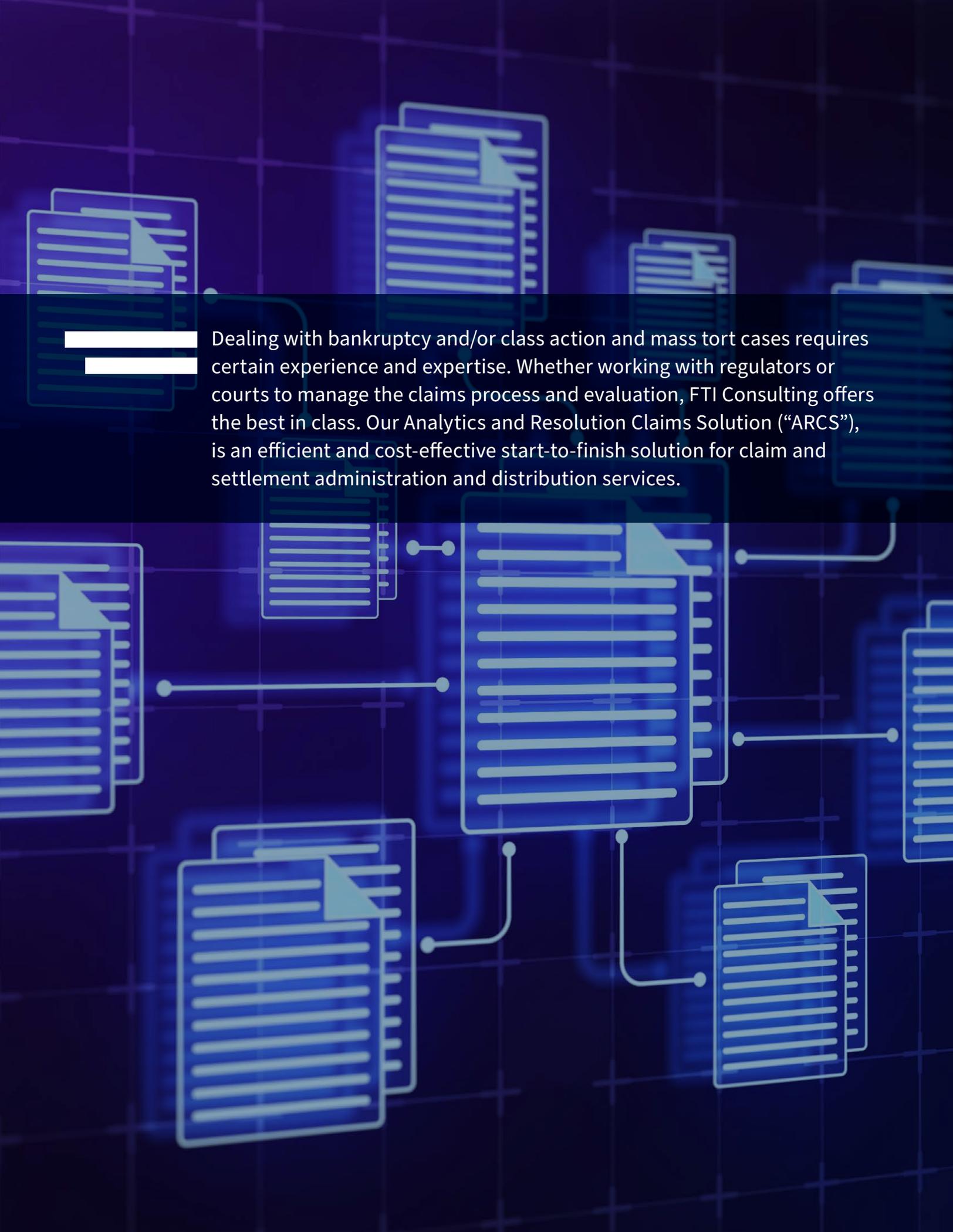




Analytics & Resolution Claims Solution (ARCS)

CLAIMS MANAGEMENT SERVICES

The background features a dark blue grid pattern. Scattered across the grid are several stylized icons of document stacks, each consisting of three overlapping pages with horizontal lines representing text. These icons are connected by thin white lines, suggesting a network or data flow. The overall aesthetic is technical and professional.

