DUFF & PHELPS

# PROFESSIONAL CREDENTIALS


*Adam L. Warren*
*Managing Director*
*Duff & Phelps, LLC*


***Adam L. Warren is a Managing Director in the Chicago Office of Duff & Phelps LLC. Adam specializes in Financial Services industry issues with an emphasis on: valuation, compliance and trading of financial, commodity and complex derivative instruments; trading systems and processes; technology and operations; and market, credit and operational risk management of financial and commodity products.***

***Professional Experience***

- Has assisted over 15 securities and derivative exchanges, as well as numerous brokerage, clearing, hedge funds and investment management companies globally. He has presented at industry events and has authored articles on risk management and financial markets.
- Has spent over 23 years working with numerous firms on trading, investment, operational and risk management issues for a wide variety of clients.

**Court Testimony Experience**:

Adam has testified and/or submitted expert reports in the following matters.

- Supreme Court of the State of New York, New York City
  Piper Jaffray v. Nationwide Insurance
- NASD arbitration proceeding, New York, NY
  Timber Hill v. Merrill Lynch
- NASD arbitration proceeding, Los Angeles, CA
  Vigilant Trading v. ABN AMRO
- United States District Court, Minneapolis, Minnesota
  ADM v. Aon Risk Services
- Valued a series of hedge and private equity funds on behalf of a claim of wrongful discharge and monies owed to a former fund executive. Calculated carried interest and management fees for a series of funds and valued amounts due to the client. Funds consisted of numerous different asset classes and types.
- Following receipt of a Wells notice from an SRO, reviewed the equities trading activity of a global broker dealer to investigate possible Regulation SHO violations. Analyzed 20 different segregation units to determine compliance with locate requirements and organizational policies and procedures. Prepared report and assisted in clients response to the regulators.
- Evaluated the trading of a series of pass through notes backed by several series of aircraft leases. Determined whether the trading of the notes followed industry standards and practices for these complex securities. Examined the pricing methodology for the notes and commented on the pricing and commissions realized by the brokers involved in the transaction.
- Assisted in the analysis of a bankrupt major hedge fund to determine the net asset value of the funds investments to assist the receiver in recovering improper withdrawals from the fund. This review required a forensic analysis of the funds trades and positions to asses the level of fraud perpetrated by the fund managers.
- Reviewed daily trading records of bankrupt hedge fund to evaluate and quantify fraudulent trading activity. Demonstrated that the trading manager had been falsifying performance record since inception of fund. Recalculated the actual monthly NAV as well as actual management and incentive fees.


*Phone: 312-697-4911 ♦ Fax: 312-265-3510 ♦ Mobile: 847-420-6335 ♦ E-mail: adam.warren@duffandphelps.com*
*311 South Wacker Drive, Suite 4200, Chicago, IL 60606*

