No. 99-00718, Condemnation of Real Property, Glynn County, Georgia, Superior Court. – May 10<sup>th</sup>, 2002. Expert witness testimony regarding the value of lost business profits from motel incident to condemnation of real property and fixtures. Retained by the defendant. Jury trial.
61. *In Re Georgia Department of Transportation v. 0.079 Acres of Land, and certain easement rights; and Ambubhai M. Patel, et al.* Civil Action No. 99-00718, Condemnation of Real Property, Glynn County, Georgia, Superior Court. – April 25<sup>th</sup>, 2002. Expert witness testimony regarding the value of lost business profits from motel incident to condemnation of real property and fixtures. Retained by the defendant. Deposition.
62. *In Re Dan K. Rivers v. M.W. Carmichael, et al.* Civil Action No. 99-V-369, Minority Shareholder Dissent, Butts County, Georgia, Superior Court. – March 26<sup>th</sup>, 2002. Expert witness court testimony regarding valuation of minority interest in closely held business and attendant damages under dissenting shareholder claim. Retained by the plaintiff. Jury trial.
63. *In Re Dan K. Rivers v. M.W. Carmichael, et al.* Civil Action No. 99-V-369, Minority Shareholder Dissent, Butts County, Georgia, Superior Court. – March 26<sup>th</sup>, 2002. Expert witness court testimony regarding corporate liability on wrongful termination, standard business practices, and apparent intent of corporate officers based analysis of financial records. Retained by the plaintiff. Jury trial.
64. *In Re Pamela S. Neal f/k/a Pamela Gay Tritt v. William Richard Tritt*, Civil Action, Divorce (Modification of Child Support), Houston County, Georgia, Superior Court. -- October 25<sup>th</sup>, 2001. Expert witness court testimony regarding cash flow analysis and valuation of benefit stream from several closely held businesses. Retained by the plaintiff. Jury trial.
65. *In Re State of Georgia v. Anita Stephens*, Criminal Action, 99-F-045-F, Twiggs County, Georgia, Superior Court – July 10<sup>th</sup>, 2001. Court testimony regarding the defendant's alleged skimming of school activity funds from the Twiggs County Board of Education. Testimony involved detailed analysis, asset tracing, and forensic accounting. Retained by the State. Jury trial.
66. *In Re Columbus Bank & Trust vs. Richard J. Denzik and Patricia C. Denzik*, Adversary No. 98-4072 in the Denzik Chapter 7 Case No. 98-41035-RFH, United States Bankruptcy Court for the Middle District of Georgia, Columbus Division – June 5<sup>th</sup> through June 6<sup>th</sup>, 2001. Expert witness testimony at trial regarding frauds committed by defendant in concealing income and net worth from the creditor. Retained by CB&T. Bench trial.
67. *In Re Columbus Bank & Trust vs. Richard J. Denzik and Patricia C. Denzik*, Adversary No. 98-4072 in the Denzik Chapter 7 Case No. 98-41035-RFH, United States Bankruptcy Court for the Middle District of Georgia, Columbus Division – May 15, 2001. Expert witness testimony at deposition regarding frauds committed by defendant in concealing income and net worth from the creditor. Retained by CB&T. Bench trial.
68. *In Re James Edward Slappey*, Chapter 12, Case No. 00-10784-JTL, United States Bankruptcy Court for the Middle District of Georgia, Columbus Division – December 5, 2000. Expert witness court testimony on feasibility of confirmation of Chapter 12 plan of reorganization and interpretation of the Internal Revenue Code regarding Chapter 12 debtor rights to file section 1398 short-year election. Retained by the debtor. Court Hearing.
69. *In Re Kmart Corporation v. 21st Century Pets, Inc., et al.* Civil Action 98-74831, U.S. District Court for the Eastern District of Michigan, Southern District – August 21<sup>st</sup>, 2000 Expert witness testimony regarding the tax returns and business practices of the defendant as well as typical business practices of closely held and commonly owned businesses. Retained by the defendant. Deposition.