██████████ Dealing with bankruptcy and/or class action and mass tort cases requires
██████████ certain experience and expertise. Whether working with regulators or
courts to manage the claims process and evaluation, FTI Consulting offers
the best in class. Our Analytics and Resolution Claims Solution (“ARCS”),
is an efficient and cost-effective start-to-finish solution for claim and
settlement administration and distribution services.



The FTI Consulting Difference

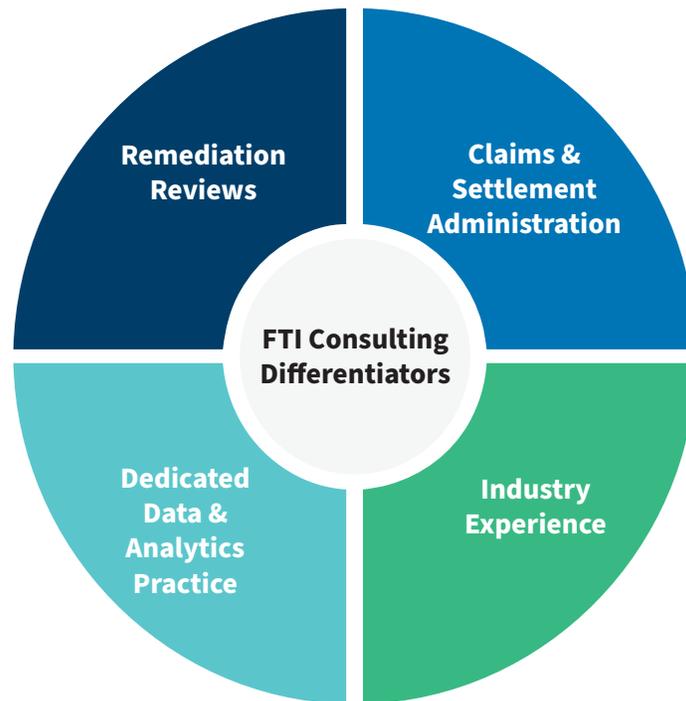
FTI Consulting’s unique blend of deep expertise in compliance reviews, funds distribution and other remedial activities allows us to seamlessly act as the client’s Claims or Settlement Administrator, resulting in an efficient and cost-effective process. Our experience includes acting as a neutral advisor, providing notices and general communication to participants, claim processing, claim evaluation, compliance reviews and fund distribution or other remedial activities.

Remediation Reviews

We have worked on numerous remediation efforts across a variety of consumer finance products, many of which were driven by regulatory enforcement actions.

Claims & Settlement Administration

We have acted as the claims or settlement administrator for multiple matters and understand the many considerations that are involved in designing appropriate and efficient processes and outreach.



Dedicated Data & Analytics Practice

Our dedicated Data & Analytics practice has extensive experience developing claims administration software solutions requiring in-depth analysis of large, disparate sets of financial, operational and transactional data.

