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Recent Litigation Projects – Joe Pimbley

(Testifying Experience: 1 trial; 2 arbitration proceedings; 4 depositions)

- **Alleged Fraudulent Inducement of Bond Insurer** – June 2018 to Present
Working with consulting colleagues and a law firm, I serve as an expert to analyze claims that a bank sponsor of RMBS transactions breached warranties and induced fraudulently the participation of an insurer. I prepare an expert report and will testify at deposition and trial, if necessary. The case is ongoing.
- **Alleged Negligent Misrepresentation** – July 2017 to Present
Working with consulting colleagues and a law firm, I provide expert analysis of a bank's valuation, risk assessment, and public statements regarding positions in credit default swaps (CDS) referencing super-senior CDO positions. The case is ongoing.
- **Intellectual Property Dispute** – February 2017 to Present
Working with consulting colleagues and a law firm, I serve as an expert to analyze claims that a participant in the execution of market trades is infringing the patents of another party. I study numerous patents at issue in this case and related patents to provide guidance on questions of validity and infringement. I also create detailed claim charts to support the Complaint and the upcoming trial case.
- **Alleged Fraudulent Ratings of RMBS CDOs** – March 2017 to Present
Working with a law firm, I serve as a non-testifying expert to review documents and analyze credit rating practices for 2007-vintage CDOs of RMBS. I prepare expert analyses, affidavits to support and defend discovery requests and review expert reports. I will prepare an expert report for this case that is proceeding to trial.
- **Alleged Negligence of an Electronic Exchange** – April 2018
Working with consulting colleagues and a law firm, I provided product expertise and data analysis pertaining to the VIX, VIX options, and VIX futures in a dispute pertaining to possible manipulation of the volatility index and its derivatives. One party alleged negligence and violations of the Commodities Exchange Act on the part of the Exchange.

- **Contested Valuation of CLO Management Role** – January 2018
 Working with consulting colleagues and the client, I provided expert advice on the replacement of a CLO manager and appropriate considerations and estimated value payable to the current manager. I reviewed portfolio management agreements and litigation claims and applied my own experience to advise on best strategies and testimony at trial.
- **Alleged Manipulation of an Australia Marketplace** – November 2016 to November 2017
 Working with consulting colleagues and the client, I served as a non-testifying expert to analyze trade activity for the product allegedly manipulated and related futures contracts. I prepared expert analyses and reviewed expert reports. The case settled on the eve of trial.
- **Dispute re TruPS Auction** – May 2017 to November 2017
 Working with colleagues and a law firm, I provided expert valuation of a Trust Preferred security at the heart of an arbitrated proceeding (FINRA) regarding a failed trade. I submitted an expert report and testified at arbitration.
- **Dispute re Investment Manager Partnership** – August 2016 to November 2017
 Working with a law firm and two principals, I served as an expert to analyze the 2011-15 market for non-agency RMBS investment positions. I analyzed corporate governance documents and performance models to reach findings regarding ethical and proper conduct of the partnership principals. I provided historical context and legal strategies based on my direct experience and my loss modeling. I submitted an expert report and testified at arbitration.
- **Municipal Credit Ratings and Bond Insurance** – December 2012 to December 2017
 Working with a law firm, I served as an expert in both credit ratings and bond insurance for municipal debt instruments. I developed legal theories based on my expertise to press our clients' claims and described the theories with data and research in a lengthy and detailed Rule 26 expert report. I participated in settlement and mediation discussions. This case settled out of court.
- **Fraudulent Inducement of CDO Manager** – April 2014 to October 2017
 Working with a law firm, I served as an expert to analyze a 2007 CDO transaction in which Plaintiff alleged fraudulent inducement and fraudulent concealment on the part of the Defendant CDO manager. I prepared an expert report, rebuttals to opponents' expert reports, and gave expert deposition testimony. The case terminated prior to trial.

