

**Name:** Stephen A. Berkowitz

**Education:** 1975 M.B.A., Finance, University of Pennsylvania (Wharton School)  
1971 M.A., Political Science, New York University  
1968 B.A., Political Science, University of North Carolina at Chapel Hill

**Professional Employment:** **President: Berkowitz Group, Incorporated**

Mr. Berkowitz has directed the activities of the Berkowitz Group, Incorporated since 1990. During 1995 and 1996 he served as the director of the Financial Economics Consulting Group for Nathan Associates. He has directed the Financial Strategies Group at ICF Consulting Associates, Inc. and served as the Asset Planning practice leader for Mercer Meidinger Hansen, Inc. in the Baltimore-Washington area. He was president of Berkowitz, Logue & Associates, from 1984 to 1987. From 1979 to 1984 he was a manager and senior manager in the consulting practice of Price Waterhouse in Washington. From 1977 to 1979 he served as a supervisor in the consulting practice of Ernst & Whinney. From 1975 to 1977 Mr. Berkowitz was a senior consultant at Booz Allen & Hamilton.

#### **Experience:**

Mr. Berkowitz directs The Berkowitz Group, Incorporated. He provides consulting services in three areas: (1) litigation support; (2) corporate finance; and (3) public policy. He specializes in financial economics and investment strategies and has offered expert testimony in cases involving securities trading, investment prudence, fiduciary responsibility and capital structure.

During his consulting career he has led assignments for both private and public sector clients. In this capacity Mr. Berkowitz has been retained in the following engagements.

#### **CLIENTS and ENGAGEMENTS**

*Sullivan, Ward, Asher & Patton, P.C.*                      *Detroit*                      *Currently Ongoing*  
Engaged on behalf of a Union Local and its Pension Fund to provide expert testimony in a dispute with the investment consultant.

*Union Local*                      *New Jersey*                      *Currently Ongoing*  
Engaged by a Union Local and its Pension Fund to analyse the investment performance of the portfolio manager and to determine the validity of investment style and adherence to Investment Guidelines.

*Gardner Carton & Douglas LLP*                      *Chicago*                      *6/2006 to 8/2006*  
Retained on behalf of Wachovia Securities LLC to provide expert testimony in an NYSE Arbitration case to support claims of false valuation, stock manipulation, and conversion of assets. Provided analysis of stock trading, comparative industry performance, and investigation of option executions.

*Teamsters Local 560*                      *Union City, NJ*                      *1988 - Present*  
Retained by a Taft Hartley Pension Plan to direct the asset allocation studies, design the investment strategies for retirement and welfare funds under the protection of Federal District Court with current assets in excess of \$500 million, and, to serve as consultant to the Board of Trustees as the funds emerged from court supervision..

*Sullivan & Worcester LLP*                      *Boston*                      *3/2005 to 11/2005*  
Retained to provide analysis and expert assistance in assessing the joint impact of investment and trading decisions on transaction costs of a large institutional investor;.

## Stephen A. Berkowitz - Clients and Engagements

*Eckert Seamans* *Pittsburg* *2004 to 2005*  
Retained by Eckert Seamans to provide analytical assistance and expert testimony on behalf of an investment consultant in a dispute with a public pension fund.

*Pickholz Law Group* *New York* *2004 to 2005*  
Retained to provide analytical assistance on behalf of a foreign corporation in a dispute over investment returns earned from an account effectively managed by the corporation's broker.

*Morgan Lewis Bockius, LLP* *Washington, DC* *2002 to 2003*  
Retained to provide analytical assistance and expert testimony on behalf of a union Pension Fund in their dispute with an investment manager.

*Piper Rudnick* *Chicago* *2000 to 2001*  
Retained to provide analytical assistance on behalf of the Teachers Retirement System of the State of Illinois in their dispute with Ark Asset Management Company; 2000 – 2001.

*Hoffman Pollok and Pickholz* *New York* *1999 to 2001*  
Retained to undertake analysis and provide expert testimony in a criminal case involving market manipulation and securities fraud..

*Silverman, Harnes & Harnes* *New York* *2000*  
Retained to provide analytical support in a litigation involving the Bally-Hilton transaction.

*Ward, Keenan & Barrett* *Phoenix* *2000 to 2001*  
Retained to provide expert testimony in a litigation involving the duties of a bank custodian.

*Hoffman Pollok & Pickholz* *Washington, D.C.* *1999*  
Retained to provide expert testimony on risk characteristics of certain investments in a NASD arbitration.

