Ioannis Gkatzimas

PRINCIPAL

Practice Leader: Credit, Derivatives & Structured Products

Practice Co-Leader: Cryptocurrency & Digital Assets

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Mr. Gkatzimas specializes in complex financial markets disputes related to trading, valuing, and investing in securities and portfolios across asset classes – including digital assets.

He is an expert on derivative securities, structured finance, credit products, alternative investments, and digital assets, including their unique regulatory considerations, market structure, transactions, and valuation practices. Mr. Gkatzimas has significant experience with benchmark-related matters, and he actively consulted on financial industry considerations related to the fallback framework of interbank-offered rates (IBORs). Recent digital asset consulting engagements include analyses of market structure and regulatory issues in the emerging cryptocurrency ecosystem, including cryptocurrency exchanges, the trading of digital assets and their derivatives, and the evolution of initial coin offerings (ICOs).

Clients engage Mr. Gkatzimas in a wide range of finance-related issues. He consults on disputes involving venture capital investments and contingent claims, valuation of illiquid securities, options, warrants, swaps and bespoke derivatives, fixed-income securities, credit instruments, and on securities class actions and mergers and acquisitions. In his expert analysis work, he frequently addresses transaction and valuation disputes involving large, complex datasets.

Mr. Gkatzimas has led experts and consulting teams through all stages of regulatory investigations, litigations, arbitrations, and mediations. His casework spans numerous industries, including banking and financial institutions, mortgage finance, financial services and investment management, pharmaceuticals, technology, and energy. Notable engagements include a series of reports for the International Swaps and Derivatives Association (ISDA) on IBOR fallback rates in derivative markets, the Department of Justice's investigation of S&P rating practices for collateralized debt obligations (CDOs), and the JDS Uniphase Corporation Securities Litigation.

In addition to his consulting work, Mr. Gkatzimas has been a member of the professional faculty at the UC Berkeley Haas School of Business since 2013. Mr. Gkatzimas is a Chartered Financial Analyst (CFA) charterholder and a member of the CFA Society – San Francisco.

AREAS OF EXPERTISE

- Alternative Investments
- Broker-Dealers & Financial Services
- Credit, Derivatives & Structured Products
- Cryptocurrency & Digital Assets
- Financial Institutions
- Regulatory Investigations & Enforcement
- Securities Class Actions

EXPERT TESTIMONY

- ***Hyde Park Venture Partners Fund III, L.P. and Hyde Park Venture Partners Fund III Affiliates, L.P., Petitioners, v. FairXchange, LLC, a Delaware limited liability company, as successor in liability to FairXchange, Inc., a Delaware Corporation, Respondent* |** Case No. C.A. No. 2022-0344-JTL | Reports (filed June 30, 2023, and August 2, 2023)
- ***James Brewer, M.D, Ph.D., v. Impact Biomedicines*** | Case No. 37-2019-00067876-CU-CO-CTL | Deposition (October 21, 2022); Expert Testimony at Jury Trial (January 26 and January 30, 2023)
- ***Confidential Arbitration***, ***Co-founder v. Digital Asset Marketplace*** | Declaration (January 27, 2022)
- ***Confidential Arbitration, Former Employee v. Start-up Industrial Company*** | JAMS | Deposition (January 19, 2022); Expert Testimony (February 1, 2022)
- ***Mizner Court Holdings LLC and San Marco Holdings LLC v. Broken Sound Club Inc.*** | Case No. 19-CA-16023-MD | Report (filed on August 6, 2021); Deposition (August 27, 2021)
- ***Confidential Arbitration, Venture-funded Firm v. Investment Bank*** | AAA | Reports (filed November 23, 2020, and January 29, 2021); Expert Testimony (including hot-tubing) (February 5, 2021)
- ***DIONYSOS G.P.R.C.S. v. Ieronymakis*** | Report (filed June 22, 2015)
- ***DIONYSOS G.P.R.C.S. v. Finos Film*** | Report (filed May 15, 2015)