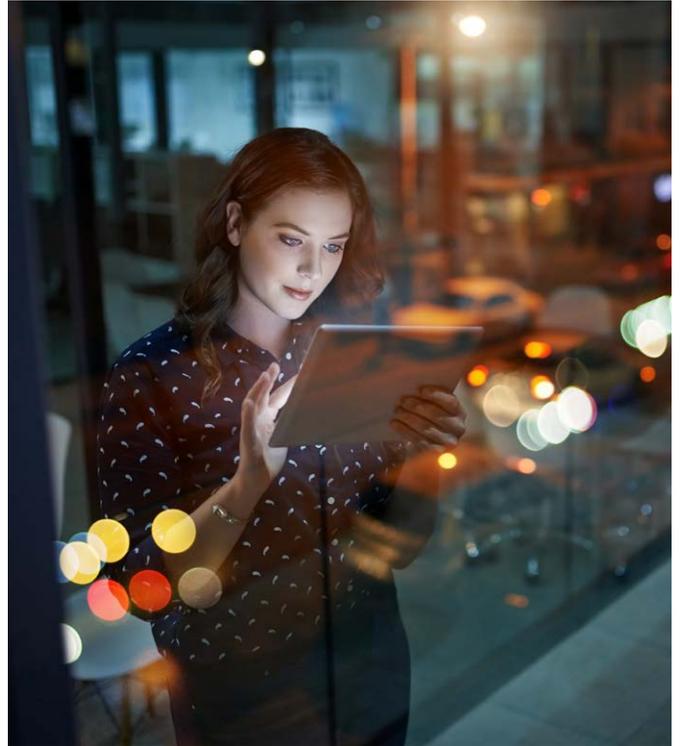
Industry Experience

Our professionals have deep financial services experience in operations, compliance and regulatory issues. We understand the nuances and application of regulatory remediation; for example, credit reporting impacts, project management priorities and customer communication.

— REGULATORY EXPERIENCE

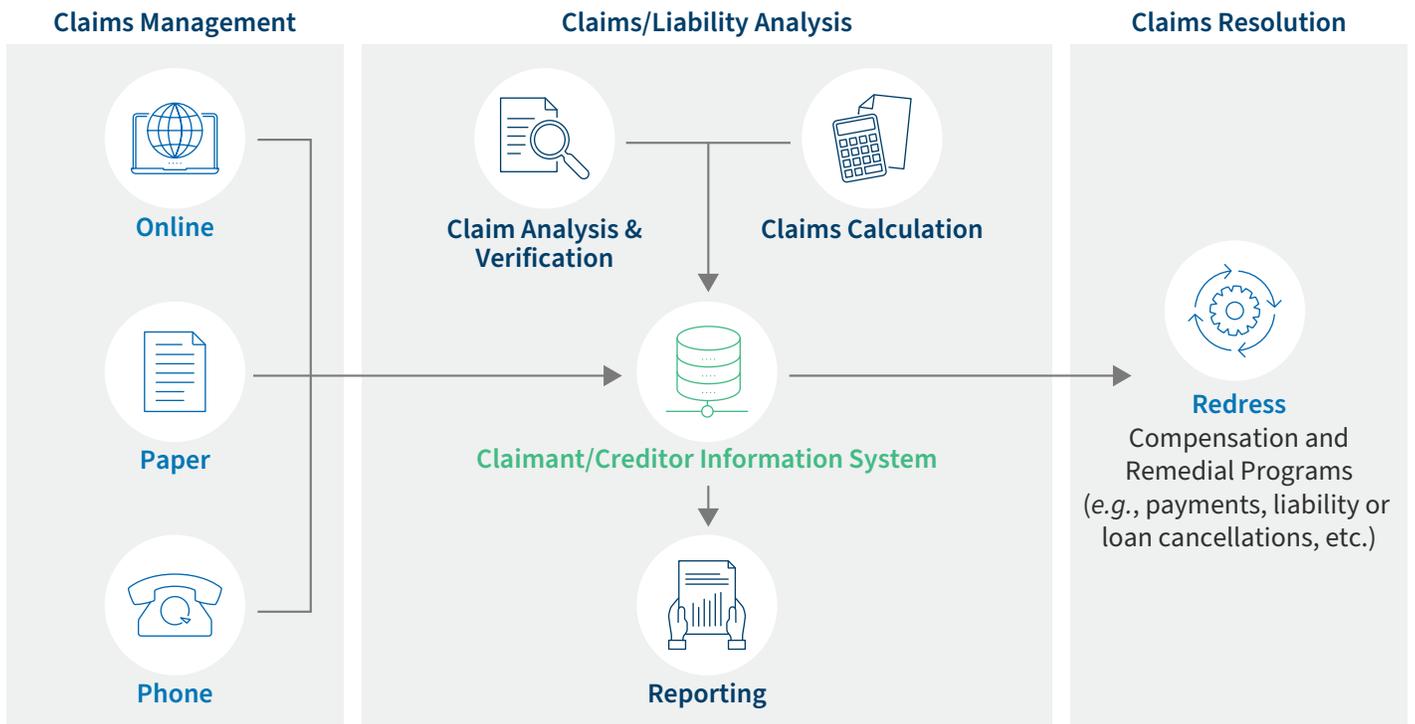
FTI Consulting and our employees have successfully served as an independent third party accepted by numerous regulatory agencies including:

- Consumer Financial Protection Bureau (“CFPB”)
- Office of the Comptroller of the Currency (“OCC”)
- Board of Governors of the Federal Reserve System and its Federal Reserve Banks (“FRB”)
- New York State Department of Financial Services (“NYDFS”)
- U.S. Department of Justice (“DOJ”)
- Federal Trade Commission (“FTC”)



Full Suite of Claims Management Services

FTI Consulting’s ARCS encompasses the entire claims life cycle – from intake and decisioning to disbursement and reporting. ARCS supports our experts acting as a neutral adviser to perform an independent advisory role through the settlement administration process.



