



## **Richard E. Walck** **CPA/ABY/CFF, CMA, CFM**

Richard E. (Rory) Walck is a partner and co-founder of Global Financial Analytics LLC. He focuses on providing financial and valuation services to clients facing business challenges, litigation and arbitration. With thirty-five years of business management, public accounting and consulting experience, he has helped hundreds of clients with complex business problems, including litigation, arbitration and regulatory matters, as well as workout, restructuring and liquidation of troubled assets. Mr. Walck has extensive testimony experience, having provided expert witness testimony on financial issues in State and Federal Courts, in domestic and international arbitration hearings, at regulatory proceedings and in depositions.

Mr. Walck has assisted clients in the evaluation and analysis of complex financial issues in a variety of commercial and international treaty matters. His clients have ranged from companies with contract or other commercial claims to multi-nationals and government agencies involved in bilateral or multilateral investment treaty disputes.

Much of his work for the past thirty years has been in the energy industry. He has addressed issues involving electric power, oil, gas and chemicals, both domestically and internationally. In addition, Mr. Walck has experience in such diverse areas as airlines, beverages, construction projects, electronics, entertainment, financial institutions, food, franchising, health care, hotels, insurance, manufacturing, professional services, retailing, semiconductors and telecommunications.

Mr. Walck has consulted on a wide array of financial and accounting issues, including records reconstruction, contract matters, intellectual property matters, lost profit claims, post-acquisition disputes, business interruption, asset workout and portfolio liquidation. Examples of his prior projects are listed below.

### **Richard E. Walck**

#### **Global Financial Analytics LLC**

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#### **Education**

- Ph.D. studies in finance, The University of California at Irvine (degree program not completed)
- Master of Business Administration with concentration in Finance and Accounting The University of Chicago
- Bachelor of Arts with High Honor, School of Hospitality Management, Michigan State University Honors College
- Bachelor of Arts with High Honor, Philosophy, Michigan State University Honors College

#### **Professional Certifications**

- Certified Public Accountant
- Accredited in Business Valuation
- Certified Management Accountant
- Certified in Financial Management
- Certified in Financial Forensics

#### **Professional Associations**

- American Institute of Certified Public Accountants
- Virginia Society of Certified Public Accountants
- Institute of Management Accountants
- American Bar Association— International Section
- International Bar Association
- Institute for Transnational Arbitration

#### **Language**

- French (Intermediate)



## **Consulting Project Experience**

### ***Airline Antitrust Litigation***

Mr. Walck assisted a U.S. airline in antitrust litigation concerning the alleged predatory pricing of standby seats. In this matter, he analyzed the pricing of airline seats in markets with varying levels of competition and the resulting changes in revenue passenger miles, revenue yields per passenger mile, the airline companies' cost structures, and other issues.

### ***Latin American Infrastructure Arbitration***

Mr. Walck assisted a European client in the determination of losses arising from the cancellation of a concession for building, expansion and operation of municipal water and sewer infrastructure. In this matter, pending before the ICSID, Mr. Walck addressed the impact of various economic issues, government and regulatory actions on the value of the Claimant's investment.

### ***Energy Charter Treaty Arbitration***

He assisted a Central European client in an international arbitration before the ICSID, arising under the Energy Charter Treaty. In this matter, Mr. Walck addressed the financial impact of actions taken by a signatory government on the operations of a European energy company.

### ***Latin American Oil Investment Dispute***

Mr. Walck assisted a major foreign oil company in evaluating its options relating to the expropriation of its investments made in the development of oil reserves in a Latin American country. His assistance here was sought to help assess the potential outcomes in the event of an international arbitration over the host government's actions, and to provide input to assist the company in evaluating settlement options and determining the appropriate course of action.

### ***Middle Eastern Telecommunications Contract Pricing Compliance***

Mr. Walck was the pricing compliance auditor in connection with the contract for supply and installation of telecommunications equipment between GTE International and the Telecommunications Company of Iran. Mr. Walck's role here was to provide the Iranian government purchaser with assurance that the pricing of switchgear and other products was in compliance with contractual pricing schedules.



### ***Water Resource Valuation***

Mr. Walck assisted a Southwestern U.S. water district in the valuation of its dam and reservoir resources, which were being taken through eminent domain proceedings for use in connection with the Central Arizona Project, a major project that brought water from the Colorado River to the desert cities of Arizona. He provided the client water district with data regarding water quality, water usage and recreational resource usage for use in the determination of the appropriate payment to the water district.

