

Richard Eichmann

Managing Director - Forensic and Litigation Consulting

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Professional Affiliations

American Society of
Appraisers – Associate
Member

American Statistical
Association

National Association of
Certified Valuation
Analysts

National Association of
Forensic Economists

Education

Master of Arts (MA) –
Applied Economics,
University of Michigan
(1996)

Bachelor of Arts (BA) –
Economics / Philosophy,
University of Michigan
(1995)

Languages

English / Spanish

Richard Eichmann is a managing director in the FTI Forensic and Litigation Consulting segment, based in Chicago with expertise in econometrics, statistics, sampling, survey research methods, risk assessment, and business valuation. He excels at drawing meaningful conclusions from large disparate datasets. His quantitative skill set has been applied in the calculation of damages in commercial litigation in a variety of industries, including the automotive, airline, credit card, financial, and energy industries. He has filed expert reports in Federal court on the application of statistical methods, sampling, questionnaire design, business valuation, and econometrics as they pertain to the calculation of damages in a range of cases.

Mr. Eichmann's litigation and project experience includes sampling, survey research, econometrics, and statistical analysis of large data files (i.e., claims, customers, transactions). His case work has ranged from providing damage analysis in the California energy crisis before the FERC to consulting on securities litigation pertaining to the allocation practices in initial public offerings. Additionally, class actions cases have ranged from wage-hour labor disputes to 10b(5) securities cases.

Prior to joining FTI, Mr. Eichmann provided economic analysis and dispute advisory services at a private litigation consulting firm and two Big 4 firms. In addition, he has worked as an analyst in the automotive industry and as a research assistant for the Institute for Social Research in Ann Arbor, Michigan on panel study surveys.

Antitrust Litigation Experience

- Antitrust (Construction Commodity) – Designed and managed statistical and econometric analyses to investigate the impact of alleged price-fixing among producers of a construction input commodity. The case dealt with Federal Sentencing Guideline issues and the estimation of affected commerce, where Mr. Eichmann utilized a two-stage regression analysis that sought to isolate whether prices of alleged impacted months were indeed inflated by the allegations of price-fixing.
- Antitrust (Energy) – Reviewed plaintiff's pricing methodology and presented an alternative mitigated price methodology to the Federal Energy Regulatory Commission (FERC) that was ultimately accepted in the matter of the California energy dispute, concerning the defense of thermal generators against the charges of price fixing and collusion.
- Antitrust (Energy) - Conducted statistical analyses of trader behavior to determine the probability of systematic gaming behavior, in the matter of FERC allegations on natural gas traders, concerning the defense of energy futures trades against the charges of price manipulation.
- Antitrust (Energy) - Managed and led programming analyses of large disparate data sets for determining liability and timing issues, in the matter of an antitrust dispute concerning allegations of collusion in the electric markets.
- Trade Disputes (Lumber) - Designed and executed statistical and econometric models to

calculate the impact of cross-border interactions on industrial development in the matter of Canadian softwood lumber, concerning trade development and border effects.

Business Valuation Experience

- Business Valuation (e-Commerce) – Utilized ARIMA time series techniques to forecast subscription revenues of a charitable social network site, for which I calculated the fair market value of the minority interest. The income approach relied heavily on the use of historical subscription data that allowed for a range of values within a statistically confident interval.
- Business Valuation (Telecommunications) - Conducted a business valuation of an alleged lost international telecommunications opportunity that took into consideration varying capital structures within financial projections that served to rebut a plaintiff's valuation model.
- Business Valuation (Financial Services) – Assisted with the critique of a business valuation involving a minority interest of an investment management firm arising out of an employment dispute.

Employment Litigation Experience

- Class Action (Wage/Hour Dispute) – Analyzed class decertification issues as they related to a wage-hour dispute of a perfume manufacturer. My task involved conducting a stratified sampling exercise of hand-written invoices of proposed class members and examining the variability, if any, of their work experiences that would influence whether or not they were improperly classified as independent contractors.
- Class Action (Wage/Hour Dispute) – Analyzed class decertification issues as they related to a wage-hour dispute of an airline company. My task involved examining various influencing factors that play a role in determining the probability of an alleged class member missing his/her lunch break and how the variance revealed from the data among the influencing factors precludes commonality among the alleged class members.
- Class Action (Discrimination) - Created a probit econometric model of the firm's data to model the effects of race, gender, and other attributes and their alleged effect on the probability of an employee being fired as part of an employment discrimination case.
- Class Action (Discrimination) – Designed and managed statistical and econometric analyses to investigate the allegation of discriminatory behavior within a major bottling distributor.

Insurance Litigation Experience

- Class Action (Antitrust / Insurance) – Provided econometric analysis to counsel regarding a multi-state Attorney General's allegation that an insurance company engaged in alleged activity so as to encourage the breach of fiduciary duty on the part of brokers.

Intellectual Property Experience

- Class Action (Breach of Contract / Fraud) – Led team in the calculation of damages for a case where the plaintiff alleged that the defendant willingly failed to pay royalties. The case involved a stratified statistical sampling so as to investigate the liability claims of intent as well as damage implications, if any.
- Breach of Contract (Intellectual Property / Fraud) – Led team in the calculation of damages for

a case where the plaintiff alleged that the defendant had failed to disclose a potential liability with regard to a possible infringement of intellectual property prior to their merging of assets. The alleged liability materialized several years later and the plaintiff then sought indemnification under the benefit of the bargain method.

- Intellectual Property (Software) – Calculated economic damages sustained by a software developer due to a trademark infringement by a competitor company and the impact on sales margins due to false advertisement.
- Intellectual Property Valuation (Automotive) - Generated a cost-based valuation model for the intellectual property of a European automotive research and development facility as part of a tax minimization strategy for a multinational firm, successfully defended in court.