ARCS Overview



Notice & General Communication

- Notification and correspondence management
- Call center preparation and administration
- Identify and update class member / creditor information
- Drafting notice, POC forms, affidavits, ballots
- Coordinate publication of notices / forms
- Establish P.O. box and a toll-free phone number
- Create multilingual phone centers



Funds Distribution

- Implement terms of settlement / payout
- Research title succession, intestate succession, genealogy, and locating missing or unknown heirs
- Single and iterative payout calculations and distribution administration
- Bank account management and reconciliation
- Tax services: state and federal, and 1099 preparation for fund recipients



Claims Evaluation

- In-depth analysis of evaluation criteria
- Dual manual / electronic evaluation system
- Tools and procedures to guarantee settlement compliance
- Quality checks and controls
- Comprehensive staff-training program





Representative Cases

Some of the sample engagements predate the use of ARCS, but our experience in high-profile matters in different sectors has given our experts the deep insight into every aspect of claims management needed to create the ARCS tool.



MADOFF RECOVERY INITIATIVE

Unwinding the World's Largest Ponzi Scheme

SITUATION

- In December 2008, Bernie Madoff admitted that the Investment Advisory business within his firm was a Ponzi scheme, setting off his arrest and a chain reaction of events throughout the financial services world and philanthropic communities.¹
- A Trustee under the Securities Investor Protection Act was appointed to liquidate Madoff's firm and to recover the proceeds from his Ponzi scheme.²

OUR ROLE

- FTI Consulting was engaged by Irving Picard, the Trustee, and BakerHostetler, the Trustee's counsel, to investigate the financial affairs, identify and analyze the massive amounts of financial documents and data, and provide forensic accounting analysis and expert testimony to help the Trustee recover the stolen funds.
- The teams reconstructed books and records, determined amounts deposited and withdrawn from thousands of customer accounts and analyzed hundreds of millions of transactions.
- With the Trustee, the teams investigated more than 16,500 claims, ultimately allowing more than 2,600.
- Provided litigation support, including serving as expert witnesses, for more than 1,000 lawsuits, including two actions that reached the Supreme Court of the United States.

OUR IMPACT

- FTI's work allowed the Trustee to recover more than \$14.5 billion to date, representing over 80% of the stolen funds.
- Recoveries from the Madoff Recovery Initiative far exceed similar efforts related to prior Ponzi schemes both in terms of dollar value and percentage of stolen funds recovered.³

¹ [Securities and Exchange Commission v. Bernard L. Madoff, U.S. District Court S.D.N.Y. \(Dec. 11, 2008\).](#)

² [Securities and Exchange Commission v. Bernard L. Madoff, U.S. District Court S.D.N.Y. \(Dec. 15, 2008\).](#)

³ [Aaron Katersky, "More funds recovered for victims of Bernie Madoff," ABC News web site \(Dec. 9, 2022\).](#)



ABUSE ALLEGATIONS CLAIMS MANAGEMENT

Administering Claims for a Faith-Based Organization

SITUATION

- In response to a request from client leadership, multiple locations of a faith-based organization initiated independent compensation programs to help resolve claims alleging sexual abuse of minors.
- Retained counsel had been asked to investigate, administrate and mediate individual claims arising out of sexual abuse of minors by client employees.

OUR ROLE

- FTI Consulting was retained to assist the Administrator in the back-shop administration of the program.
- Designed and maintained various claimant service data portals for the registration and tracking of claimant details and claim status.
- Operated a daily claimant call center for each individual location program.

