



KURT H. STAKE, CPA, MBA, CMA, CFE, CFF, CVA, ABV

Partner

Professional Experience

Kurt H. Stake is a Partner in the Litigation and Valuation Services group of Grobstein Teeple LLP. Mr. Stake has over 25 years of forensic accounting, financial damages, business valuation and litigation expert witness experience. He has directed litigation engagements and forensic investigations throughout the United States, Australia, New Zealand, Asia and Mexico. Mr. Stake has calculated lost profits, business income losses and damages due to fraud schemes, partnership/corporate disputes, breach of contract, theft of trade secrets, employee dishonesty, personal injury and wrongful termination. He has been involved in cases involving business valuation, marital dissolution, inventory and property losses, valuation of businesses and financial instruments for estate and gift tax purposes and individual net worth analysis. Mr. Stake has also investigated failed financial institutions on behalf of the FDIC.

Certifications and Licenses

- Certified Public Accountant
- Certified Valuation Analyst
- Certified Fraud Examiner
- Certified Management Accountant
- Certified in Financial Forensics
- Accredited in Business Valuation

Education

- Bachelor of Science, Accounting, University of Southern California
- Masters of Business Administration, Chapman University

Teaching & Continuing Education Lectures

Mr. Stake is an adjunct professor at Chapman University's Argyros School of Business and Economics. Mr. Stake has presented at UCLA School of Law, UCLA Business School, Chapman University School of Law, Whittier Law School, the California State Bar Association Education Institute, national AICPA seminars, local CSCPA seminars, local and national RIMS conferences and the National Association of Subrogation Professionals. He has also taught forensic accounting in Australia and Canada.

Testifying Experience

Mr. Stake has testified as an expert witness in jury trials, bench trials, depositions and arbitrations on behalf of both plaintiffs and defendants for State and Federal matters.



Kurt H. Stake Examples of Engagements

Litigation Matters

- Trade Secrets – Calculation of lost profits related to the alleged theft of trade secrets, theft of customers and theft of the physical operations of a voice over internet protocol provider in Russia.
- Government Contracts – Calculation of financial damages incurred by a government contractor as a result of the alleged theft of government contracts with the United States military by a group of current employees.
- Medical Billings – Calculation of financial damages incurred by the owner of a surgical center and a group of doctors as a result of errors by a medical billing company in the calculation of net medical fees owed to the surgical center and doctors.
- Litigation within Trust – Calculation of alleged misappropriations, decrease in value, and damage to financial performance and financial position of a family owned business held within a trust and managed by one of the beneficiaries of the trust.
- Environmental/Water District – Analysis of clean-up and remediation costs on behalf of a Southern California county water district following the alleged groundwater contamination by multiple companies in Orange County.
- Mortgage Industry – Represented the United States largest mortgage bank in establishing damages suffered as a result of the alleged theft of confidential information and recruitment of employees restricted by non-compete agreements by one of the banks top brokers.
- Net Worth – Represented the world's largest toy manufacture in a royalty dispute to determine net worth of a former product designer and the methods used to lower personal net worth via transfers of funds and property to other individuals and businesses.
- Homeowners Association – Worked on behalf of a homeowners' association in a dispute with a national homebuilder to calculate damages suffered by homeowners a result of an alleged breach of contract related to homeowners' dues.
- Litigation within a Bankruptcy – Analysis of solvency and financial position of real estate development LLPs including sources and uses of funds and appropriateness of disbursements to vendors and third-parties in the years prior to bankruptcy filing. Also analyzed alleged personal fraud schemes of the managing partner of the LLPs that subsequently filed for personal bankruptcy.
- Action Sports – Analysis of financial damages to action sports equipment and clothing manufacture as a result of alleged improper shipping and distribution of product to customers throughout North America by the largest package delivery company in the world.
- Third Party Logistics – Acted as expert witness in trade secret litigation related to financial damages suffered by a third party logistics firm following the alleged theft of a customer list by one of the largest ground freight providers in the world.
- High Fashion – Investigation of multiple international fraud schemes perpetrated by the controller and assistant controller of a large internationally known high fashion woman's garment designer and manufacture.