### ***U.S. Power Plant Arbitration***

Mr. Walck testified in the merits hearing before an Ad Hoc tribunal assessing the impact of a breach of contractual representations resulting in the loss of a power purchase agreement on the purchaser of a cogeneration facility. He provided the tribunal with a valuation of the benefits stream received by the Claimant and a comparison of that stream of cash flows to the expected cash flows under the PPA that were used in valuing the facility at the time of purchase.

### ***Middle Eastern Royalty Arbitration***

Mr. Walck assisted a U.S. Respondent in defending claims brought by a Middle Eastern Claimant/licensee before an international tribunal alleging destruction of its retail business as the result of counterfeit goods in the local market. Mr. Walck also provided the tribunal with testimony on the underpayment of royalties by the Claimant, as demonstrated by the Claimant's financial records tendered in support of its claim for lost profits.

### ***Latin American Energy Arbitration***

Mr. Walck assisted a U.S. investor with arbitration involving a billion dollar investment dispute in Latin America. In this matter he provided an international arbitral panel with written testimony concerning relative costs and benefits to both parties and issues arising under U.S. and host country generally accepted accounting principles, including reconciliation of the reported results under both sets of accounting principles and under the project agreements.

### ***Nuclear Plant Design Litigation***

Mr. Walck served as the damages expert for the owner of a nuclear generating station in the Federal Court trial of its design litigation against the engineer and designer of the reactor containment building. In that matter, post-construction reevaluation of the engineering loads led to retrofitting of the containment structure. In addition to \$150 million of direct material and labor costs, the costs to the owner included nearly one billion dollars for delay, escalation and interest.



### ***Bilateral Investment Treaty Consultation***

Mr. Walck assisted an investor with the assessment of quantum issues in connection with the expropriation of the investor's premises by a Central Asian government. His services here related to valuation of the investment based on the investor's initial investment and a DCF valuation of future potential cash flows, as well as the estimation of lost profits from the expropriation to the present.

### ***Middle Eastern Investment Arbitration***

Mr. Walck helped an investor with the early stages of its investment treaty arbitration filed against a Middle Eastern host government. His involvement here was directed toward helping the investor assess the documentary record, develop initial estimates of its claim amount and prepare documentation in preparation for the filing of a notice of arbitration.

### ***Breach of Energy Agreement***

Mr. Walck assisted a major U.S. oil company with the assessment of damages caused by a Latin American governmental entity's breach of its agreement to provide revenue assurance to a host-country subsidiary of the client company that invested several hundred million dollars in infrastructure facilities in the host country. Mr. Walck provided written reports on the damages issues to the ICC tribunal hearing the merits of the matter.

### ***Latin American Investment Treaty Arbitration***

Mr. Walck assisted a client in ICSID arbitration with the calculation of damages arising from governmental actions that are alleged to have been discriminatory and to have failed to provide fair and equitable treatment under a bilateral investment treaty. His efforts here were focused on determining the immediate and long-term impacts of those governmental actions, and the resulting decrement in the value of the client's investment in the host country.

### ***Fuel Price Fixing Allegations***

Mr. Walck led a team in the defense of the Uranium Antitrust Litigation – MDL 342. His work here focused on the examination of transactional data in the worldwide market for yellowcake (U<sub>3</sub>O<sub>8</sub>) and the underlying pricing patterns. His team designed a relational database (long before such software was commercially available) to enable the correlation of all documents pertaining to a single fuel supply transaction, including competitive bids, instances where one or more suppliers declined to bid, the resulting contracts and other documents, and to enable the extraction of data according to various user specified criteria.



### ***Domestic Power Plant Arbitration***

Mr. Walck was engaged by the seller of several domestic combined cycle power plants in connection with a post-acquisition dispute over certain accounting adjustments proposed by the seller and resisted by the buyer. He analyzed the applicability of U.S. generally accepted accounting principles under the contract and provided expert testimony at the arbitral hearing regarding the appropriate price adjustment on GAAP and equity grounds.

### ***Asian International Commercial Arbitration***

Mr. Walck helped an Asian client quantify the harm resulting from breach of a commercial contract by the foreign counterparty. His efforts here were directed to the analysis of markets for the affected goods in several countries in Southeast Asia, the growth potential in each of those markets, the potential revenues of the Asian company and the likely profits it could have obtained from a multi-year arrangement with the Respondent company.