***Professional Experience*** *(continued)*

- Reviewed the global trading and hedging activities of the world's second largest soy bean trading and processing company. Evaluated front, middle and back office operations for both cash and derivative trading activity. Recommended improvements to their risk management and hedging operations.
- Reviewed trading activity for a trading desk at a major broker-dealer which uncovered and quantified rogue trading activity. Instruments evaluated included both equities and equity derivatives. Analysis required pricing and evaluating complex cash and derivative trades.
- Evaluated the risk management and hedging activities of one of the largest metal producing and refining firms in Canada.
- Developed strategy and vision for a major Asian commodity exchange allowing them to survive onslaught from competitors.
- On behalf of regulators, evaluated the trading activity of a large OTC broker-dealer to determine whether the firm engaged in "front running" of customer orders. Analyzed hundreds of orders and thousands of individual transactions to calculate the extent and dollar cost of the front running activity. Valued activity which cost customers between $.50 and $20.00 per share in excess costs.
- Assisted a major West Coast hedge fund in the complete re-engineering of its trading infrastructure. Developed requirements and specifications covering a broad group of asset and derivative classes, wrote RFP, evaluated multiple vendors and assisted in the final selection and implementation of the selected products. System provided complete trading and monitoring functionality for multiple asset classes.
- Acted as risk controller for a major global money center bank. Analyzed the risk exposure and valued several large portfolios, and reported to trading managers and senior risk managers in the bank. During this period, he discovered a significant error in the process by which risk was calculated and assisted in its correction.
- On behalf of the independent board of directors, evaluated the derivative trading activity of a large asset management company/hedge fund to determine whether commission charges paid by the funds to an affiliated broker-dealer were appropriate. Determined the extent of overcharges and possible remediation scenarios. Final report resulted in substantial rebates to the funds and a significant lowering of commission rates. Report and actions were accepted by the SEC in settlement of an inquiry letter.
- Developed the jet fuel hedging strategy for one of the top 10 airlines in the United States. Evaluated fuel purchasing patterns, determined best hedge for both location and quantity of jet fuel and established guidelines for optimal fuel hedges. Plan has allowed the company to remain profitable despite large increases in petroleum prices.
- Led the team which documented all Basel II policies and procedures for a major US trust bank. The team created an interactive, on-line system which was used by: auditors to monitor compliance, regulators to confirm and review the policies and processes and management to document maintain and train new employees about the bank's Basel II program.
- Evaluated trading activity of broker-dealer to determine whether clients were receiving "best execution" of equity and fixed income trades.
- Developed methodology to evaluate Anti-Money Laundering capabilities for banks, brokers and other financial services firms.
- Led the selection process for a number of risk management systems and assisted their installation and integration, for several firms including, asset managers, insurance companies, futures and options exchanges, derivative clearing firms and large broker-dealers.

***Professional Experience*** *(continued)*

- Assisted major European stock, options and futures exchanges in the integration of their risk management departments following mergers. Developed strategic plan for merging processes, technology and personnel to minimize impact of the merger and to maximize effectiveness of the departments.
- Assisted major Asian stock, options and futures exchanges in the integration of their risk management departments following their merger.
- Recommended best practice policies to Asian securities regulators for review and audit of risk management departments of exchanges they regulated.
- Assisted the largest North American futures exchange in the development of an electronic trading platform which is now the second largest electronic futures trading platform in the world.
- Has traded and brokered a large number of financial and non-financial asset classes on many exchanges world-wide.
- Led risk management system creation for one of the largest derivative clearing firms in the world. System evaluated equities, debt instruments and a broad range of derivatives.

**Articles and Presentations**:

- "Understanding what Chief Compliance Officer's Should Know About New Activities of Traders" IMS conference, Napa California, October 3, 2007 Presentation to Chief Compliance Officers and Legal Counsel for over 85 investment management and brokerage firms. Discussed new trends in trading and how they affect the role of the CCO.
- "Reducing Transaction Costs Using Single-Stock Futures"-Transaction Performance, Institutional Investor Publications, Spring 2002, pp 102-105.
- "Future Technology Direction of the Futures and Options Industry" - Futures Industry Association, Boca Raton, Florida, 1999. Round table participant with leaders of global exchanges to discuss the direction of the Futures and Options industry along with trends in technology. Article appeared in the May, 1999 issue of Global Finance Magazine.
- Panel Discussion of trends in the Futures and Options Industry - Futures Industry Association, Chicago, Illinois, 1998. Discussion of technology trends in the markets and trading systems.
- "Financial vs. Power Markets, Comparing Analysis and Trading" - Center for Business Intelligence, Washington D.C., 1998. Reviewed the similarities and differences between financial and power markets. Examined qualitative as well as quantitative factors involved with both.
- "Designing a Risk Management System for Commodities" - National Grain and Feed Association Annual Meeting, Orlando, Florida, 1998. Examined the key factors in designing risk management systems and technologies to manage exposures in the grain markets.
- "Build versus Buy Decision in Risk Management Systems" - Institute for International Research, Toronto, Canada, 1994. A discussion of the factors governing a build versus buy decision in the creation of a modern risk management system. Factors addressed included: costs, flexibility, maintenance, metrics and performance.

***Education & Certifications***

M.B.A. - Finance, University of Chicago Graduate School of Business, Focus on financial markets and complex instruments

B.A. - US History, The University of Chicago