- Performed screening and periodic investigations of registrants' and claimants' backgrounds
- Produced all necessary program related materials to assist victims, including claimant communications.
- Mailed and tracked all claimant communications. Performed skip tracing activities for undeliverable mail.
- Performed special reporting and data analysis on behalf of the Administrator and individual locations.

OUR IMPACT

As the result of FTI Consulting's work, the Administrator was able to process approximately 7,000 claims through the various claimant data portals.



MORTGAGE SERVICER INDEPENDENT FORECLOSURE REVIEW

Response to Regulator Consent Orders

SITUATION

Multiple large U.S. mortgage servicers received Consent Orders from the FRB and OCC requiring them to perform Independent Foreclosure Reviews (“IFR”) to determine if any instances of improper foreclosure or related activities occurred.

OUR ROLE

- FTI Consulting professionals were retained as Independent Consultants for several U.S. mortgage servicers to perform the IFR as mandated by the FRB and OCC.
- FTI Consulting professionals led and assisted teams in the loan-level review of thousands of loans to determine whether any borrowers were negatively impacted by improper foreclosure activities, including in the areas of loss mitigation, bankruptcy and fees assessment.
- Assessed loans for compliance with federal and state laws surrounding default servicing, foreclosure, loss mitigation (including the Making Home Affordable program), bankruptcy and investor requirements.

- Directed outreach and solicitation of over 192,000 in-scope borrowers. Reviewed and scoped over 25,000 received borrower solicitations to identify loans for testing as part of IFR, in addition to statistically significant sample populations.
- Determined appropriate remediation actions and amounts for instances of improper servicer actions.
- Regularly discussed and reported findings and risks to regulators, culminating in final report with confirmed findings and all associated remediation actions and amounts, when required.

OUR IMPACT

The loan-level reviews and associated remediation recommendations led by and performed by FTI Consulting professionals resulted in reports and documentation presented to regulators, which played a role in allowing the servicers to address the Consent Orders.



SERVICEMEMBERS CIVIL RELIEF ACT REMEDIATION REVIEW

Independent Lookback and Compliance Review for a Large Bank

SITUATION

- A large bank was required to respond to multiple matters requiring attention (“MRAs”) issued by the OCC in connection with its Servicemembers Civil Relief Act (“SCRA”) practices.
- The MRAs required the bank to conduct a thorough and independent lookback review of protections and benefits applied to servicemember accounts including consumer loan interest rate reductions, foreclosures, repossessions, default judgments and safe deposit box activities for compliance with the SCRA.

OUR ROLE

- FTI Consulting professionals oversaw multiple teams and administered the account review for the six-year lookback period, pulling data from military orders, consumer loan and collection systems, as well as foreclosure, default judgment and repossession files for analysis and determination of remediation.

- FTI Consulting professionals assisted with the development and writing of the lookback review plan approved by the OCC, which included a comprehensive multi-layered review and detailed quality assurance and reporting process.
- Developed efficient workflow processes through an automated model to streamline the identification of potential borrower remediation.
- Provided daily reporting on review metrics, issues, account findings and resolution activities for monthly trending and reporting to the OCC.

OUR IMPACT

- As the result of the analyses, the bank was able to successfully respond to the MRAs and remediate all affected borrowers.
- The bank leveraged the findings from the review to improve its SCRA processes.
- The review and testing process developed was incorporated by the bank as its business-as-usual process.



ZEEKREWARDS.COM

Claims Administration for SEC-Appointed Receiver

SITUATION

ZeekRewards.com (“Zeek”), run by the Rex Venture Group (“RVG”), was a multi-level marketing business that ran a penny auction website and incentivized participants to give away “Sample” or “VIP” bids to attract new customers to its site and share a percentage of the company’s daily profits. In August 2012, the SEC shut down Zeek for offering unregistered securities.⁴ When the Receiver was appointed, he found boxes of cashier’s checks along with no books and records.

OUR ROLE

- Assisted in the development of an online claims portal to allow Zeek participants to assert claims for funds lost in the scheme (online portal maintained by Garden City Group, now Epiq). This portal allowed for global intake, proof of claim submission, claimant status checking, claimant tax validation, noticing requirements and facilitated general claims administration activities.

- Developed automated claims reconciliation tool to allow for efficient claims validation.
- Established an equitable model to handle the complex process of determining the percentage of reimbursement each claimant was entitled to and the amount they had already received.

