

JOSEPH P. BELANGER

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Mr. Joseph P. Belanger provides expert evidence and directs projects in financial services disputes. As a Principal Emeritus in The Brattle Group's Securities and Finance practice, he is and has provided testimony in a number of financial services litigations relating to both standard of care and industry custom and practice. He has testified on appropriate bank lending practices, the role and responsibility of service providers to investment funds (including custodians and administrators), and on risk management due diligence processes. His testimony includes Madoff litigations and other Ponzi schemes, hedge fund administrator claims and commercial lending disputes. Mr. Belanger has also identified and supported a broad array of custom and practice expert witnesses in multiple financial services disputes, including matters involving broker dealer and global custodian duties and responsibilities, correspondent banking activities, hedge fund withholding tax processes, anti-money laundering obligations, and mortgage banking governance.

He has direct experience creating and growing commercial lending, risk-based and hedge fund administration businesses and implementing effective risk management programs. His capabilities include commercial lending, hedge fund and offshore fund administration, custody, oversight of risk management and compliance programs, directed trusteeship, and the application of investment portfolio risk tools for traditional and hedge fund asset classes.

Prior to joining and then retiring from The Brattle Group, Mr. Belanger spent more than 25 years at State Street Corporation, where he was part of the executive management team in Alternative Investment Solutions, a leading service provider to institutional investors, hedge funds, and private equity funds. During that time, he spent 12 years as a senior vice president and division head with responsibility for State Street's commercial lending services, Cayman offshore and alternative fund administration services, and global risk services business units. Earlier in his career, Mr. Belanger was responsible for Investor Services Risk Management with oversight for the documentary, fiduciary, credit counterparty, operational, anti-money laundering, and reputational risk exposures accompanying trustee, custody, accounting, administration, and transfer agency services provided by State Street worldwide.

Mr. Belanger holds the Chartered Alternative Investment Analyst designation.

EDUCATION

- Master's in Business Administration, Washington University - Olin School of Business, St. Louis, MO
- Bachelor of Arts, Economics, Ripon College, Ripon, WI

EXPERIENCE

JP Belanger LLC (2022 - Present)

The Brattle Group (2010 - 2022)

J Belanger Group, LLC (2009-2010)

Expert Experience

- Engaged as an expert on behalf of the Department of Justice in U.S.A. vs. Stephen M. Calk in U.S. District Court for the Southern District of New York [1:19 CR 00366] to provide consulting advice and as a potential affirmative and/or rebuttal expert in a jury trial in regard to commercial lending custom and practice and the fiduciary responsibilities of a CEO and member of a bank's Loan Committee. There ultimately was no trial testimony.
- Engaged as an expert on behalf of the Department of Justice in U.S.A. vs. Alan Kaufman in U.S. District Court for the Southern District of New York [19 CR 504 (LAK)] to appear in rebuttal to the Defendant's expert in a jury trial in regard to commercial lending custom and practice and the fiduciary duties relating thereto. The Defendant's expert was dismissed prior to any appearance and there was no trial testimony.
- Provided confidential report, supplemental report and deposition testimony on behalf of the Respondent in SS&C Technologies Canada Corp., Applicant and The Bank of New York Mellon Corporation and CIBC Mellon Global Securities Services Company, Respondent, in the Ontario, Canada, Superior Court of Justice addressing industry custom and practice in a service provider contractual relationship and the calculation of expectation damages for an alleged breach of contract. This matter is ongoing.
- Provided confidential report on behalf of the defendant in Claire O. O'Malley v. Brown Brothers Harriman & Co. in the United States District Court, Western District of Texas, San Antonio Division, on industry custom and practice in the duties and responsibilities of a custodian of securities.
- Provided confidential report and deposition testimony on behalf of the defendant in Emigrant Bank Fine Art Finance et.al. v. River North Collections, LLC et.al. in the United States District Court, Northern District of Illinois, Eastern Division, addressing industry custom and practice in underwriting, documenting and post-closing monitoring of an alleged loan.