### ***Latin American Investment Treaty Arbitration***

Mr. Walck studied the impact of the host government's breach of a bilateral investment treaty on a major international petroleum company. In this regard, he served as the technical team's advisor, helping to address difficult issues in damages theory and their application in the context of the treaty violation.

## **Testimony Experience**

Mr. Walck has provided expert witness testimony in several dozen matters, including matters in domestic and international arbitration, litigation and regulatory proceedings. He has offered expert witness testimony in the following matters:

Mobil Investments Canada Inc. & Murphy Oil Corporation v. Government of Canada, International Centre for Settlement of Investment Disputes, Case No. ARB(AF)/07/4, Expert Report, Rejoinder Report, Pre-Hearing Report and Hearing Testimony, 2010.

Impregilo S.p.A. v. the Argentine Republic, International Centre for Settlement of Investment Disputes, Case No. ARB/07/17, Expert Report, Reply Report and Hearing Testimony, 2010.

Public Warehousing Company K.S.C. and Professional Contract Administrators, Inc. v. Supreme Foodservice AG, Supreme Foodservice GmbH & Co. KG and Supreme GmbH, International Centre for Dispute Resolution, Arbitration No. 50 181 T 00321 18, Expert Report, Rebuttal Report and Hearing Testimony, 2010.



Westco International SRL, et al. v. ADT Security Services Inc., District Court, County of Arapahoe, Colorado Case No. 2004CV587, Expert Report, Supplemental Reports, Deposition, 2009.

Hrvatska Elektroprivreda, d.d. v. the Republic of Slovenia, International Centre for Settlement of Investment Disputes, Case No. ARB/05/24, Expert Report, Reply Report and Hearing Testimony, 2009.

Hughes Network Systems, LLC v. Sea Launch Limited Partnership and Sea Launch Company, L.L.C., International Centre for Dispute Resolution, Arbitration No. 50 494 T 00249 07, Expert Report and Hearing Testimony, 2008.

Sumber Co. Pte. Ltd. v. JohnsonDiversey, Inc., Ad Hoc Arbitration, Expert Report, Rebuttal Report and Hearing Testimony, 2007.

Ponderosa Pine Energy, LLC v. Tenaska Energy Inc., et al., Ad Hoc Arbitration, Expert Report, Deposition and Hearing Testimony, 2007.

Mesquite Investors, L.L.C. v. Newmarket Power Company, LLC, Ad Hoc Arbitration, Expert Report and Hearing Testimony, 2006.

CIT Group Inc. v. Argentine Republic, International Centre for Settlement of Investment Disputes, Case No. ARB/04/9, Expert Report, 2005.

UEG Araucária Ltda. v. Companhia Paranaense de Energia, International Court of Arbitration of the International Chamber of Commerce, No. 12656/KGA, Expert Report and Expert Rejoinder Report, 2005. (Respondent declined to cross examine at merits hearing.)

Petroleo Brasileiro S. A. v. El Paso Rio Claro Ltda., et al., International Centre for Dispute Resolution, Arbitration No. 50T-198008605, Expert Rebuttal Report and Addendum Report, 2005. (Claimant declined to cross examine at merits hearing.)

Al Modish Trading LLC v. Jordache Limited and Jeanjer Ltd., International Centre for Dispute Resolution, Arbitration No. 50T-1330021904, Expert Report, Deposition and Hearing Testimony, 2005.

ADT Security Services Inc. v. Premier Home Protection, et al., District Court, County of Arapahoe, Colorado Case No. 03CV3090, Expert Report, Supplemental Report, Rebuttal Report and Trial Testimony, 2005.

Spectracom, Inc., on behalf of itself and all others similarly situated v. Tyco International (US) Inc., et al., District Court, County of Arapahoe, Colorado Case No. 03CV5089, Class Certification Hearing Testimony, 2005.



Solatube International, Inc. v. Tubular Skylight, Inc., et al., United States District Court for the Middle District of Florida, Tampa Division, Case No. 8:03-cv-19-T-30MSS, Deposition, 2003.

Interdent, Inc., et al. v. Amerident Dental Corp., et al., Superior Court for the County of Los Angeles, California, No. BC 237600 Consolidated Cases BC 238706, BC 243664, Deposition and Trial Testimony, 2002.

