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Certifications

Certified Public Accountant*

Professional Affiliations

American Institute of Certified
Public Accountants

Education

B.S. – Business Administration
(Accounting)
Summa Cum Laude
University of Alabama

Summary of Expertise

For three decades, Joe Hargett has worked almost exclusively in the financial services industry in a variety of roles. Mr. Hargett's unique background allows him to bring highly coveted skills to complex litigation matters involving banking entities.

For the past two decades, Mr. Hargett has provided financial consulting services and expert testimony in scores of banking matters. More specifically, since 1991, Mr. Hargett has provided consulting and other services to banks and other financial entities, law firms, numerous government agencies, including the Federal Deposit Insurance Corporation ("FDIC"), the former Office of Thrift Supervision ("OTS"), the National Credit Union Administration, and United States Department of Justice. Many of these assignments have involved litigation, and Mr. Hargett is highly skilled in performing investigations of complex matters and advising his clients on such matters.

Mr. Hargett's litigation experiences have involved analyzing detailed records, identifying relevant issues, and communicating findings via expert reports and testimony. He has provided expert testimony in matters before state and federal courts as well as in arbitration. He has provided damages, accounting and other expert opinions in matters involving breach of contract, breach of fiduciary duty, fraud, and professional malpractice.

Between 1989 and 1991, Mr. Hargett received and completed a two-year accounting fellowship with the OTS, one of the then government agencies responsible for the regulation of financial institutions. As a professional accounting fellow with OTS, Mr. Hargett's assignments included, among other things, (1) writing issue papers and opinions on accounting matters; (2) drafting segments of regulations and other regulatory guidance for the savings and loan industry; (3) developing training material and teaching courses on capital standards, recent accounting issues and other areas for OTS; and (4) briefing the Director of OTS and other senior policy personnel on accounting and regulatory matters.

Mr. Hargett began his professional career in 1984 with the public accounting firm now known as KPMG. From 1984 to 1989, Mr. Hargett worked in the audit department of KPMG auditing banks, savings and loans, Fannie Mae, and real estate entities. While there, he became a national instructor for the firm for internal financial institutions training classes.

Failed Bank Professional Experience

After the savings and loan bailout legislation of 1989, Mr. Hargett began first working as a financial consultant on failed banking matters in 1991. Over the seven-year period from 1991 to 1998, Mr. Hargett not only performed numerous investigations of failed banks and other financial institutions on

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behalf of the FDIC and the former Resolution Trust Corporation (“RTC”), he also served as an outside instructor to the FDIC and RTC and taught classes to internal FDIC/RTC personnel on how to investigate failed banks.

Mr. Hargett’s consulting and testimony assignments involved typical Director and Officer investigations, as well as investigations of outside professionals, including accountants and appraisers. Over the years, Mr. Hargett’s failed bank assignments included damage testimony of both lending transactions as well as complex financial instruments. Engagement experiences have also included investigation and fact-finding related to loan and investment portfolios (including loss recognition), loan servicing portfolios, fraud investigations, reconstruction of the reasons for losses, collateral evaluation, analyses and evaluation of appraisals, as well as other valuation-related work.

During 2013, Mr. Hargett was engaged as a testifying expert on damage issues in one of the lead cases involving a professional liability claim brought to date in the most recent financial crisis by the FDIC, as receiver of a failed financial institution. In that matter, Mr. Hargett was engaged by counsel who was defending an outside professional appraisal services company against certain negligence claims being asserted by the FDIC.

Recent Banking Litigation Experience

Since the banking/financial crisis in the United States that reached its peak in September 2008, Mr. Hargett has performed numerous financial consulting assignments involving the financial services industry. These assignments have in some cases been individual loan reviews, where forensic analysis of historical information was compiled and analyzed. In another matter, a commercial loan securitization was analyzed in detail after litigation was commenced relating to an asset put clause. Also, Mr. Hargett has been engaged in another matter to provide trial testimony involving asserted claims involving the deductibility of various asserted tax assets.

Other Banking Litigation Experience

Mr. Hargett has led engagements, and provided expert testimony, in analyzing damages as well as accounting issues relating to breaches of contract matters in suits filed by savings and loan associations, their shareholders, and/or their receivers against the U.S. government relative to changes in regulation.

In these matters, commonly referred to as the *Winstar* litigation, Mr. Hargett has:

- Performed extensive analysis of FDIC receivership records, and provided testimony on those records.
- Analyzed damage claims under various remedy constructs and provided testimony on those analyses.



- Analyzed plaintiff institutions' capital structures, capital raising efforts and distributions, mergers and acquisitions, mutual-to-stock conversions, and compliance with regulatory capital requirements.
- Analyzed regulatory compliance, directed and performed regulatory accounting principles ("RAP") to generally accepted accounting principles ("GAAP") reconciliations, and peer analyses, among other measures. In certain matters, Mr. Hargett provided testimony about the proper accounting of certain transactions within the Savings and loan industry.

Other Banking Experience

Mr. Hargett has had extensive experience consulting and auditing numerous types of clients, including financial institutions and real estate partnerships. His experience includes auditing and conducting examinations of financial statements, performing special purpose reviews, information management, internal control assessments, and other matters. Mr. Hargett's work has involved entities with operations located throughout the country.

Mr. Hargett also has extensive experience in analyzing and quantifying lost profits, excess costs, loan and investment losses, and diminution in value, among other measures of economic damages. Mr. Hargett's work in these areas has included the development of cost and revenue models, valuation of intangible assets, appraisal review, financial statement analysis, statistical issues, determination of fixed and variable costs, analysis and modeling of complex contract terms, discount and capitalization rate analysis, interest calculations, analysis of real estate and capital markets, application of accounting principles, and other fact-finding and analysis.

With respect to accounting matters, Mr. Hargett has worked on over twenty different cases in a variety of industries. These investigations have involved entities located throughout the United States. Mr. Hargett's experiences have included detailed assessments of accounting records including auditor work papers. Mr. Hargett has testified on accounting matters involving the proper application of GAAP and whether or not an entity's external auditors' audit opinions were proper based on the requirements of generally accepted auditing standards ("GAAS"). Additionally, Mr. Hargett has performed forensic analysis of accounting data to ascertain whether the data had been used properly in a variety of litigation matters.

Testimony Since January 1, 2011

- *Washington Mutual, Inc. as Successor in interest to H.F. Ahmanson & Co. and Subsidiaries v. The United States of America*, Court of Federal Claims, (Case Nos. 08-321T and 08-211T (October 2014) – Deposition
- *Federal Deposit Insurance Corporation, as Receiver of Washington Mutual Bank, Plaintiff, v. LSI Appraisal LLC, et al., Defendants*, U.S. District Court Central District of California (October 2013) – Deposition



- *Washington Mutual, Inc. as Successor in interest to H.F. Ahmanson & Co. and Subsidiaries v. The United States of America*, U.S. District Court, Western District of Washington, Case No. CV06-1550 (May 2008, November 2011, December 2012) – Deposition and Trial