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- Provided confidential arbitration testimony before a JAMS panel relating to the role of a service provider to a limited partnership investment fund and its contractual responsibilities in accordance with the service provider contract and industry custom and practice.
- Provided confidential report on behalf of the defendant, Merrill Lynch, in *Alliance Bank and Platinum Bank, v. Jeffrey Kluge and Merrill Lynch, Pierce, Fenner and Smith Incorporated*, in the State of Minnesota District Court addressing bank due diligence, documentation and monitoring responsibilities for commercial loans secured by a brokerage account.
- Provided deposition testimony in an ongoing dispute on behalf of the plaintiff in *James W. Bradshaw, et al, v. Stephen E. Maiden, et al*, in North Carolina State Court regarding the services ordinarily provided by a third party administrator (SS&C Fund Services) when performing services for a hedge fund (Maiden Capital Opportunities Fund, LLC) as set forth in the services agreement between the two parties and consistent with general industry standards, including general expectations regarding the standard of care.
- Provided expert reports and trial testimony on behalf of the defendant in *Primeo Fund (In Official Liquidation) Plaintiff and 1) Bank of Bermuda (Cayman) Limited, 2) HSBC Securities Services (Luxembourg) SA Defendants* in the Grand Court of the Cayman Islands Financial Services Division regarding the duties and responsibilities of a custodian in service to a Cayman hedge fund.
- Provided confidential report and deposition testimony on behalf of the defendant in *Regions Bank, et.al., Plaintiffs v. Nexbank Securities, Inc. Defendants and Comerica Bank, Plaintiff in Intervention v. Regions Bank et.al.* in the District Court Dallas County, Texas, regarding bank supervisory and due diligence responsibilities for commercial loans.
- Provided confidential report on behalf of the defendant in *9Global, Inc. v. Avant Credit Corporation et.al.*, United States District Court Northern District of California addressing custom and usage in loan terms and business practices.
- Provided confidential rebuttal report and deposition testimony on behalf of the defendant in *Bradley Willcox, Frank Dominick, and Michele Sherie Dominick v. Lloyds TSB Bank, PLC*, United States District Court District of Hawai'i addressing commercial lending custom and practice in the administration of loan agreement contractual terms and conditions.
- Consulted, as an expert, on behalf of a municipality on the duties and responsibilities of a custodian of a municipal pension plan.
- Provided confidential report and deposition testimony on behalf of the plaintiff in *Lloyds TSB Bank PLC v. Michael Joseph Kilroy* (and cross complaint) Superior Court for the State of California County of Riverside addressing commercial lending custom and practice in the administration of loan agreement contractual terms and conditions.

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- Consulted, as an expert, on behalf of foreign tax authority investigating a tax avoidance scheme with regard to customary corporate practice in structuring and documenting corporate subordinated debt issuances and in the initial due diligence and ongoing monitoring of purchased interests in a collective trust.
- Consulted, as an expert, on behalf of the plaintiff in *Royal Bank of Canada v Central Plains Energy Project* United States District Court for the District of Nebraska in a pre-paid natural gas purchase dispute addressing the commercial reasonableness of a contract termination that relied on a material adverse regulatory change clause exercised as a consequence of Canadian bank regulators adoption of Basel III.
- Led a consulting engagement to redesign the credit and counterparty guidelines and risk approval authorities for a €6 billion European bank in order to incorporate best practices in structuring credit extensions and measuring and monitoring counterparty risk in custodial relationships.
- Provided confidential report and deposition testimony on behalf of the plaintiff in *United States of America v. BNP Paribas SA; BNP Paribas North America; BNP Paribas Houston Agency; and Jovenal Miranda Cruz* United States District Court for the Southern District of Texas regarding bank supervisory, due diligence and monitoring responsibilities for commercial loans supported by a U.S. Government guaranty.
- Provided confidential rebuttal report and deposition testimony on behalf of Citgo Group related companies as defendants in *Pasha S. Anwar, et al vs. Fairfield Greenwich Limited, et al* United States District Court for the Southern District of New York addressing the customary and contractual duties and responsibilities of securities custodians.
- Provided confidential report and deposition testimony on behalf of the defendant in *John Dugan et.al. v. Lloyds Bank, PLC* and *David Osmena et.al. v. Lloyds Bank PLC* United States District Court for the Northern District of California addressing commercial lending custom and practice in the administration of loan agreement contractual terms and conditions.
- Provided confidential report and testimony in an investment services arbitration addressing the customary and contractual duties and responsibilities of an administrator in a payment and performance dispute with a hedge fund.
- Consulted, as an expert, on behalf of the defendant in *Weaving Macro Fixed Income Fund Limited (In Liquidation) v PNC Global Investment Servicing (Europe) Limited* now known as BNY Mellon Investment Servicing (International) Limited The High Commercial Court Ireland regarding customary and contractual duties and responsibilities of a fund administrator in service to a Cayman domiciled hedge fund.

