

EXPERIENCED PROFESSIONALS

PARIO'S INDEPENDENT ACCOUNTING TEAM RECEIVES INFORMATION REGARDING THE DEVELOPMENT OR REVIEW OF FINANCIAL DAMAGES IN A LEGAL MATTER, AND PROVIDES SOUND CONCLUSIONS AND SUPPORT FOR YOUR TEAM. OUR EXPERTISE COMES THROUGH ANALYSIS AND INVESTIGATION.

Finding the right people to comb through data and understand financial information is crucial. The complex world of forensic accounting requires a trained eye, and can be the critical difference in a court case. Pario's Forensic Accountants combine their accounting knowledge with analytic and investigative skills, which enables them to provide objective and independent financial conclusions. Pario Forensic's team of credentialed professionals is able to simplify and explain complex calculations in a manner that can be understood by juries, judges, and attorneys.

FORENSIC ACCOUNTING FOR LEGAL CLIENTS

- ▶ Financial Damages – Lost Profits and Incremental Expense
- ▶ Subrogation – Recovery of Financial Damages
- ▶ Fraud / Fidelity – Employee Dishonesty and Misappropriation of Assets
- ▶ Financial Motive in Potential Arson for Profit
- ▶ Economic Loss in Injury and Death Cases
- ▶ Business Valuation
- ▶ Class Action
- ▶ Product Liability

► **Financial Damages – Lost Profits and Incremental Expense**

When an entity's operations are suspended because of negligence or breach of contract, we provide analysis and calculations of Lost Profits and Incremental Expense. Lost Profits are lost sales or revenue, minus avoided costs. In the litigation context, Lost Profits are those profits that would have been earned, except for the negligence, breach of contract, or other cause of action relevant to a case. Our Forensic Accountants are skilled in a variety of methodologies to accurately determine lost profits.

► **Subrogation – Recovery of Financial Damages**

Our involvement in Lost Profits cases has included subrogation cases where the insurance carrier seeks recovery in the underlying insurance claim from a negligent third party. Subrogation is the act of the collection of a debt by one party on behalf of another. Losses are deemed recoverable when they are the fault of another party, and that party has the ability to pay for them, either personally or through their insurance company. The Pario team works as efficiently as possible to complete the subrogation claim process in a timely, comprehensive manner.

► **Fraud / Fidelity – Employee Dishonesty and Misappropriation of Assets**

Considering the transactional detail associated with misappropriation, our Forensic Accountants will investigate the circumstances surrounding the discovery of the loss and the misappropriation methodology or scheme, including any relevant discovery documents. This information provides us with important data regarding the method of defalcation by the subject employee(s). We analyze and review the internal control structure and control environment to identify the weaknesses in controls that lead to the opportunity for misappropriation.

► **Financial Motive in Potential Arson for Profit**

Pario provides litigation support when an insurance claim is suspicious (often involving a fire loss), and the client would like to understand the financial condition of the insured during the period leading up to the loss. In these cases, we analyze the profitability, financing, and cash flow of the insured, as well as financial circumstances, agreements, expectations, and plans, providing a detailed report of the insured during the relevant period. These types of analyses often involve a detailed review of banking and general ledger detail, to assure that the financial records have not been manipulated to artificially inflate the financial position of the insured.

► **Economic Loss in Injury and Death Cases**

When a third party is sued for negligence in causing the injury or death of a plaintiff, Economic Loss calculations are necessary. Pario considers a number of factors in injury-related cases, including income growth rates, taxation, benefits, saved expenses, cost of household services, period of recovery, and alternative employment or mitigation. In death-related cases, Pario also analyzes and calculates saved consumption, which are the saved expenses that would have been incurred had the relevant incident not occurred.

► **Business Valuation**

Pario's Forensic Accountants have comprehensive knowledge in the analysis and calculation of Business Value in conjunction with financial damages in litigation. Through our experience and accreditation in Business Valuation, our team of professionals are familiar with the requirements in valuing a business in a Diminution of Destruction of Business Value case. This includes knowledge and experience in the appraisal of value utilizing the three commonly accepted methodologies of cost, market, and discounted cash flow.