

## CASE STUDY OVERVIEW: *ASSET MANAGER*

### DUE DILIGENCE: FORENSIC ANALYSIS ON INVESTMENT MANAGER

#### CLIENT:

- Top Tier *Asset Manager* who buys a regional broker dealer. Imbedded in *Broker Dealer A* are Partnerships which combine elements of both hedge fund and private equity.

#### CHALLENGES:

- *Asset Manager* does not have a complete understanding of the inner workings of the *Investment Manager's* fund.
- *Investment Manager* must conform to new compliance and investment guideline protocols.
- *Investment Manager* is interested in opening up a new fund with similar strategies before full integration into the new platform.
- The *Investment Manager's* infrastructure was deficient in a variety of control areas including; private placement monitoring, core documentation clarity, accounting and audit functions.

#### DELIVERABLES:

- Performed a complete diagnostic of *Investment Manager's* overall operating infrastructure including partnership structure & trading, accounting functions, risk management, operations functions, legal & compliance and technology/telecommunications.
- Reviewed all contracts, service levels and economic terms associated with each third party service provider including Administrators, Auditors, Prime Brokers and Technology vendors.
- Provided full support and guidance to the *Investment Manager* on areas where improvement was necessary.
- Set up policies and procedures for all private placements. Reconstructed the private equity deals and provided documentation to adequately reflect all history for each.
- Reconstructed the books and records for five years of history on behalf of the *Investment Manager*, resulting in a performance fee re-calculation that netted the *Investment Manager* over \$200,000 in additional fees.
- Provided a detailed presentation of findings to the *Asset Manager* which allowed the *Investment Manager* to be included onto the *Asset Manager's* platform.

#### RESOURCES:

- Two Senior Project Managers.
- Investment Manager Staff.
- Asset Manager Staff.

#### DURATION:

- Four months for Phase I.
- Ongoing maintenance performed.

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