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- Consulted, as an expert, on behalf of the defendant, KBC, in Palm Beach Financial Partners, L.P., and Palm Beach Finance II, LP, Debtors; Barry E. Mukamal, in his capacity as Liquidating Trustee of the Palm Beach Finance II Liquidating Trust, v. KBC Financial Products (Cayman Islands) Ltd and Palm Beach Diversified Income LP United States Bankruptcy Court Southern District of Florida Palm Beach Division in a bankruptcy trustee claw back action addressing custom and practice in structuring and administering credit facilities extended to funds of hedge funds.
- In response to a FINRA investigation, provided an affidavit in support of a prime broker that addressed both the functions performed by a hedge fund administrator in service to a hedge fund and industry custom and practice relating to an administrator's pricing duties in the calculation of a fund net asset value.
- Consulted, as an expert, on behalf of the plaintiff in Wells Fargo Bank, N.A. v DDK & Company, LLP United States District Court Eastern District of New York in rebuttal of expert testimony on asset-based lending custom and practice.
- Consulted, as an expert, on behalf of the defendant, TD Bank, in Razorback Funding, LLC, et al., v Scott W. Rothstein, et al. in the Circuit Court of the 17th Judicial District in and for Broward County, Florida in support of a motion in limine addressing customary practices in bank relationship management and client service functions.
- Consulted, as an expert, on behalf of the plaintiff in United States of America v Flagstar Bank, F.S.B., United States District Court Southern District of New York regarding the ability to pay and the structure of a settlement agreement.
- Consulted, as an expert, on behalf of the plaintiff in United States of America v Deutsche Bank AG and MortgageIt Inc., United States District Court Southern District of New York addressing evidence of management control as a basis for piercing the corporate veil.
- Provided affidavit testimony and expert advice on behalf of the plaintiff in Dellway et.al. v. National Asset Management Agency, Ireland and the Attorney General of Ireland, before the Supreme Court and the High Court, Commercial, Ireland addressing commercial lending custom and practice, the nature of long-standing banking relationships, and the role of reputation in lending decisions.
- Provided expert advice and deposition testimony on behalf of the plaintiff in *Boldwater Credit Opportunities Fund I L.P. et.al. v. Derivatives Portfolio Management, L.L.C. et.al.*, relating to the role and responsibility of hedge fund administrators, the contractual obligations typically contained in administration agreements and in the agreement in question, the administrator's performance under the agreement, investor perceptions of operations risk, and the incentives contained in earn-out purchase agreements.

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- Provided expert advice, deposition, and testimony in an investment services arbitration involving a failure to perform under a financing arrangement between partners in a joint venture agreement and the extent to which a clause in the joint venture agreement constituted a commitment to lend.
- Provided affidavit and supplemental affidavit testimony on behalf of the plaintiff in HSBC Institutional Trust Services (Ireland) Limited, HSBC Holdings PLC, and HSBC Securities Services (Ireland) Limited v Bank Medici et.al. Civil Court of Milan Italy regarding the nature of trade communications between custodians and investment managers.

