



Nevin Sanli

IR Global's exclusive Forensic Accounting member in California

Under the microscope: as a forensic accountant Nevin Sanli has spent a career immersed in minutiae

Nevin Sanli's life and career is an eclectic mix of cultures and contradictions that define him as a person. He's a detailed numbers man, a forensic accountant and economist who is as comfortable with spreadsheets as he is in an open courtroom. He's a west coast American and a proud European who supports London football (soccer) team, Arsenal.

Originally from Turkey, Nevin and his family moved to Belgium when he was only five years old. His father was employed by NATO as an electrical engineer, carrying out satellite telecommunications jobs, relocating to Brussels for his work. "So I'm Turkish by birth, grew up in Belgium and have lived in Los Angeles since the mid 1980s, but I still think of myself as more European than American," he laughs.

After studying at UC Irvine, California, Nevin decided to set up his forensic accounting firm, Sanli Pastore & Hill, in Los Angeles in 1992. The business is an economic and financial consultancy providing forensic accounting and economics to a number of legal and corporate clients. No two cases are ever the same and it's this that keeps Nevin intellectually stimulated and at the top of his game.

"We work with a lot of law firms," he says. "We're not attorneys, we're economists and we get hired by law firms or corporations that have a legal problem. So our sources of referrals are 80% attorneys and the rest are split between accountants, investment bankers and other trusted advisors."

"At any time of the day I can have a really interesting mix of work," Nevin adds. "We do forensic research on financial decisions that people make. That's the job in a nutshell. We're considered financial experts focusing on the topics of business valuation, maximizing the value of a business, and looking at compliance and governance."

The workload is incredibly diverse. One day Nevin can be helping a legal client with a huge litigation case, while next week he could be involved with a divorce case to find out who owns or manages the business assets of the family. He makes regular court appearances for clients as an expert witness: "Very often I'm involved in litigation matters and I testify as an expert witness."

In one recent case, he testified on behalf of the bass player of a rock band who claimed he was unfairly sacked: "The band's pretty well known. They were doing very well for a long time, but the three founding members

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fell out with each other – the bass player didn't get along with the other two who formed the partnership, so they fired him."

According to Nevin, typically a band comprises several business entities: "For instance, the intellectual property of the band, the name, any logos, will be owned by the group, while the touring operation will be a separate business that receives income from live concerts and that business pays royalties on the music to the group. It can often be a complex issue to unpick when band members fall out.

"The reason companies separate these entities is that intellectual property is a simple part of any business, it doesn't come with a lot of liabilities. Touring, however, can come with a lot of liabilities. It's shielded separately so that if somebody sues a touring corporation because a bouncer beats someone up or an amplifier falls on someone's head, they sue the corporate touring entity and this has nothing to do with the catalogue and the intellectual property."

In the case of the well known band, the bass player subsequently sued the band for the value of the shares in both entities and Nevin had to unpick the interests of one business from another and then testify in court: "Regarding his royalty stream and the valuation of the touring company, the bass player's share was worth about £600K-\$700K. The judge then came in at about \$925K. Actually, the royalty entity was easy to figure out in the end."

In another recent case, Nevin's client was an academic institution that had its intellectual property stolen by a group of employees who went to work for a competitor. They made off with all the course catalogues, course descriptions and the degree requirements, essentially all the assets.

"It was theft and they were all arrested for it," Nevin says. "We were hired to figure out the loss of value to the corporation from what was stolen. And so we calculated the loss of value or the value of what they stole. There are several methods to do that. One was that we looked at the cost to build all the assets – that's all the data and the computer hardware etc – in the first place. So there is intellectual property development costs and there are protection costs. There is also the registration of trademarks and all the other unique names they assign.

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"The employees were incredibly naïve and should have known that the server continually records everything that happens, what's been downloaded etc. There were emails from the competitor saying we're developing our own curriculum, our own class course descriptions, our degree descriptions, all your help in that regard would be greatly appreciated.

"In the end, it never went to trial because liability was so big. The competitor ended up paying my client \$50 million after about seven months of litigation."

Although much of his work is dominated by US-based legal cases, Nevin and his colleagues also carry out a lot of cross-border work in jurisdictions as far apart as London, Brussels, Nepal and Taiwan. Many of the international referrals are generated from the IR Global network.

"Yes, IR Global helps us with referrals and, of course, we also refer business to other members. I guess the really good part of being in the network is that you can trust the other members, you don't need to do due diligence on anyone, and clients appreciate that we're part of a group of firms that can vouch for each other."

With such an international outlook, Nevin remains ambitious about the prospects for the firm: "I see us as just below the Big Four and Goldman Sachs. There are a lot of opportunities out there. For instance, I'm looking at London as a good market for business and already have options there that I'd like to explore. You just have to keep digging because life brings opportunities."

Outside the office, Nevin also plays football (soccer) several times a week: "I play on Tuesday and Thursday nights. Five on five to seven on seven games. The sessions are run by two British coaches and a Peruvian. All of them have played at a high level in their own countries, so it keeps me on my toes."



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Nevin Sanli is President and Founder of Sanli Pastore & Hill, Inc. He is responsible for the overall management of the firm, including client engagements, litigation support, expert witness testimony, strategic planning, and relationship management. Nevin has extensive experience in developing cash flow statements and financial projections, conducting industry and market research, analysis of financial statements and valuing businesses.