70. *In Re Sea Island Cotton Trading, Inc.*, Chapter 7, Case No. 98-60161-JSD, *Sea Island Cotton Trading, Inc. vs. Eagle Bank and Trust*, Adversary Proceeding No. 99-06023A-JSD, United States Bankruptcy court for the Southern District of Georgia, Statesboro Division – Deposition on May 12<sup>th</sup>, 2000. Continuation of February 21<sup>st</sup>, 2000 deposition. Expert witness testimony in regard to banking practices and preferential payment aspects of over-drafting. Retained by the trustee. Deposition.
71. *In Re State of Georgia v. Anita Stephens*, Criminal Action, 99-F-045-F, Twiggs County, Georgia, Superior Court – April 12, 2000. Expert witness court testimony regarding the defendant’s alleged skimming of school activity funds from the Twiggs County Board of Education. Testimony involved detailed analysis and forensic accounting. Retained by the State. Jury trial.
72. *In Re Terry B. Dickerson v. Scottie Kaylor and Genesis Investment Corporation, Inc.*, Civil Action 1999CV08594, Fulton County, Georgia, Superior Court – March 30, 2000. Expert witness court testimony regarding the financial condition of the defendant relative to the plaintiff’s motion for the appointment of a receiver / custodian. Retained by the defendant. Bench trial. Subsequently ordered by the Court to serve as co-mediator. Court Hearing.
73. *In Re Hercules Automotive Products, Inc.*, Chapter 7, Case No. 96-10514-JDW, *Hercules Automotive Products, Inc. vs. Wedgestone Financial, et al*, United States Bankruptcy Court for the Middle District of Georgia, Macon Division -- March 2<sup>nd</sup>, 2000. Expert witness testimony in regard to generally accepted accounting principles regarding accounting concepts for corporate mergers and acquisitions. Retained by the trustee. Bench trial.
74. *In Re Sea Island Cotton Trading, Inc.*, Chapter 7, Case No. 98-60161-JSD, *Sea Island Cotton Trading, Inc. vs. Eagle Bank and Trust*, Adversary Proceeding No. 99-06023A-JSD, United States Bankruptcy court for the Southern District of Georgia, Statesboro Division – February 21<sup>st</sup>, 2000. Expert witness testimony in regard to banking practices and preferential payment aspects of over drafting. Retained by the trustee. Deposition.
75. *In Re Hercules Automotive Products, Inc.*, Chapter 7, Case No. 96-10514-JDW, *Hercules Automotive Products, Inc. vs. Wedgestone Financial, et al*, United States Bankruptcy Court for the Middle District of Georgia, Macon Division -- January 19<sup>th</sup>, 2000. Expert witness testimony in regard to debtor solvency, bankruptcy standards, and generally accepted accounting principles. Representing the trustee. Bench trial.
76. *In Re Cortez vs. Robitzsch*, Civil Action 98-CV-2342, Divorce (Modification of Child Support), Bibb County, Georgia, Superior Court. -- December 6<sup>th</sup>, 1999. Expert witness testimony to present an earnings analysis and depiction of cash flow benefits received by a party from a closely held business. Retained by the plaintiff. Jury trial.
77. *In Re Hercules Automotive Products, Inc.*, Chapter 7, Case No. 96-10514-JDW, *Hercules Automotive Products, Inc. vs. Wedgestone Financial, et al*, United States Bankruptcy Court for the Middle District of Georgia, Macon Division -- Deposition on June 28<sup>th</sup>, 1999. Expert witness testimony in regard to debtor solvency, preference actions and ordinary course, and reasonableness of management and acquisition fees. Retained by the trustee. Deposition.
78. *In Re Sheetex, Inc.*, Chapter 7, Case No. 98-52263-JDW, *Sheetex, Inc. vs. Leisa Madonian*, United States Bankruptcy Court for the Middle District of Georgia, Room B, Macon Division – April 28<sup>th</sup>, 1999. Expert witness deposition testimony regarding alleged frauds committed, or where complicit, by defendant as well as testimony on solvency of the debtor corporation, Ponzi schemes, greater percentage tests, and asset tracing. Retained by the trustee. Deposition.
79. *In Re Samuel Madonian.*, Chapter 11, Pending Involuntary Case, United States Bankruptcy Court for the Middle District of Georgia, Room B, Macon Division – September 29<sup>th</sup>, 1998. Expert witness, in hearing on motion for appointment for interim trustee, regarding the effects and inferences drawn from detailed financial transaction registers in identifying frauds. Retained by the creditor. Court Hearing.
80. *In Re D&D Hines Enterprises, Inc. vs. Triad Systems Corporation.* Civil Action No. 94-52-3-MAC, Business Valuation and Lost Profits, Bibb County, Georgia, Deposition. -- March 5, 1997. Expert witness testimony regarding the valuation of business entity as to the cash flow and profits, accounting software effectiveness, and lost profits. Retained by the defendant. Deposition.
81. *In Re Burress v. Burress* Civil Action No. 96-CV-11055, Divorce Action, Bibb County, Georgia, Superior Court. -- February 4, 1997. Jury trial. Expert witness testimony regarding the valuation and allocation of marital assets, tax implications of alimony, and valuation of retirement assets. Retained by the plaintiff. Jury trial.
82. *In Re Local Government Underwriters, Inc.*, Chapter 7, Case No. 93-52287, *NationsBank, Inc. v. J. Coleman Tidwell, Trustee*, United States Bankruptcy Court for the Middle District of Georgia, Macon Division -- May 20, 1996. Expert witness testimony regarding the equities of substantive consolidation. Retained by the trustee. Court Hearing.
83. *In Re Cody’s of Lowndes County, Inc.*, Chapter 7, Case No. 92-70064, *Walter W. Kelley, Trustee v. Strausburger Enterprises*, Adversary Proceeding Number 94-7028, United States Bankruptcy Court for the Middle District of Georgia (Valdosta) – April 4<sup>th</sup>, 1996. Expert witness testimony regarding the valuation and solvency of business in preference adversary. Retained by the trustee. Bench trial.