In the Matter of the Arbitration between Ernst & Young LLP v. Jostens, Inc., American Arbitration Association, AAA No. 65 Y 107 00220 00, Expert Report and Hearing Testimony, 2001.

PRL USA Holdings v. US Polo Association, United States District Court for the Southern District of New York, Deposition, 2000.

Electro Lock v. Dynamic Manufacturing Co., Superior Court for the County of Los Angeles, California, Deposition and Trial Testimony, 1999, 1998.

Ingram Paper v. RGTI, American Arbitration Association, Deposition and Hearing Testimony, 1995.

Leeward Winery v. MacGregor, Superior Court for the County of Ventura, California, Deposition and Trial Testimony, 1992.

AR Inc. v. Cincinnati Milacron, Superior Court for the County of Los Angeles, California, Deposition, 1992.

SEEQ Technology v. Atmel Corporation, United States District Court for the Northern District of California, Deposition, 1992.

PIP Printing, Inc. v. Cabot, Cabot & Forbes, Superior Court for the County of Los Angeles, California, Deposition, 1991.

Rancho Paso Mobilehome Park, Applicant, Rent Control Board for the County of San Luis Obispo, California, Hearing Testimony, 1990.

ATS v. Pitman, Superior Court for the County of Los Angeles, California, Trial Testimony, 1990.

Glickman v. Haagen-Däzs, Superior Court for the County of Los Angeles, California, Deposition, 1990.

Levin v. Cox, Superior Court for the County of Oakland, California, Deposition, 1990.



American Automobile Association v. Matyas, Superior Court for the County of Los Angeles, California, Deposition, 1990.

E.T. Horn v. Armstrong, Superior Court for the County of Los Angeles, California, Deposition and Trial Testimony, 1990.

CHB Foods v. Marsh & McLennan, Superior Court for the County of Los Angeles, California, Deposition, 1989.

EECO v. Litton Industries, Superior Court for the County of Los Angeles, California, Deposition, 1989.

Deseret Jewelry, Superior Court for the County of Los Angeles, California, Trial Testimony, 1989.

Rancho Paso Mobilehome Park, Applicant, Rent Control Board for the County of San Luis Obispo, California, Hearing Testimony, 1989.

Alban v. Bright, American Arbitration Association, Hearing Testimony, 1989.

Hioureas v. Patillo, Superior Court for the County of Los Angeles, California, Trial Testimony, 1989.

Washington Public Power Supply System v. General Electric Company, et al., United States District Court for the Eastern District of Washington, Deposition and Trial Testimony, 1988.

Koch Industries v. Advanced Membrane Technology, United States District Court for the Southern District of California, Deposition and Trial Testimony, 1988.

Melroe Company v. J. I. Case Co., United States District Court for the Eastern District of Missouri, Deposition and Trial Testimony, 1988.

Surface Protection Industries v. Soep, Superior Court for the County of Los Angeles, California, Deposition and Trial Testimony, 1988.

Knight v. Security Pacific Bank, Superior Court for the County of Orange, California, Trial Testimony, 1987.

Tile Council of America v. Custom Building Products, United States District Court for the Central District of California, Deposition and Trial Testimony, 1987.

Chicanita Foods v. Circle-K Corporation, Superior Court for Maricopa County, Arizona, Deposition, 1987.





General Adjustment Life Insurance v. Lucas, et al., Superior Court for the County of Los Angeles, California, Deposition, 1987.

SEEQ Technology v. General Instrument, United States District Court for the Northern District of California, Deposition, 1987.

Clark Equipment Co. v. Lift Parts Manufacturing Co., United States District Court for the Northern District of Illinois, Deposition and Trial Testimony, 1986.

Drozanski v. Pacific Alarm, Superior Court for the County of Los Angeles, California, Deposition, 1986.

Golden State Sanwa Bank v. Holland, Superior Court for the County of Marin, California, Deposition, 1986.

JSD v. Sumitomo Bank, Superior Court for the County of Los Angeles, California, Deposition, 1986.

Isaacs v. Huntington Memorial Hospital, Superior Court for the County of Los Angeles, California, Deposition, 1985.

Ashkenazy v. Dade Savings Mortgage Corporation, Superior Court for the County of Santa Barbara, California, Deposition and Trial Testimony, 1985.