Securities and Financial Experience

- Trade Secrets (Trading Models) – Named expert in a case that involved rebutting alleged damages sustained by an investment management company. The head of the quant group left, along with the core of his group to form a competitor investment management company. The Plaintiff alleged that when he left he took with him a proprietary trading model. Damages centered around valuing the worth and subsequent alleged diminution in value of the alleged stolen trading model.
- Securities Litigation (IPO) - Adapted 10b-5 securities litigation model to estimate alleged damages of IPO allocations and valuations, in the matter of a class action lawsuit against a consortium of major Wall Street underwriters.
- Securities Litigation (10b(5)) – As a research associate for a private litigation consulting firm in Washington, D.C. Mr. Eichmann worked on a variety of 10b(5) class action case work.

Other Economic, Statistical, Financial Consulting, and Litigation Experience

- Class Action (Automotive) – Designed and managed the execution of econometric and statistical analyses of secondary market pricing in a particular vehicle segment in defense of price impact allegations due to alleged non-disclosures. We utilized econometrics to demonstrate that a recall did not, as the plaintiff's alleged, negatively impact depreciation rates of vehicles, but rather other market forces explain the sudden drop, such as rising lease terminations, market segment saturation.
- Breach of Contract (Agricultural Commodities) – Analyzed the short-term fixed cost structure of a slaughter house operating in a perfectly competitive environment as part of a breach of contract dispute in the agricultural commodities market.
- Breach of Contract (Telecommunications) - Managed the analytical aspects of a complex damage calculation model and prepared and presented our findings to counsel in the matter of a breach of contract dispute between two U.S. telecommunications firms.
- Breach of Contract (Auto Parts) – Calculated lost profits as a result of a breach of contract regarding easement rights and advertisement obstruction.
- Business Interruption (Textile Industry) – Provided assistance to counsel in investigating the allegation of business interruption claim by generating an econometric analysis that served to estimate variable expenses and bundling issues.

- Alter Ego (Environmental) – Managed the investigatory accounting relationships between a UK parent and a US subsidiary in an environmental damages case.
- Currency Markets (Automotive Industry) - Co-authored a syndicated report, cited by the Financial Times that analyzed the effects of the Southeast Asian crisis on the automotive industry.
- Economic (Automotive Markets) – Co-authored the U.S. automotive industry newsletter for J.D. Power and Associates, working directly under the senior economist in executing and managing their syndicated market forecasts and reviews.
- Econometrics (Forecasting) - Assisted in the creation of the J.D. Power Development Index © utilized within their automotive sales forecasts.
- Econometrics (Forecasting) - Created and maintained ARIMA production and sales forecast models for the U.S. and developing markets, including Asia and Latin America, acquiring substantial knowledge of the automotive industry and OEM distribution channels.
- Forensic Investigations – Led a FCPA investigation for a U.S. petroleum company with subsidiaries in the Latin America. The case dealt with a series of financial statement analyses that ultimately revealed a complex fraud where funds were being laundered via service contracts to provide bribe money for contract extensions.
- Transfer Pricing - Managed various transfer pricing cases from documentation to controversy work in tax court. Provided quantitative skill set to international tax planning strategies via the creation of asset-based adjustment analyses of operating margins.

Expert Reports

- *Tiffany Blackwell v. Skywest Airlines, Inc.*, U.S. District Court, Southern District of California, Case No. 06CV0307, Expert Report, June 25, 2007.
- *Coachmen Industries et al. v. Crane Composites, Inc. f/k/a Kemlite*, U.S. District Court, Northern District of Indiana, Case No. 3:06-CV-0160-CAN, two separate Expert Reports, June 21, 2007 and July 1, 2007.
- *Celso Robledo et al. v. City of Chicago et al.*, U.S. District Court, Northern District of Illinois, Eastern Division, No. 05 C 0335, Expert Report, November 21, 2008.

Selected Publications

- “Econometric Techniques for Calculating Affected Commerce post *Booker*,” working paper.
- “Hand Rule as a Basis for Calculating Punitive Damages,” working paper.
- “Continuing Patent Applications and Performance of the U.S. Patent and Trademark Office – Extended,” co-authors C. Quillen and O. Webster, *The Federal Circuit Bar Journal*, August 2002.
- “Southeast Asian Crisis: Implications in the Asian Automotive Industry,” co-author R. Schnorbus, J.D. Power and Associates Syndicated Report, December 1997.

Teaching Experience

- Adjunct Lecturer, Department of Economics, Northern Virginia Community College, Alexandria, Virginia.
- Developed and taught a three-day CLE-approved course titled “Calculating Economic Damages in Commercial Litigation” as part of national training for FTI consultants and senior consultants.
- In addition, Mr. Eichmann has taught day-long and two-hour CLE introductory courses in econometrics, damage calculation methods, sampling techniques, financial statement and ratio analysis, and financial modeling techniques, as a national instructor for FTI Consulting, as well as the US Attorneys office of the Department of Justice and major US law firms.

Presentations and Seminars

- “Hand Rule as a Basis for Calculating Punitive Damages” (working paper) presented at the Southern Economic Association Conference in Washington, DC on November 19, 2005.
- Jointly presented on the topic of Punitive Damages with Andrew Frey of Mayer, Brown, Rowe & Maw LLP and John Thomas, Office of General Counsel of Ford Motor Company at a conference titled “Managing Risks in High Stakes Litigation” on December 2, 2004 jointly hosted by Mayer, Brown, Rowe & Maw LLP and FTI Consulting, Inc.