- Construction – Analysis of allegedly inappropriate project costs and improper allocation of project costs between multiple commercial and residential real estate projects and the adverse effect on profits due to partners involved in the developments.
- Non-Compete Agreement – Calculation of annual lost profit and valuation of a “piece” of a freight management company (i.e. a book of client business) taken to a competitor by an employee allegedly restricted by a non-compete agreement.
- Class Action Fraudulent Investment – Determined settlement due to each member of a class of investors that suffered damages as a result of a fraudulent investment program.
- Municipalities – Analysis of lost profit claims filed against the Los Angeles department of public works relating to improperly awarded construction contracts.
- Construction Defect – Acted as an expert in mediations regarding lost earnings, repair costs and property damage suffered as a result of construction defects at a health club following the denial of coverage by a major insurance company.
- Art Exhibition – Calculation of lost royalties, merchandise revenue and increased costs incurred by an international art exhibition following alleged breach of contract by a museum.
- Livestock – Calculated damages sustained by cattle ranchers which resulted from the use of contaminated cotton trash as fodder in a season when normal cattle feed was not available in Australia.
- Accountant’s Liability – Analysis of CPA/real estate developer’s financial records to determine if professional liability insurance had been purchased by the CPA in anticipation of future lawsuits related to past professional malpractice.

Valuation

- Pool & Spa Builder – Valuation for gift tax purposes of an estate including a pool & spa builder and franchisor which, at the date of valuation, was the largest pool and spa builder in the United States.
- Computer Manufacturer – Part of a team that valued, for financial reporting purposes, all worldwide entities held by one of the largest manufacturers and distributors of computers and peripherals in the world.
- Estate & Gift Tax – Valuation for estate and gift tax purposes, entities within estates of individuals owning closely held businesses, stock portfolios and commercial and residential real estate.
- Dissenting Shareholder Disputes – “Fair Value” appraisals related to multiple dissenting shareholder disputes in a variety of industries.
- Financial Instruments – Valuations of a promissory note for the purpose of establishing, for tax purposes, the value of a gift of a portion of the note to a family member upon the death of the note payee.
- Small Business - Valuation of small business in family law and partnership disputes.
- Valuation of Real Estate LLPs – Calculation of discounts for minority interest and lack of marketability to be applied to real estate appraisals for industrial, commercial and residential real estate held by family limited partnerships and limited liability corporations for tax and probate purposes.



FIDC/Banking

- FDIC/Failed Financial Institutions – Served as a consultant for the Federal Deposit Insurance Corporation assisting counsel with investigating potential Director's and Officer's liability claims and verification and validation duties.

Fraud/Fidelity/Investigation

- Universities/Education – Investigation of misappropriation of University funds by the president of a private Los Angeles university for the purpose of purchasing computer equipment, installation of ATM machines and paying for consulting services from entities owned by the president and the president's family.
- Professional Athlete – Investigation of transfers and withdrawals from bank accounts and investment accounts and alleged misappropriation of funds by the manager of one of the world's top ranked professional surfers.
- Public Works Contractor – Investigated alleged misappropriation of assets by controller of a multimillion dollar public works contractor.
- Medical Partnership Dispute – Investigation of misappropriations of funds and partnership resources by a partner and acting CEO of a network of medical practices.
- Cosmetics – Analysis of lost inventory due to employee theft at multiple facilities of a major cosmetic manufacture.
- Import/Export – Analysis of lost commissions resulting from a kickback scheme between an employee of a merchandise importer and a customs broker.
- Construction – Analysis of inappropriate fund transfers by partner in Southern California water park development firm from bank accounts identified for a specific construction project to personal accounts and accounts of other construction projects.
- Dairy Industry – Computation of financial damages sustained by the New Zealand Dairy Board as a result of the board's officer's allowing the amount of butter imported into both the United Kingdom and Europe to exceed the annual allowable quota as well as allowing the product imported to exceed the allowable butter-fat content.
- Mining – Quantification of inventory loss due to employee theft at a gold mine in Western Australia.
- Glass Fabrication – Investigation of company financial and bank records to determine time-frame that theft of cash occurred at the hand of the corporate controller. Also quantification of amount lost for purpose of insurance submission.
- Garment Industry – Investigation of misappropriation of company funds and calculation of lost company earnings as a result of employee kickback schemes.
- Audit of Expert Fees – Analysis of hours invoiced and billing rates for attorneys, accountants, and engineers. Also review of contractor/subcontractor invoices for time and material charges.