84. *In Re Owen Williams vs. Bibb County, Georgia et al*, Civil Action No. 93-203-3-Mac, United States District Court, Judge Fitzpatrick -- August 8, 1995. Expert witness testimony regarding the valuation and allocation of retirement benefits and "front pay" incident to wrongful termination. Retained by the defendant. Jury trial.
85. *In Re Local Government Underwriters, Inc.*, Chapter 7, Case No. 93-52287, *J. Coleman Tidwell, Trustee v. Adien E. Barnes, III*, United States Bankruptcy Court for the Middle District of Georgia, Macon Division -- February 22, 1995. Expert witness testimony regarding compromise of adversary. Retained by the trustee. Bench trial.
86. *In Re Public Schools Underwriters, Inc.*, Chapter 7, Case No. 93-52288, *J. Coleman Tidwell, Trustee v. Adien E. Barnes, III*, United States Bankruptcy Court for the Middle District of Georgia, Macon Division -- February 22, 1995. Expert witness testimony regarding compromise of adversary. Retained by the trustee. Bench trial.
87. *In Re Arrington v. Arrington*, Civil Action No. 94CV4018, Divorce Action, Bibb County, Georgia, Superior Court. -- February 2, 1995. Expert witness testimony regarding the valuation and allocation of marital assets. Retained by the plaintiff. Jury trial.
88. *In Re Adien E. Barnes, III*, Chapter 11, Case No. 93-515414, *William M. Flatau, Trustee v. Adien E. Barnes, III*, Adversary Proceeding No. 93-5121, United States Bankruptcy Court for the Middle District of Georgia, Macon Division -- October 24, 1994. Expert witness testimony regarding compromise of adversary. Retained by the trustee. Bench trial.
89. *In Re Adien Emmett Barnes, III*, Chapter 11, Case No. 93-51514, *William M. Flatau, Trustee v. Adien E. Barnes, III*, Adversary Proceeding No. 93-5121, United States Bankruptcy Court for the Middle District of Georgia, Macon Division -- August 24 and September 1 of 1994. Expert witness testimony regarding valuation of claim incident to shareholder pass-through transactions. Retained by the trustee. Deposition.
90. *In Re Glasstream Boats, Inc.*, Chapter 7, Case No. 89-70417, *Walter W. Kelley, Trustee v. Bombardier Capital, Inc. and A.L. Kirkland, Jr.* Adversary Proceeding No. 92-7018, United States Bankruptcy Court for the Middle District of Georgia, Macon Division -- April 26, 1993. Expert witness testimony regarding valuation and analysis of preference action. Retained by the trustee. Deposition.
91. *In Re Otis Redding, III*, Chapter 11, Case No. 91-53859, United States Bankruptcy Court for the Middle District of Georgia, Macon Division -- August 31, 1992. Expert witness court testimony on feasibility of confirmation plan. Retained by the debtor. Court Hearing.

**GEMC EX. 171 (CE-2)**

**FILED AS A TRADE SECRET**

**GEMC EX. 172 (CE-3)**

**FILED AS A TRADE SECRET**

**GEMC EX. 173 (CE-4)**

**FILED AS A TRADE SECRET**

**GEMC EX. 174 (CE-5)**

**FILED AS A TRADE SECRET**

**GEMC EX. 175 (CE-6)**

**FILED AS A TRADE SECRET**