OUR IMPACT

- Using advanced analytics and other techniques, FTI Consulting successfully recreated how the program worked, identified the way money flowed in and out of the company, and traced recoverable funds. Through careful, targeted analysis, FTI Consulting was able to recover the majority of losses, with minimal objections to the figures established.
- Over the course of the Receivership, FTI Consulting issued over 650,000 checks totaling ~\$371 million, meaning that victims that filed approved claims received 84% of their investment.

⁴ Securities and Exchange Commission v. Rex Venture Group, ZeekRewards.com, U.S. District Court W.D.N.C. (Aug. 17, 2012).



MORTGAGE ORIGINATIONS PRACTICE REVIEW

Responding to CFPB Inquiry at a Regional Bank

SITUATION

- A regional bank was required to respond to an MRA issued by the CFPB in connection with its mortgage originations practices.
- The MRA required the bank to conduct a thorough and independent review of certain mortgage originations for accuracy and compliance with applicable regulations.

OUR ROLE

- FTI Consulting was retained by outside counsel to perform the analysis and due diligence of approximately 4,000 in scope loans in 90 days as required by the MRA.
- Developed a comprehensive test plan and automated model to streamline the identification and quantification of potential borrower remediation.
- Leveraged existing loan data fields, understanding of loan calculation logic and discussions with bank data teams to extract and further automate the loan level analysis.

- Worked closely with the bank and counsel to understand current business processes including the nuances of each loan and confirm findings.
- The analysis was conducted using an account review and workflow tool customized for bank requirements including a repository to house relevant analysis from both FTI Consulting and bank SMEs.
- Loans were reviewed for the accuracy and timeliness of certain disclosures and supporting documentation.

OUR IMPACT

- As the result of FTI Consulting's analyses, the bank was able to respond to the MRA and remediate all affected borrowers.
- The bank leveraged the findings from the review to improve its originations processes, including the internal control environment.



About FTI Consulting

FTI Consulting is an independent global business advisory firm dedicated to helping organizations **manage change, mitigate risk and resolve disputes:** financial, legal, operational, political & regulatory, reputational and transactional.

Individually, each practice is a leader in its specific field, staffed with experts recognized for the **depth of their knowledge** and a track record of **making an impact**.

Collectively, FTI Consulting offers a comprehensive suite of services designed to assist clients across the business cycle – from proactive risk management to the ability to respond rapidly to unexpected events and dynamic environments.

Our Largest Industry Groups



Transportation & Logistics



Financial Services



Real Estate



Healthcare & Life Sciences



Energy, Power & Products (EPP)