*Asher, Gittler Greenfield & D'Alba, Ltd* *Chicago* *1999 to 2000*  
Retained to provide expert testimony and litigation support in a series of cases involving an unauthorized commission recapture program.

*Kirkpatrick and Lockhart* *New York* *1999*  
Retained under a joint defense agreement in U.S. v. Oakford *et al.* (also known as the NYSE floor broker case).

*Philadelphia* *1997to 1998*  
Retained by its designer to evaluate the Philadelphia Stock Exchange pre-opening-volume-weighted-average-price trading facility for its designer.

*Silverman, Harnes & Harnes* *New York* *1998 – 1999*  
Retained to provide expert testimony and analytical support in a litigation involving the NL Industries stock repurchase transactions.

*New York* *1998*  
Retained by an institutional brokerage firm to assist in the development of an analytical product to support international trading.

*McGuire, Woods, Battle & Boothe* *Washington, D.C.* *1997*  
Retained by to provide analytical support and expert testimony in a NASD arbitration regarding pension plan assets. The proceeding addressed both investment prudence and brokerage issues.

*Coppersmith and Gordon* *Phoenix* *1997*

## Stephen A. Berkowitz - Clients and Engagements

Retained to provide analytical support in a litigation involving the acquisition of one NYSE listed insurance company by another NYSE listed insurance company.

*Bassford, Lockhart, Truesdell & Briggs, P.A*      *Minneapolis*      1996

Retained to provide analytical support and expert testimony in a NASD arbitration involving collateralized mortgage obligations (CMO's).

*Fried, Frank, Harris, Shriver & Jacobson*      *New York*      1995 – 1997

Retained to provide analysis and expert testimony in the various "failure to disclose" actions brought against the management and directors of MEI Diversified, Inc. by the owners of the Company's bonds and equity.

*Tew and Beasley*      *Miami*      1995

Retained to provide expert testimony regarding damages related to the impact of the theft of confidential documents on attempts to consummate a leveraged buyout.

*NASD*      *Washington, DC*      1995 to 1996

Retained to assess the contemporary approaches to measuring the cost of intermediation in equity markets.

*New Jersey*      1995 to 1996

Retained to assist a research staff member of a large teaching hospital to commercialize certain biological innovations.

*Blue Cross Blue Shield of Maryland*      *Owings Mill, MD*      1995 to 1996

Retained to review Pension Plan Investment Policies.

*Virginia State Retirement System*      *Richmond*      1994

Retained by to explore methods for reducing net equity trading costs.

*Signet Asset Management*      *Richmond*      1994

Retained to develop policies and procedures for their investment management unit.

*Shimmel, Hill, Bishop & Gerunder*      *Phoenix*      1993 to 1994

Retained to provide analysis and litigation support to in a matter involving speculative equity and fixed income investments inappropriate for multi-employer retirement plans (*Arizona Carpenters et. al. v. William E. Miller et. al.* case number 89 CIV 0693).

*Thompson and McMullan*      *Richmond*      1993 to 1994

Retained to provide analytical support and expert testimony to assess damages in a matter involving the conveyance of intellectual property.

*Squadron Ellenoff Plesent Sheinfeld & Sorkin*      *New York*      1992 to 1994

Retained to provide analytical support and expert testimony to in a security manipulation case.

*Kelly, Black, Black, Byrne & Beasley*      *Miami*      1993

Retained to evaluate fiduciary conduct regarding investments in an institutional portfolio.

*Urban Land Institute*      *Washington, DC*      1992

Retained to analyze the capital adequacy of S&L banks in view of commercial real estate loan defaults.

*United Food and Commercial Workers Local 770*      *Las Angeles*      1992 to 1993

Retained to assess the viability of the Thrifty Drug chain (sales in excess of \$1.8 billion) as a free-standing entity.

