

# Real Estate Litigation Services

## The Role of Anchin’s Forensic Accountants in Real Estate Disputes and Investigations

In the complex world of commercial and residential real estate, heated disputes among family members, third-party investors and/or lenders may arise, requiring the expertise of Anchin’s Litigation Support, Forensic Accounting and Valuation Services (LFVS) team members to investigate and uncover financial irregularities, provide crucial insights, and facilitate resolutions. Whether the dispute involves fraud, embezzlement, disagreements over valuations and appraisals, or contractual disputes, Anchin’s forensic accountants bring specialized knowledge and years of experience in the real estate industry to assist clients through these issues. We apply specialized skills to analyze financial records, track transactions, and provide expert testimony for trials, depositions, arbitrations, and mediations.

## Understanding the Role of Forensic Accountants

Our forensic accountants are financial detectives, adept at unraveling intricate financial webs and identifying discrepancies or fraudulent activities within real estate transactions or entities. Our role extends beyond traditional accounting practice by applying sophisticated investigative techniques to scrutinize financial data and unearth evidence in connection with litigation and other disputed matters.

## How Anchin’s LFVS Team Can Help



**Fraud Detection & Prevention:** Anchin’s forensic accountants are diligent, employing sophisticated methods to detect and/or prevent various forms of fraud. These methods include assessing misrepresentation of entity values, investigating inequitable partner distributions, analyzing waterfall calculations, calculating rental income manipulation, and uncovering potential kickbacks, among other schemes. By examining financial documents, conducting thorough investigations, and tracing flow of funds, we can identify red flags and anomalies indicative of fraudulent activities.



**Asset Tracing and Recovery:** In cases involving asset misappropriation or embezzlement in connection with real estate transactions or within entities, we can track the flow of funds, providing a thorough analysis of financial records, bank statements, and corporate documents. We can identify hidden assets or improper distributions or transfers, facilitating their recovery for restitution.



**Valuation Disputes:** Real estate valuation issues often arise in divorce settlements, estate planning, or commercial disputes. Anchin’s forensic accountants and valuation specialists have decades of experience employing their expertise in financial analysis and valuation methodologies to accurately assess the fair market value of real estate holding companies. Our professionals scrutinize appraisal reports and assess market conditions to provide objective and defensible valuation opinions.



**Expert Testimony:** Our team members provide expert testimony in legal proceedings related to real estate disputes. Our comprehensive understanding of financial matters, coupled with our ability to communicate complex financial concepts in a clear and concise manner, makes us invaluable witnesses in courtrooms, arbitrations, and other dispute resolution proceedings.

## Case Studies

### Inequitable Distributions and Sharing of Profits

Anchin was retained in a dispute among family members who owned numerous commercial, residential, and hospitality properties throughout the country. Our client was concerned that there were inequitable distributions and sharing of profits across multiple entities. Anchin conducted a broad-ranging forensic investigation by searching through thousands of financial documents, analyzing contracts, operating agreements, general ledgers, bank statements, tax returns, financial statements, invoices, bank statements and credit card statements. Based on our findings, we issued expert reports and affidavits concluding that hundreds of millions of dollars were unfairly distributed to certain family members, to the detriment of others.

### Commercial Damages – Rebutting Lost Profits

Anchin was engaged as a rebuttal expert witness in connection with allegations of lost profits regarding the development of real estate in a major U.S. city. In this dispute the Plaintiff alleged that the negligence of the architects and engineers caused substantial lost profits. After a review of the opposing expert’s report and relevant documents, Anchin issued a rebuttal expert report addressing various deficiencies with the Plaintiff’s overstated calculation of alleged lost profits, including the failure to perform an objective analysis of their understatement of saved (offsetting) expenses and their overstatement of the loss period. Ultimately, the matter settled for substantially less than the Plaintiff’s original calculation of lost profits.

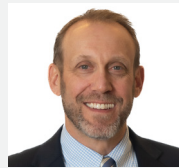
### Embezzlement and Fraud

Anchin was retained in a dispute among family members who owned more than a dozen properties in New York City. Our client was concerned because he had stopped receiving regular distributions. While he had been led to believe all family members were being treated equally, our client noticed the family member running the business was branching out into many other real estate investments. After conducting an extensive forensic analysis, our team found that the managing member leveraged family-owned properties and used millions of dollars in cash proceeds from refinancings and the sale of family-owned properties to fund investments in other ventures that excluded our client and other family members.

## Anchin’s Litigation, Forensic & Valuation Services Team



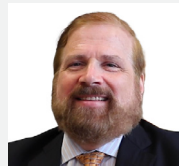
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