- **Dispute re CPDO Transactions** – November 2015 to October 2016
 Working with a law firm, I served as an expert to analyze 2006-era CPDO (“Constant Proportion Debt Obligation”) transactions – an exotic type of structured product. I analyzed the theory, models, and implementation of CPDO technology in this litigation. My investigation found and corrected errors in source code and in the basic concepts of the CPDO structure. The case settled prior to trial.
- **CDO Trustee Breach of Contract** – February 2014 to May 2015
 Working with a law firm, I served as an expert in trust preferred security (“TruPS”) instruments and in TruPS CDOs and market valuation of these structured products. Engaged by Defendant clients, I reviewed and rebutted the Plaintiff’s expert and found numerous calculation and conceptual errors regarding Plaintiff claims for economic damages. I provided an expert report to assess economic damages and gave sworn deposition testimony to opposing counsel. This case settled prior to trial.
- **Default Events for Private Promissory Note** – June 2013 to June 2014
 Working with a law firm, I served as an expert to analyze a complex financial transaction between two private parties and to provide opinions regarding the business intent, default events, and appropriate restructuring of the transaction. I gave sworn deposition testimony to opposing counsel and testified at trial.
- **Investment Manager Breach of Contract** – December 2013 to March 2014
 Working with a law firm, I served as an expert in investment management agreements (IMAs), CDOs, CLOs, SIV notes, and market valuation of these structured products. I developed legal theories and reviewed investment performance and valuations based on my expertise to press my Plaintiff client’s claims for Breach of Contract. I provided an exhaustive expert report that included a detailed assessment of economic damages. This case settled prior to trial.
- **RMBS Credit Ratings** – August 2013 to November 2013
 Working with a law firm, I served as an expert in residential mortgage-backed securities (RMBS), collateralized debt obligations (CDOs), and credit ratings for these debt instruments. I provided analysis of documents and methods to support my client’s position regarding allegations of flawed ratings.
- **Corporate Synthetic CDO Dispute** – January 2013 to February 2013
 At the request of a law firm, I served as an expert in corporate credit default swaps (CDS) and best practices for managing synthetic CDOs of CDS. I provided guidance on how best to reply to opposing counsel’s rebuttal of claims.

- **RMBS CDO Dispute** – March 2011 to July 2011
Working with a colleague and a law firm, I served as an expert in CDOs created from residential mortgage-backed securities (RMBS) and best practices for accumulating collateral for and managing such CDOs. Through detailed review of trustee, rating agency, and portfolio manager reports, we identified the failure mechanism of the 2007-vintage CDO and provided theories for legal action.
- **Synthetic Single-Tranche CDO Dispute** – January 2011 to April 2011
Working with a colleague and a law firm, I served as an expert in credit default swaps (CDS), CDOs, and best practices for managing synthetic CDOs for a dispute between an investor and a CDO manager. We identified several clear violations of the governing documents and demonstrated that these violations produced losses to the investor.
- **Municipal Bond Insurance Dispute** – October 2010 to May 2011
Working with a law firm, I served as an expert in bond insurance and in the underwriting of credit risk of not-for-profit entities for a dispute between a municipal bond issuer and a bond insurer. I identified several clear errors on the part of the opposing party that were of direct benefit to my client. The case was scheduled for a jury trial in August 2011 but settled out of court. I provided a lengthy and detailed Rule 26 expert report and gave a sworn deposition to opposing counsel.
- **RMBS CDO Dispute** – October 2010 to November 2010
Working with a law firm, I helped a European bank investigate 10 RMBS CDOs in which the bank had invested at the double-A and triple-A levels and suffered losses. I reviewed the transaction documents, pre-sale marketing pitchbooks, trading records (trustee reports), and the performance of the specific underlying securities. Explicit results concerned the propriety of an unusual “non-amortization” feature deep within the documents, the comparison of the performance of underlying bonds to (ABX) market indices, and the discovery that a “late substitution” of 20 bonds just prior to one deal’s closing greatly damaged subsequent performance.

- **Lehman Brothers bankruptcy** – February 2009 to March 2010

The Court supervising the bankruptcy proceedings for Lehman Brothers hired an Examiner (the law firm Jenner & Block) to answer and address ten specific topics relating to the bankruptcy (including the documentation of underlying causes). I served as a lead Managing Director for the financial advisor that the Examiner hired. During this year-long project, I conducted, supervised, and assisted investigations of valuation of all Lehman assets, risk management methods and organization, accuracy of financial statement and regulatory reporting, and numerous activities related to Lehman debt funding, collateral posting, trading, derivative positions, and clearing operations. My work with colleagues led directly to important findings such as “Repo 105” (balance sheet misrepresentation of repurchase transactions), misleading liquidity reporting, faulty liquidity management, and collateral disputes with counterparties. With my attorney colleagues, I interviewed many witnesses (former Lehman employees, senior management with financial counterparties, and officers of the Federal Reserve Bank of New York). My contributions and discoveries are included in the [Examiner’s final report](#).