DERIVATIVE SECURITIES AND CREDIT INSTRUMENTS

- Led the preparation of a Brattle report for ISDA summarizing the results of surveying market participants on the clearing of US treasury securities and repurchase agreements. Report is published on ISDA's website here.
- Consulted with ISDA and its counsel to analyze and summarize market participant responses to ISDA consultations on fallbacks for derivatives referencing IBORs. Consulted on operational and valuation issues raised by market participant respondents (including convexity adjustments) related to interest rate swaps, swaptions, and other derivatives of fixed income products that may result from a replacement of IBOR benchmarks rates with fallback rates. Brattle's series of reports are published on ISDA's website and also available here.
- Analyzed option-based portfolio strategies and volatility trading strategies, including risk management processes and oversight. Evaluated trading signals on option strategies and probability of profitable outcomes. Consulted on matters involving the suitability of investments in contingent-claim securities (like options and warrants) in investor portfolios.
- Provided expert opinion and testimony on the applicability and limitations of option valuation approaches to model real-estate assets. Assessed and critiqued the reasonableness of damages estimates.
- Assessed the economic value of equity and warrants of partners in a privately held entity and performed sensitivity analyses of such economic value with respect to volatility and cost of capital, among other parameters.
- Reviewed valuation of interest rate swaps and other interest rate derivatives in benchmark rates (LIBOR) litigation, including off-market pricing. Assessed the valuation of interest rate swaps, including the reasonableness of input assumptions based on Bloomberg analytics.
- Consulted on the implementation of an option strategy to minimize downside risk in equity portfolios. Analyzed the structure of a "collar" strategy overlaid on active and passive equity portfolios, and the hedging cost of such an approach in volatile market conditions. Estimated potential damages to investors.
- Consulted on a matter involving the valuation of bespoke equity swaps and exotic options and analyzed the economic substance of a large structured transaction. Used Monte

Carlo simulation techniques to estimate the probabilities of profitable outcomes.

- Analyzed the market structure and bid-ask spreads of a portfolio of credit default swap contracts. Assessed the reasonableness and the calculation of settlement amounts and considerations of collateral upon a counterparty default under an ISDA Master Agreement. Examined aggregate mark-to-market valuation adjustments for a large credit derivatives portfolio that included bespoke credit instruments and index products.
- Consulted on the valuation of warrants embedded in special purpose acquisition company (SPAC) transactions. Analysis included analyses of disclosures to investors, dilution impact, and relative pricing against the underlying common stock of SPAC entities.

VENTURE CAPITAL AND PRIVATE EQUITY

- Provided expert opinion and testimony on the valuation of warrants granted by a venture-funded firm to an investment bank as consideration of capital raising efforts involving preferred stock and convertible notes. Analyzed and quantified the number and value of warrants adjusting for anti-dilution provisions based on the investment banking agreement and private placement memoranda. Employed simulation techniques to value warrants under various scenarios.
- Provided expert analyses and testimony on the valuation of employee stock options in a high-growth industrial company. Analyses included review of market liquidity, and price and volume of the underlying security, including its exchange-traded options, tax considerations, vesting windows, and optimal time to exercise.
- Provided expert opinion and testimony on the economic applicability of option valuation models in a real estate dispute. Analyzed relevant valuation parameters and rebutted economic damages theories.
- Retained to assess the value of an equity incentive plan components during a sequence of corporate actions involving a start-up. Analyzed the impact of such corporate actions on voting rights and assessed whether the original equity incentive objectives were preserved.
- Consulted on a dispute regarding anti-dilution provisions and possible impact on the value of shares and warrants held by an earlier round investor. Analyses included sensitivity of valuation outcome based on alternative interpretations of the relevant provisions. Supported expert opinion on valuation impact on all shares from later

rounds of financing.

- Consulted and performed analyses of the impact of a down round valuation on the existing shareholders and warrant holders in a VC-funded firm. Evaluated corporate governance process and communications between independent board committee and other board members in advance of the down round.
- Analyzed the relative market value of various series of investments on venture-funded firms using option valuation methodologies. Analyzed the structure and terms of financing agreements between a start-up and its early-stage investors.
- Consulted in a dispute involving the valuation of shares of a private company in an acquisition. Consulted on the dilutive effects of down rounds of venture-funded firms and the impact on common and earlier round investors.
- Consulted in a dispute involving the valuation of convertible notes in a venture-funded firm, and whether the note agreement allowed for a repayment of principal and accrued interest in lieu of conversion into common stock.
- Assessed the value of founder stock options in a fast-growing privately funded firm and the sensitivity to valuation assumptions as a stand-alone entity versus an acquisition. Evaluated the economic position of a partner in a venture capital firm in a divorce dispute.
- Consulted in a dispute involving the economic value of compensation for services to a non-employee third-party consultant. Performed qualitative and data benchmarking analyses on alternative approaches for compensating non-employee contributors.