## Stephen A. Berkowitz - Clients and Engagements

<i>Fidelity Investments</i> Retained to test asset allocation models.	<i>Boston</i>	<i>1992</i>
<i>Dreyfus Funds</i> Retained to analyze resource requirements to support the retirement benefits business;.	<i>New York</i>	<i>1990 to 1991</i>
<i>Perdue Farms, Incorporated</i> Retained to undertake an asset allocation study for pension and retirement plans.	<i>Salisbury, MD</i>	<i>1989 to 1990 and 1997</i>
<i>Schwartz, Steinsapir, Dohrmann &amp; Sommers</i> Retained to provide expert testimony in a case involving investment prudence on the part of retirement fund trustees 1990.	<i>Las Angeles</i>	<i>1990</i>
<i>Jacobson &amp; Triggs</i> Retained to provide expert testimony and litigation support in matters involving alleged broker misconduct.	<i>New York</i>	<i>1989</i>
<i>Charles Schwab &amp; Co</i> Retained to assist in the design of market strategies to support brand image.	<i>San Francisco</i>	<i>1989 to 1990</i>
<i>Paris Stock Exchange</i> Retained to analyze the cost of liquidity services on the their newly automated trading environment offered by the Paris Stock Exchange to replace floor trading.	<i>Paris</i>	<i>1987 to 1988</i>
<i>Toronto Stock Exchange</i> Retained to analyze the market quality of newly automated the electronic and floor trading environments.	<i>Toronto</i>	<i>1987 to 1988</i>
<i>Government Finance Research Center</i> Retained to prepare a text on the selection, management, and evaluation of money managers.	<i>Washington, D.C</i>	<i>1987 to 1988</i>
<i>Endowment fund of a major national charity</i> Retained to analyze the transaction costs incurred by the investment manager to support the recovery of excessive charges.	<i>New York</i>	<i>1986</i>
<i>Abel/Noser</i> Retained to assist in commercializing measures of the cost of liquidity on the New York Stock Exchange.	<i>New York</i>	<i>1986</i>
<i>Department of Labor</i> Retained to direct an 18 month engagement to study the investment behavior of corporate pension funds.	<i>Washington, D.C.</i>	<i>1984 to 1986</i>
<i>AFL-CIO Housing Investment Trust</i> Retained to evaluate investment performance.	<i>Washington, D.C.</i>	<i>1985 to 1987</i>
<i>Arkansas Public Service Commission</i> Retained to analyze the obligations of Arkansas Power and Light associated with the Grand Gulf Nuclear Plants.	<i>Little Rock</i>	<i>1984</i>
<i>Department of Transportation</i> Retained to analyze pricing decisions among competing modes of space transportation.	<i>Washington D.C.</i>	<i>1984</i>
<i>Bureau of Indian Affairs</i> Retained to review the the management of Indian trust funds. This engagement addressed the investment strategy, portfolio performance, and cash management practices for the \$1.5 billion in trust assets managed by the Bureau.	<i>Washington, D.C.</i>	<i>1983 to 1984 and 1986</i>

## Stephen A. Berkowitz - Clients and Engagements

<i>USAID</i>	<i>Washington, D.C.</i>	<i>1984</i>
Retained to develop Private Enterprise Revolving Loan Fund alternative investment strategies for the cash balances.		
<i>European Economic Community</i>	<i>Washington, D.C.</i>	<i>1983</i>
Retained to identify tax incentives, patent protection, and direct contracting by federal agencies to support industrial research and development. This engagement formed the U.S. component of a multi-country study of government support for research and development.		
<i>Canadian trade association</i>	<i>Washington, D.C.</i>	<i>1983</i>
Retained to determine the profitability of timber sales from public lands in the U.S.		
<i>USAID</i>	<i>Kingston, Jamaica</i>	<i>1983</i>
Retained to identify the manufactured items that offer Jamaican producers certain relative cost advantages over producers in Brazil, the Dominican Republic, Puerto Rico, Taiwan, and the Philippines; 1983.		
<i>NASA</i>	<i>Washington, D.C.</i>	<i>1982 to 1983</i>
Retained to review the methods NASA employed to analyze financial and economic implications of a private sector proposal for financing the construction of an additional space shuttle.		
<i>USAID</i>	<i>Kingston, Jamaica</i>	<i>1982</i>
Retained to analyze the structure and fluctuations of interest rates in Jamaica. This engagement addressed the impact of changes in interest rates on savings (capital formation) and credit demand (investment).		
<i>USAID</i>	<i>Kingston, Jamaica</i>	<i>1982</i>
Retained to analyze a foreign exchange facility to benefit small manufacturers in Jamaica. This effort was part of a larger effort to prepare the USAID project paper for assistance to the small manufacturing sector.		
<i>Legislative Commission</i>	<i>Olympia, WA</i>	<i>1981 to 1982</i>
Retained to review financing alternatives available to the Washington Public Power Supply System Nuclear Plants No. 4 and 5 for a commission impaneled jointly by the Washington and Oregon State Legislatures. This engagement addressed both the availability and cost of financing and involved testimony before the Joint Commission.		
<i>Florida Public Service Commission</i>	<i>Tallahassee, FL</i>	<i>1980</i>
Retained to design time-of-use rates for four investor-owned utilities and to assist Commission staff; 1980.		
<i>Alabama Public Service Commission</i>	<i>Montgomery, AL</i>	<i>1979</i>
Retained to analyze standards established by the Public Utilities Regulatory Policies Act of 1978 and recommend adjustments to electric utility rate structures for the.		
<i>Department of Energy</i>	<i>Washington, D.C.</i>	<i>1979 to 1980</i>
Retained to evaluate the magnitude and frequency of fluctuations in capital market rates for the Economic Regulatory Administration.		
<i>Department of Energy</i>	<i>Washington, D.C.</i>	<i>1979</i>
Retained to develop analytical procedures and forms for use in evaluating petitions for economic exemptions from the Fuel Use Act of 1978 for the Economic Regulatory Administration.		
<i>Federal Election Commission</i>	<i>Washington, D.C.</i>	<i>1979</i>
Retained to prepare and deliver a series of workshops on planning, managing and accounting for election officials.		
<i>Department of Energy</i>	<i>Washington, D.C.</i>	<i>1978 to 1979</i>