Mining



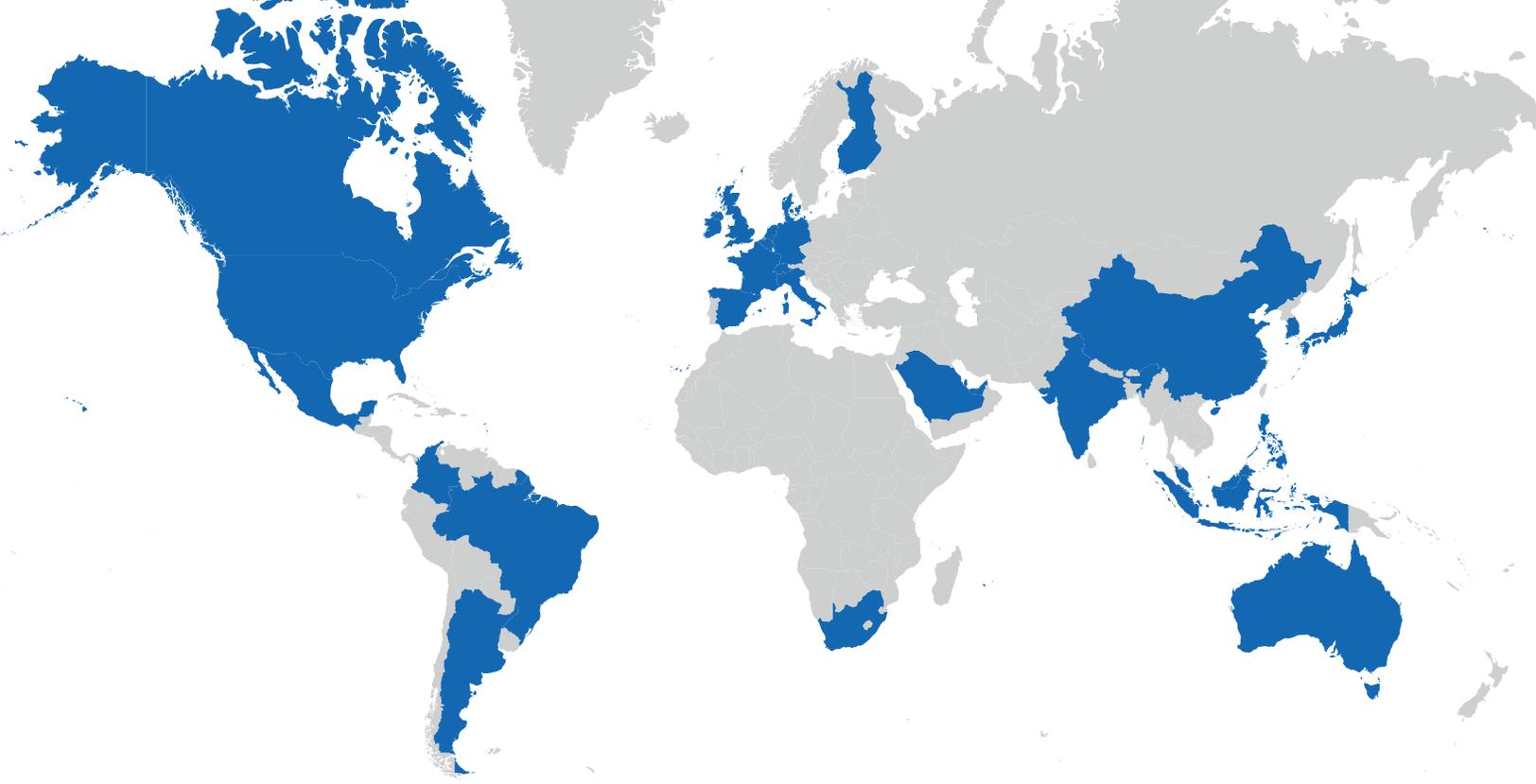
Telecom, Media & Technology (TMT)



Retail & Consumer Products



Insurance



EXPERTS WITH IMPACT™

With offices in every major financial center and every corner of the globe, we successfully serve our clients wherever challenges and opportunities arise.

Our clients include Fortune 500 corporations, FTSE 100 companies, global banks, major and local law firms and state and national governments and agencies in the U.S. and other countries. In addition, major U.S. and international law firms refer us or engage us on behalf of their clients.

31

Countries

1982

Year Founded

7,600+

Employees Worldwide

NYSE:FCN

Publicly traded

Top 50

Advisor to the world's top 50 bank holding companies

99/100

Advisor to 99 of the world's top 100 law firms

\$6.1B

Equity Market Cap*

82/100

82 of Fortune Global 100 corporations are clients

*Number of total shares outstanding as of February 16, 2023, by the closing price per share on February 23, 2023.



Definitive Expertise



Consulting Firm of the Year (2016-2021); Most Experts Named to the **Consulting Experts Guide** (2016-2022)



Best Firm to Work For (2018-2022)



Investigations Digital Forensics Firm of the Year (2021-2022); and **Arbitration Expert Firm of the Year** (2015-2022)



#1 Expert Witness Firm on GAR 100 Expert Witness Firms' Power Index (2022)



Communications Firm of the Year (2021-2023)



#1 U.S. Restructuring Advisor (2008-2022)



Global Turnaround Consulting Firm of the Year (2015-2019, 2021-2022)



One of **America's Best Employers for Women and New Graduates** (2022); One of **America's Best Management Consulting Firms** (2016-2022); **World's Best Management Consulting Firms** (2022)



Leader on the **Chambers Crisis & Risk Management Guide** (2022); and the **Chambers Litigation Support Guide** (2021-2022)

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FTI Consulting is an independent global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities.

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