Bayou Steel v. Lexington Insurance, United States District Court for the Eastern District of Louisiana, Deposition and Trial Testimony, 1985.

Russi v. Mercury Consolidated, United States District Court for the Central District of California, Trial Testimony, 1984.

PeopleExpress Airlines v. Union Tank Car Co., New Jersey Superior Court, Deposition, 1984.

Thompson v. Downey Community Hospital, Superior Court for the County of Los Angeles, California, Deposition, 1984.

Taylor v. Kimball Piano Co., United States District Court for the District of Idaho, Deposition, 1983.

Buckner v. Diamond Reo, Superior Court for the County of Riverside, California, Deposition and Trial Testimony, 1983.

Hale v. Caterpillar Tractor Co., Superior Court for the County of Los Angeles, California, Deposition, 1983.



Spray v. Derington, Superior Court for the County of Los Angeles, California, Trial Testimony, 1982.

## **Speaking Engagements**

Mr. Walck has spoken to numerous companies, law firms and professional associations on various topics related to damages and financial issues. In addition, Mr. Walck has given the following public addresses:

“The Proper Approach to the Award of Interest by Arbitration Tribunals,” Arbitrators’ and Mediators’ Institute of New Zealand and The Institute of Arbitrators & Mediators – Australia, Christchurch, New Zealand, August 2010.

“Ethics for Experts,” Center for International Legal Studies, Salzburg, Austria, June 2010.

“Dealing with Damages,” American Bar Association Section of International Law, Miami, FL, October 2009.

“Damages in Arbitration,” International Institute for Conflict Prevention & Resolution, New York, NY, May 2009.

“Damages in International Arbitration: Strategies, Techniques & Presentation,” 19<sup>th</sup> Annual ITA Workshop, Institute for Transnational Arbitration, Dallas, TX, June 2008.

“Tax and Currency Issues in International Arbitration,” Permanent Court of Arbitration and Houston International Arbitration Club seminar on Remedies in Commercial, Investment and Energy Arbitrations, Houston, TX, April 2008.

“Current Statistics on Investment Treaty Arbitration,” American Bar Association Section of International Law, Washington, DC, May 2007.

“Trends in Observed Royalty Rates: Implications for Valuation in both Licensing and Litigation Scenarios,” Women’s Bar Association, Washington, DC, April 2006.

“Accounting Concepts for Lawyers,” District of Columbia Bar Association, Washington, DC, January 2006.

“Evolution or Revolution in Investor-State Arbitration,” Permanent Court of Arbitration, The Hague, Netherlands, July 2005.

“Accounting Concepts for Lawyers,” District of Columbia Bar Association, Washington, DC, June 2005.



“Proving Damages for Internet Companies,” Virginia Society of Certified Public Accountants, Glen Allen, VA, 2000.

“Proving the Case,” Virginia Bar Association and Virginia Society of Certified Public Accountants, Richmond, VA, May 1998.

“Proving Damages in Commercial Litigation,” Maricopa County Bar Association, Phoenix, AZ, 1983.

## **Publications**

Mr. Walck has authored the following publications:

“ICSID Arbitration in 2009,” (co-authored with Linda A. Ahee), at [www.transnational-dispute-management.com](http://www.transnational-dispute-management.com), January 2010.

“Tax and Currency Issues in International Arbitration,” World Arbitration and Mediation Review, vol. 3, no. 2, 2009.

“Investment Arbitration Update as of December 31, 2008,” (co-authored with Linda A. Ahee), at [www.transnational-dispute-management.com](http://www.transnational-dispute-management.com), January 2009.

“Investment Arbitration Update as of December 31, 2007,” (co-authored with Linda A. Ahee), at [www.transnational-dispute-management.com](http://www.transnational-dispute-management.com), February 2008.

“Energy Litigation and Arbitration – Expert Perspectives,” special joint issue of *Oil-Gas-Energy Law Intelligence* and *Transnational Dispute Management*, at [www.transnational-dispute-management.com](http://www.transnational-dispute-management.com), 2007, vol. 5, no. 3 (as editor of the special issue).

“Observations on Expert Engagements: A Comment on ‘Expert Witnesses in Arbitration and Litigation Proceedings,’” at [www.transnational-dispute-management.com](http://www.transnational-dispute-management.com), 2007, vol. 5, no. 3.