Insurance & Subrogation – Business Interruption/Inventory Loss/Extra Expense

- Banking – Calculation of business interruption loss for a major bank following water intrusion at a branch in Northern California.
- Subrogation – Calculated lost rents and property damage loss for a commercial center at a major Orange County marina damaged by fire for the purposes of subrogation involving multiple insurance carriers. Also calculated lost profits, property damage and personal property loss for marina tenants.



- High Rise Office Building – Calculation of property damage and loss of rents for a high-rise office tower in downtown Los Angeles following a catastrophic fire.
- Terrorism – Assisted in the organization and compilation of damages related to the repair of the sixteenth century Trinity Cathedral and St. Paul's Chapel in the lower Manhattan district of New York City following the events of September 11, 2001. This included soil remediation and the cleaning of pipe organs, stained glass and a graveyard. Also, calculation of lost rents, business interruptions and extra expenses for the company's commercial real estate properties, school, grant programs and television and video ministries.
- University – Analysis of property damage, increased labor costs and extra expenses incurred at a University of California hospital, livestock facility and research departments as a result of wildfires in San Diego County.
- Oil Spill – Multi-year tax return analysis to determine income losses for 30,000 fishermen, boat owners and spotter pilots relating to the Exxon Valdez oil spill in Alaska.
- Mining – Calculation of lost profits and increased costs following a smelter explosion at a major nickel mine and losses resulting from a boiler failure at aluminum mine both in Kalgoorlie, Western Australia.
- Pharmaceutical - Quantification of overhead, product and research and development costs associated with lost batches of a Kogenate at a pharmaceutical manufacturing facility in Berkeley, California.
- Environmental – Analysis and summarization of expenses, including costs related to soil remediation and re-trafficking of foot/bike paths.
- Computer/Microchip Manufacturing – Calculation of contingent business interruption loss sustained by a major computer manufacturer following a fire at a microchip manufacture in Asia that provided components.
- Cement Manufacturing – Calculation of the cost to replace lost clinker following the collapse of the kiln burner pipe at a cement mill.
- Hospitals – Quantification of business interruption property damage and extra expenses following an electrical explosion caused by a failed transformer.
- Municipalities – Calculation of business interruption, increased labor costs, property damage and extra expenses incurred by a municipality as a result of wildfires in San Diego County.
- Trade Show & Convention Center – Calculation of business interruption and extra expenses related to closure of a trade show at Salt Lake City's Salt Palace following a tornado.
- Hotels & Casinos – Computed lost room revenues, lost casino and restaurant income, property damage and extra expenses at a major hotel and casino in Las Vegas.
- Motels – Computed lost room revenues, restaurant income, property damage and extra expenses suffered as a result of power surges at large motels in Palm Springs and fires at motels in San Diego County.
- Food Manufacturing – Calculation of lost profits and increased costs for New Zealand's second largest bread manufacturer whose main baking facility located in Auckland was destroyed by fire.
- Aerospace – Calculated property damage and business interruption loss for a small airline operator and maintenance operation in Las Vegas after a portion of its facility and hanger were destroyed by high winds.
- Entertainment – Prepared accounting of property damage for helicopter-mounted camera used in the filming of "Far & Away". The camera was destroyed when the low flying helicopter fell from the sky into rough seas.