## Stephen A. Berkowitz - Clients and Engagements

Retained to develop a method for calculating the marginal cost of debt and equity capital for utilities and industries that possess major fuel burning installations. The product of this engagement formed the basis for granting exemptions on economic grounds from the coal conversion provisions of the Fuel Use Act of 1978.

*University Hospital, University of Maryland, Baltimore Maryland* 1978  
Retained to diagnose the financial planning and financial management problems.

*Federal Election Commission* Washington, D.C. 1977 to 1978  
Retained to prepare a series of planning, budgeting, and accounting manuals for use by local election officials. These manuals were distributed to 6,600 election jurisdictions throughout the country;.

*Federal Railroad Administration* Washington, D.C. 1977  
Retained to develop an evaluation process to provide warning of potential default among railroads receiving Title V assistance under the Regional Railroad Revitalization and Reform Act.

*Cuyahoga Community College* Cleveland, Ohio 1976 to 1977  
Retained to design a financial management system to evaluate programs and allocate resources among programs and across the college's three campuses. This was part of a program to improve the management systems throughout the college.

*Medical College of Virginia Hospital* Richmond, VA 1975  
Retained to develop a financial planning process. This assignment involved the development of an interface between the college and the hospital to ensure that teaching and research objectives were coordinated with clinical programs; 1975.

*National Institute of Mental Health* Philadelphia 1974 to 1975  
Employed to research, design and pre-test instruments relating consumer behavior to personality characteristics for a prominent pharmaceutical manufacturer. These tools were refined and used in a study funded by NIMH to correlate addictive behavior to personality and sociological factors;.

*City of New York* New York 1974 to 1975  
Employed to perform studies of demand for clinical health care services while on the staff of the City of New York Health Service Administration. Also, performed program evaluations of various community health service programs; 1971 – 1973.

### Publications:

“Transaction Costs: Much Ado About Everything,” (with Dennis E. Logue) *Journal of Portfolio Management*, Winter 2001.

“Can Traders Beat the Dealers,” (With Dennis E. Logue) Working paper of the Philadelphia Stock Exchange, 1998.

“An Assessment of the Effects of Real Estate Loan Losses on the Banking System,” (with Alvin S. Rosenthal) Working Paper No. 4, 1992; Washington, D.C.: The Urban Land Institute.

*The Selection and Management Of Investment Managers*, (with Louis D. Finney), Government Finance Officers Association, 1990.

"Pension Plan: A Financial Perspective," (with Douglas L. Rowe) *Handbook of Modern Finance*, edited by D. E. Logue, 1990.

"Institutional Investment: The Next Decade," *Investment Management Review*, June 1989.

## Stephen A. Berkowitz - Clients and Engagements

"Transaction Costs: A Tempest In A Teapot Or A Fury On The High Seas," (with Dennis E. Logue), *A Complete Guide to Securities Transactions*, edited by Wayne Wagner, 1989.

"Pension Plans Versus Mutual Funds: Is The Client Victim Or Culprit?," *California Management Review*, (with Louis D. Finney and Dennis E. Logue), Spring 1988.

The Investment Performance of Corporate And Private Pension Plans, *New York, Quorum Books*, (with Dennis E. Logue and Louis D. Finney), 1988.

"Qualite de Marche et Negociation Assistee Par L'Informatique," *La Revue Banque*, (with Louis D. Finney and Dennis E. Logue), April-May 1988.

"The Total Cost Of Transactions On The NYSE," (with Dennis E. Logue and Eugene A. Noser, Jr.), *The Journal of Finance*, March 1988.