Representative Project Experience

- Identified and supported an expert in the withholding tax reclaim process involving a tax dispute in a foreign jurisdiction.
- Identified and supported an expert on the nature and scope of custody services and how instructions are communicated, together with broker dealer responsibilities as detailed in account opening agreements.
- Identified and supported an expert in correspondent banking activities and international money transfer processing on behalf of Chinese banks relating to a dispute over personal jurisdiction.
- Identified and supported an expert in Anti-Money Laundering compliance on behalf of the U.S. Department of Justice in a criminal action that resulted in a plea agreement.
- Identified and supported an industry expert in Master Repurchase Agreement custom and practice on behalf of a broker dealer in a margin call dispute brought by the bankruptcy trustee of the borrower.
- Identified and supported separate industry experts regarding a global securities custodian's customary practices, and secondly, a global securities custodian's duties and responsibilities in the selection and monitoring of a subcustodian, in separate actions involving Madoff-related disputes before the High Court Commercial in Dublin.
- Identified and supported an industry expert regarding the duties and responsibilities of a clearing broker on behalf of a leading broker-dealer in a FINRA arbitration alleging investment suitability violations.
- Identified and supported mortgage banking expert on behalf of a major accounting firm in a dispute involving mortgage banking governance.

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- Identified and supported an industry expert addressing the securities custodian's duties and responsibilities in a dispute relating to high net worth custody clients serviced by a registered investment advisor.
- Identified and supported a mortgage credit expert in a putative class action to address the competitive nature of the loan origination process for securitized residential mortgage loans.

State Street Corporation (1983-2009)

Mr. Belanger spent more than 25 years with State Street, a global provider of custody, accounting and investment management services. As a senior vice president and member of the executive team in Alternative Investment Solutions, Mr. Belanger had division head responsibility for:

- State Street Credit Services
 - Cayman Offshore and Alternatives Fund Services
 - State Street Global Risk Services
 - Investor Services Risk Management
- As vice president at State Street, in 1992 launched the entity's entry in credit services offered to the mutual fund industry and became a senior vice president and division head in 1997. Eventually responsible in 2002 for State Street's worldwide commercial lending function, directing State Street's loan portfolio and commercial loan operations representing \$15 billion in loan facilities and 750 relationships across corporate, insurance, high net worth, mutual fund, hedge fund, private equity, and collective trust market segments.
 - As the managing director of State Street Cayman Trust Company beginning in 2003, directed the entity's provision of trustee, accounting, custody, administration, and transfer agency services for assets totaling \$118 billion provided to offshore collective trusts, hedge funds, fund of hedge funds, and collateralized debt structures.
 - Became business unit head of State Street Global Risk Services in 2006, responsible for portfolio risk management and analytics platforms and consulting services offered to the asset manager and institutional investor community. The analytics platforms provide a comprehensive framework for measuring and monitoring risk on both holdings (position-based) as well as returns (performance-based), together with portfolio construction and data management. Assets serviced on these risk platforms exceeded \$1.6 trillion.
 - While responsible for Investor Services Risk Management from 1997 to 2003, established State Street's framework for risk management oversight of the documentary, fiduciary, credit

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counterparty, operational, anti-money laundering/know your customer, and reputational risk exposures accompanying trustee, custody, accounting, administration, and transfer agency services provided by State Street worldwide, including intra-day and end of day overdraft approval functions.

- Prior to initiating State Street’s entry into direct lending to the mutual fund industry, had a decade of experience in commercial banking to middle market businesses. Specialized in all aspects of asset-based lending, cash flow lending, and mezzanine structures for State Street.

Additional Industry Experience

Lloyd Hornsby and Company, Chicago IL: Management Consultant (1981-1983)

First Wisconsin National Bank, Milwaukee WI: Commercial Loan Officer (1979-1981)

National Bank of Detroit, Detroit MI: Credit Analyst (1977-1979)

PROFESSIONAL AFFILIATIONS

- Chartered Alternative Investment Analyst (CAIA)

PUBLICATIONS

- “Firm Financial Structure”, by Joseph P. Belanger, Wiley Encyclopedia of Management 3e, May 2014.
- “Broker-Dealers and Financial Services Firms Should Expect Increased Regulatory Scrutiny and Litigation in Light of COVID-19,” by Joseph P. Belanger, Ryan M. Leary, PhD., and Hollie M. Mason, Esq., Securities Regulation Daily and Banking and Finance Daily, Wolters Kluwer N.V. , May 2020.