DIGITAL ASSETS

- Provided expert opinion in a dispute surrounding the alleged stake of a co-founder in a digital assets marketplace. Analyzed relative pricing of certain NFTs' digital tokens against related fungible tokens.
- Consulted on a price impact analysis involving the disposition plan of a co-founder's stake in a major cryptocurrency. Analyzed transaction data on third-party digital asset exchanges, including price, volume, and price variation across exchanges.
- Consulted on and analyzed the correlation between the information released from an issuer of a digital token and the price of the token. Supported economic analysis of the statistical significance of observed correlation over time.
- Analyzed and prepared consulting reports on the uses and market structure of a major

stablecoin. Performed economic analyses to explore the factors that contribute to volatility in major cryptocurrencies and to discriminate between correlation and causation.

- Consulted on the product structure, economic characteristics, and trading activity of cryptocurrency derivatives on a cryptocurrency exchange. Analyzed compliance requirements and disclosures in the context of the relevant regulatory framework.
- Advised on the design and use cases of a novel digital token to capture and reward social, business, and other network relationships of members.

ASSET MANAGEMENT

- Analyzed the impact of securities related to option-trading strategies and on volatility strategies on investor portfolios. Consulted on assessment and quantification of damages. Examined the impact of these strategies in the context of the overall asset allocation and under suitability standards.
- Analyzed general and client-specific suitability in the context of expert analysis. Assessed information provided and disclosures by financial advisors and relevant communication with advisory clients. Examined the performance of investments selected by advisors on behalf of their advisory clients against the performance of benchmarks of investments with similar investment objectives. Evaluated potential harm to investors from alleged advisor misconduct.
- Evaluated the impact of rate volatility on the profitability of municipal arbitrage trading and hedging strategies of hedge funds and the possible effect on investors. Assessed damages to mutual fund investors from exposure to CDOs.
- Assisted clients with estimating the impact of implementation errors in trading strategies of active equity portfolios and on the performance shortfall realized in customer accounts. Performed economic analyses related to the foreseeability of price changes in municipal and other fixed-income securities. Also addressed suitability issues.

STRUCTURED FINANCE

- Analyzed methodologies and evaluated data sources used in the valuation of residential mortgage-backed securities (RMBS) and commercial MBS (CMBS). Developed a systematic methodology to value a portfolio of illiquid asset-backed securities (ABS).
- Assessed and critiqued cash flow and waterfall models used as valuation tools of RMBS and CDOs. Analyzed prepayment assumptions and the impact of borrower options to refinance with declining rates.

- Consulted on the impact of trades by the collateral manager on expected cash flows on senior and junior tranches of a CDO structure. Evaluated the impact of assumptions about prepayments, defaults, and recoveries to pools of underlying assets. Performed sensitivity analyses on resulting cash flows.
- Evaluated historical and projected collateral performance across a range of ABS, including less-common collateral of healthcare and student loan receivables. Assessed contemporaneous valuation measures, modifications, and other servicer actions, as well as the quality and transparency of reporting by trustees. Estimated the investors' economic losses.
- Analyzed and supported expert work on industry practices and business motivation of cross-border structured finance deals between financial institutions. Investigated banking spreads that considered the tax treatment of structures.
- Reviewed and analyzed default and recovery assumptions and credit-risk models used by rating agencies in rating structured finance securities like CDOs and RMBSs. Simulated complex options and structured finance products to validate pricing and assess the profitability of trading strategies.

FINANCIAL INSTITUTIONS

- Consulted on multiple financial institutions' engagements on private litigation and regulatory matters involving major investment and commercial banks, asset management firms, hedge funds, and venture capital funds, among others.
- Provided an economic analysis of the factors that affected the performance of a leveraged municipal portfolio's trading strategies. Consulted on class certification issues related to the suitability of municipal investments.
- Issued analysis that explained the structure of credit default swaps and the application of ISDA provisions upon early contract termination. Analyzed fixed-income and derivative trading desk portfolio positions and performed sensitivity analyses assuming different scenarios of benchmark LIBOR rates.

SECURITIES LITIGATION

- Performed and managed consulting and expert work in securities litigation. Analyzed the reaction of securities prices to information disclosures in Rule 10b-5 matters, and in matters involving alleged violations of Sections 11 and 12 of the Securities Act of 1933.
- Consulted on the impact of corrective disclosures related to fraudulent omissions on the value of privately placed 144A notes. Quantified the monetary impact of such disclosures to

investors and analyzed the market microstructure of this market using TRACE data.

- Addressed a wide range of issues relevant to securities litigation – including class certification, market efficiency, loss causation, liability, materiality, and damages. Designed and conducted event studies to measure the impact of market and industry or systemic effects on the returns of equity, fixed income, and other securities.
- Estimated class-wide damages and probed the allocation of damages to various claimholders. Studied timing and impact of short selling on security prices. When available, relied on trading patterns and trading records, including FIFO/LIFO assumptions, to quantify damages.