- Rendering - Computation of business interruption and property damage at a major Los Angeles rendering plant that occurred following the breakdown of a centrifuge and other essential operational equipment.
- Seafood - Calculation of an out-of-sight inventory loss following the “mysterious disappearance” of twenty shipping truckloads of tuna fish between a warehouse in Chicago and a warehouse in San Diego.
- Sprinkler Manufacturing – Quantification of increased costs and the cost of tenant improvements at a Tucson, Arizona manufacturing plant for one of the largest sprinkler manufacturers in the world after the roof of the plant was torn off by high winds.
- Garment Industry - Computation of in-sight and out-of-sight inventory losses suffered as a result of flood, fire and smoke damage for numerous clothing manufacturers.
- Toys – Quantification of extra expenses and inventory losses, which occurred as a result of civil unrest and fires at American manufacturing plants located in Jakarta and Taiwan. Also, computation of an in-sight inventory loss that occurred as a result of a warehouse sprinkler system flood in Los Angeles.
- Auto Parts – Calculation of in-sight inventory loss at a major American automobile parts manufacturer's maquiladora in Mexicali, Mexico, which had been destroyed by a fire.
- Auto Dealerships – Quantification of business interruption loss at a San Diego Toyota dealership that suffered a major fire.
- Health Club – Computation of lost earnings at a health club, suffered as a result of a flood.
- Restaurant – Computation of business interruption extra expenses and property damage following a fire at a high end Los Angeles restaurant.
- Riot & Earthquake – Performed extensive loss calculations for businesses, restaurants, retail operations, check cashing facilities, etc. relating to the Los Angeles riots and Northridge earthquake.
- Supermarket – Quantification of property damage in-sight inventory loss and business interruption at a chain of supermarkets as a result of civil unrest, fire and vandalism following the L.A. riots.
- Loss of Rents – Calculated numerous loss of rent claims for apartment buildings, office complexes, strip malls and condominium communities, which were incurred as a result of seismic damage following the Northridge Earthquake, fires and water intrusion.
- Microchip Fabrication – Quantification of an in-sight inventory loss following a flood caused by a burst water pipe at a microchip fabrication facility.
- Professional Service Providers – Quantified lost earnings for numerous medical, dental, psychiatric, legal and accounting practices.
- Diatomaceous Earth – Computation of lost earnings at a diatomaceous earth-processing plant.

Family Law

- Marital Balance Sheet – Compilation of marital balance sheets including family owned business, cash and stock investments, real property, personal property and debt.
- Spousal and Child Support Modification – Calculation of business and personal cash flow used to determine if a modification of spousal and child support was appropriate due to an improvement or decrease in a spouse's earnings.



- Inappropriate Transfer/Use of Community Property – Tracing of funds transferred to personal or unknown bank accounts and uses of community funds and property by one spouse following the date of separation with the alleged intent to limit funds and property available to other spouse.
- Child Support Payment Audit – Multiple year analysis of direct cash and credit card payments, wage garnishments and tax refund interceptions to establish if payments for child support that were credited by the state of California to a specific parent were accurate.

Lost Earnings/Employment

- Wrongful Death – Computation, on behalf of employer and manufacturer, of lost earnings for individuals that contracted mesothelioma by working with building materials containing asbestos.
- Wrongful Termination – Computation of lost earnings for accounting executive allegedly fired based on age discrimination.
- Harassment – Calculation of lost earnings and perquisites for the headmaster of one of Orange County, California's most prestigious private schools fired after alleging sexual harassment.
- Auto/Truck/Cycling Accidents – Calculation of lost earnings of individuals injured or killed in automobile and cycling accidents.
- Government Contractor – Calculation of lost earnings of government contractor suffered as a result of injuries that occurred in the workplace.
- Personal Injury – Calculation of lost earnings related to personal injury claims.

Product Recall

- Baked Goods – Quantification of recall costs, cost to replace recalled product, loss of profits, and increased costs of working in a major product recall caused by an extortion attempt in Australia.
- Pharmaceutical – Calculation of product recall costs, cost to replace recalled product loss of profits, and increased costs of working at a Los Angeles plasma refractory following two FDA shutdowns.