TESTIMONY

- *SS&C Technologies Canada Corp., Applicant and The Bank of New York Mellon Corporation and CIBC Mellon Global Securities Services Company, Respondent*, in the Ontario Superior Court of Justice Commercial List CV-17-11727-00CL, September 2020.
- *Claire O. O'Malley v. Brown Brothers Harriman & Co.*, Second Amended Complaint, United States District Court, Western District of Texas, San Antonio Division, case no. 5:19-cv-00010, September 2020.
- *Emigrant Bank Fine Art Finance and Emigranta Corp. v. River North Collections, LLC, Roger L. Weston, Bougainvillea Capital LLC., Kathleen M. Corona, and GreatBanc, Inc.*, Third Amended Complaint, United States District Court, Northern District of Illinois, Eastern Division, Case No. 1:18-cv-383, August 2020.
- JAMS arbitration, San Francisco, CA, September 2019.
- *Alliance Bank, Plaintiff, and Platinum Bank, Intervening Plaintiff, v. Jeffrey Kluge and Merrill Lynch, Pierce, Fenner and Smith Incorporated*, in the State of Minnesota District Court File No. 82-cv-16-5003, March, 2018.
- *James W. Bradshaw, et al. v. Stephen E. Maiden, et. al.* In the State of North Carolina, County of Mecklenburg, General Court of Justice, Superior Court Division, No.: 14 CVS 1445, June 2017.
- Primeo Fund (In Official Liquidation) Plaintiff and 1) Bank of Bermuda (Cayman) Limited, 2) HSBC Securities Services (Luxembourg) SA Defendants in the Grand Court of the Cayman Islands Financial Services Division Case No. FSD 30 of 2013 – AJJ, January 2017.
- Regions Bank, et.al., Plaintiffs v. Nexbank Securities, Inc. Defendants and Comerica Bank, Plaintiff in Intervention v. Regions Bank et.al. In the District Court Dallas County, Texas, 101th Judicial District Case No. DC-13-146298 – October, 2016.
- Bradley Willcox, Frank Dominick, and Michele Sherie Dominick v. Loyds TSB Bank, PLC, et al. United States District Court District of Hawai'i CV 13-00508 ACK-RLP – October, 2015.
- Lloyds TSB Bank PLC v. Michael Joseph Kilroy and Michael J. Kilroy Cross Complainant v. Lloyds TSB Bank, PLC Superior Court for the State of California County of Riverside Case No. INC1202040 – March, 2015.
- United States of America v. BNP Paribas SA; BNP Paribas North America; BNP Paribas Houston Agency; and Jovenal Miranda Cruz United States District Court for the Southern District of Texas Civil Action No. 4:11cv3718 – June, 2014.
- *Pasha S. Anwar, et al vs. Fairfield Greenwich Limited, et al* United States District Court for the Southern District of New York Master File No. 09-cv-118 (VM) – May, 2014.

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- *John Dugan, Aurora Dugan, and Mathew Tapscott, Rika Olson, and Jason Ray, each individually and on behalf of all others similarly situated v. Lloyds Bank, PLC and David Osmena and Patricia Hogan Osmena each individually and on behalf of all others similarly situated v. Lloyds Bank PLC* United States District Court for the Northern District of California Case No. C 12-02549 WHA, Consolidated: No. 12-cv-02937 – WHA (NJV) – December, 2013.
- American Arbitration Association, New York, New York – October, 2013.
- *Dellway et.al., v. National Asset Management Agency, Ireland and the Attorney General of Ireland*, The High Court Judicial Review 2010 No. 909JR, Ireland – October, 2010.
- *Boldwater Credit Opportunities Fund I L.P. et.al., v. Derivatives Portfolio Management, L.L.C. et.al.* Commonwealth of Massachusetts Superior Court Civil Action No. 08-3708-BLSI – September, 2010.
- *HSBC Institutional Trust Services (Ireland) Limited, HSBC Holdings PLC, and HSBC Securities Services (Ireland) Limited v Bank Medici et.al.* Milan Italy Civil Court Filing No. 24667/09 – March, 2010.
- American Arbitration Association, New York, New York – October, 2009.