ASSET MANAGEMENT

- Evaluated the impact of rate volatility on the profitability of municipal arbitrage trading and hedging strategies of hedge funds and the possible effect on investors. Assessed damages to mutual fund investors from exposure to CDOs.
- Assisted clients with estimating the impact of implementation errors in trading strategies of active equity portfolios and on the performance shortfall realized in customer accounts. Performed economic analyses related to the foreseeability of price changes in municipal and other fixed-income securities. Also addressed suitability issues.

VALUATION

- Conducted many valuation analyses beyond those referenced above, including estimating the value of callable municipal bonds and convertible bonds, analyzing the volume price relationships on options on futures contracts, and estimating the value of lower tranches in RMBS and other asset-backed securities.
- Analyzed and provided an opinion on the value of recurring royalties on a portfolio of media assets (movies and music) and the contractual claims accruing to performing actors and musicians.
- Performed valuations of common and preferred equity, valuations of employee stock options, valuations of a hedge fund business, and valuations of privately held and public businesses in merger and acquisition disputes.

ARTICLES & PUBLICATIONS

- “Economic Issues to Watch in the Libor Transition,” with Ryan Leary and Musa Isani, *Law360* (June 2023)

- *From USD LIBOR to SOFR*, with Ryan Leary and Musa Isani, Brattle whitepaper (April 2023)
- "Crisis May Trigger Collateralized Loan Obligation Litigation," with John Anthony, *Law360* (July 2020)
- "Bitcoin Futures Markets: A Year Later" with Marek Zapletal, *Mondaq* (March 2019)
- "Recent Outperformance of Passive Investment Funds Has Provided a Rationale for Some ERISA Retirement Investors to Cry Foul. Is There a Case for Active Management?" with Christopher Laursen and John Anthony, *Securities Regulation Daily* (February 2019)
- "ICOs: What Are They And What Does The Future Hold?" with Sujay Dave, *Securities Regulation Daily* (June 2018)
- "Expert Analysis: Target Date Funds: Economic, Regulatory and Legal Trends," with Branko Jovanovic and Christopher Laursen, *Law360* (December 2017)
- *Target Date Funds: Economic, Regulatory, and Legal Trends*, with Branko Jovanovic and Christopher Laursen, Brattle whitepaper (September 2017)
- "Securities Class Actions: Trading Models to Estimate Individual Investor Trading Activity and Aggregate Damages," with Yingzhen Li and Torben Voetmann, *The Brattle Group: Critical Thinking* (May 2017)
- "Avoiding Pitfalls in the Litigation of Business Valuation," with Gary Stahlberg and Bryan Plotts, chapter in PLI Course Handbook, *Basics of Accounting for Lawyers 2013: What Every Practicing Lawyer Needs to Know*, Chapter 7, pp. 181–213 (2013)

PRESENTATIONS & SPEAKING ENGAGEMENTS

- "Blockchain and Cryptocurrencies," presented at the 5th International Conference in Global Business in the Digital Age and Post-Covid-19, sponsored by the University of San Francisco (June 12, 2021)
- "Blockchain and Cryptocurrencies," presented to General Motors (March 9, 2021)
- "Swap Contracts," presented at DeCal Lecture Series, Berkeley, CA (April 26, 2018)
- "Big Data in the Context of Financial Services Litigation," presented at DataLead 2014 conference, Berkeley, CA (October 2, 2014)

EDUCATION

- **Stanford University**
  MSc, Financial Mathematics
- **UC Berkeley Haas School of Business**
  Master of Financial Engineering
- **St. John's University**
  MBA, International Finance
- **Aristotelian University of Thessaloniki**
  BS, Pharmaceutical Sciences

PROFESSIONAL EXPERIENCE

- **The Brattle Group (2014–Present)**
  Principal
- **UC Berkeley Haas School of Business (2013–Present)**
  Professional Faculty: Lecturer
- **Finance Scholars Group (2012–2014)**
  Principal
- **Cornerstone Research (2006–2012)**
  Senior Manager
- **Bear Stearns Asset Management (1999–2000)**
  Analyst
- **IE Gkatzimas & Partners (1996–1997)**
  Manager
- **Hellenic Armed Forces (1994–1996)**
  Second Lieutenant (Officer-in-reserve)

PROFESSIONAL ASSOCIATIONS & MEMBERSHIPS

- American Bar Association (non-lawyer member)
- Bar Association of San Francisco
- Chartered Financial Analyst

- CFA Society of San Francisco