"The Portfolio Turnover Explosion Explored," (with Dennis E. Logue), *Journal of Portfolio Management*, Spring 1987.

"Uncertainty In Project Selection", in D.E. Logue, ed., *Handbook of Modern Finance*, New York: Warren, Gorham & Lamont, 1985.

Cost of Capital and Rates Of Return For Industrial Firms and Class A and B Utility Firms, *NTIS DOE/ERA-6391-1*, June 1979.

Election Administration, *NTIS-FEC-CH-79/009-011*, June 1979.

"Financial Management By Objectives In Teaching Hospitals," (with Peter Bruton), *Health Care Management Review*, Spring 1978.

### Testimony:

Deposition in *Retirement Board of Allegheny County v. Westfield Capital Management Company, Inc. and Grant D. Kalson & Associates, Inc.*; July 2005.

Deposition in *New England Teamsters & Trucking Industry Pension Fund (the "Fund") et. al v. SG Cowen Investment Counselors ("Cowen") et. al*, Civil Action #00-12424RCL August, 2003.

Deposition in *Teamsters Local 710 pension fund et. al. v. Great Northern Asset Management* Case No. 99 C 2004; August, 2000.

Deposition in *Teamsters Local 710 Pension Fund et al v. Fiduciary Management Associates Inc. and East West Institutional Services, Inc.* Case No. 99 C 1719; January, 2000.

*Dr. Hunter Tashman and Mrs Linda Tashman v. Walsh Manning et al.* NASD Arbitration Number: 98-01951; December, 1999.

Deposition in a case before the Court of Chancery of the State of Delaware in and for New Castle County, *Kahn v. Tremont Corporation et al.*, (Civil Action No. 12339) 1998.

Declaration submitted in U.S. District Court for the District of Minnesota, Third Division in *Karl E. Brogren, et ano; v. Carl R. Pohlada and Andrew Salperio, etc. against Carl R. Pohlada, et al.* (case number 3-94-20) 1996.

## **Stephen A. Berkowitz - Clients and Engagements**

Testimony before NASD Arbitration Panel in *Hunter Keith Industries v. Piper Jaffray, Inc. and Piper Capital Management, Inc.*: No. 95-0349; 1996.

Deposition in a case before the United States District Court, Southern District of Florida, *High Plains Capital Corporation et al. vs. Ernesto Varvoutis, Deloitte & Touche et al.* (case number 92-6336-CIV-Hurley), 1995.

Deposition in a case before the United States District Court, Southern District of New York, *SEC v. Stratton Oakmont et al.* (docket number 92 CIV 1993 (JES)); regarding alleged securities manipulations; 1993.

Testimony in a case before the United States District Court for the Eastern District of Virginia, Richmond Division in *A.D.H. Lauder Associates, Inc. vs. James McArdle, et al.* (docket number 3:93CV130); regarding the value of intellectual property, 1994.

Testimony before the U.S. District Court, Central District of California, *Amalgamated Clothing and Textile Workers Union, AFL-CIO v. David H. Murdock, Jr. et al.* (docket number cv-86-6410-IH) regarding investment prudence, 1990.

Testimony before the U.S. District Court, Southern District of New York, *Richard Brignoli v. Brick Securities et al.* (docket Number 5307) regarding stock trading improprieties, 1989.

Declarations submitted in U.S. District Court for McLaughlin & Irvin behalf of the Board of Trustees Food and Commercial Workers Unions and Food Employees Joint Pension Trust Fund, 1988.

Affidavit submitted in U.S. District Court, Eastern District of Arkansas, Western Division, Docket Number LR-C-84-778, regarding obligations of Arkansas Power and Light to the Grand Gulf Nuclear Plants, 1986.

Congressional Testimony: before the Senate Committee on Indian Affairs regarding the investment of the Indian Trust Funds, September 23, 1986.

Testimony before the Alabama Public Service Commission (Docket Number 2357) and the Public Service Commission of Nevada (Docket Number APSC 17859) regarding standards established by the Public Utility Regulatory Policies Act of 1978.

### **Teaching:**

Adjunct Lecturer: Robert H. Smith School of Business -- Department of Finance; University of Maryland (College Park), 1995 to present. Courses include securities analysis, investments, and corporate finance.

### **Awards:**

*New York University*: NIMH Fellowship 1970-71

*University of Pennsylvania*: Busch Center Fellowship 1974-75

*University of Maryland*: Certificate of Teaching Excellence 2001

*University of Maryland*: Recognition as Mentor to a Presidential Scholar 2004