

PAVITHRA KUMAR

CONTACT

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EDUCATION

2008, *PhD in Financial Economics*, MIT Sloan School of Management
2004, *BSc in Mathematics and Economics, First Class Honors*, London School of Economics

PROFESSIONAL EXPERIENCE

2019 - Present, *Senior Vice President*, Compass Lexecon, New York, NY
2017 - 2019, *Associate Director*, Berkeley Research Group (BRG), Emeryville, CA
2013 - 2017, *Senior Associate*, The Brattle Group (Brattle), San Francisco, CA
2009 - 2013, *Associate*, The Brattle Group, Cambridge, MA
2008 - 2009, *Senior Associate*, Barclays Capital, Global Technical Strategy Group, New York, NY

SELECTED CONSULTING EXPERIENCE

Business Valuation

- Contributed to total victory (in Nov. 2020) of Compass Lexecon client MAPS in \$5.8 billion hotel acquisition dispute with AB Stable – the first post-COVID-19 judicial ruling allowing a buyer to avoid closing a previously agreed transaction. Dr. Kumar led a NY-based team supporting Professor Daniel Fischel in assessing the performance of the acquired hotels after the transaction signing and the resultant decline in value. Professor Fischel filed two expert reports and testified at trial, opining that the segment of the hotel industry in which Strategic operated suffered disproportionate declines and was not expected to recover for many years. Professor Fischel also responded to AB Stable's expert's claims that the 15 hotels had experienced similar or better performance than its closest competitors. On November 30, 2020, Vice Chancellor J. Travis Laster found that AB Stable (and its subsidiaries) had failed to operate in the ordinary course consistent with past practice in all material respects between the signing and closing, and that MAPS had shown that AB Stable had failed to comply with other necessary closing conditions related to contested title to the hotel properties. As a result, the Court held that MAPS was not legally obligated to close the previously agreed upon transaction.
- Contributed to total victory (in Dec. 2020) of Compass Lexecon clients D.E. Shaw Composite Holdings, L.L.C. and Madison Dearborn Capital Partners IV, L.P. in a \$230 million contractual payment dispute. Dr. Kumar led a NY-based team supporting Rajiv Gokhale, who submitted expert reports and deposition testimony in which he provided a damages estimate which was relied upon for our clients' successful summary judgment ruling.
- Supported a Brattle valuation expert in a litigation matter regarding the related-party sale of a portfolio comprised of 31 hotels. In addition to valuation, the analysis addressed related claims regarding the efficacy of the M&A sales process and impact on valuation of a right of first refusal on real estate assets.
- Supported a Brattle testifying expert on behalf of the Liquidation Trustee for a leading title insurance company, calculating losses due to alleged failures of the company's auditors relating to the financial implications of certain risky investments. The case dealt with complex valuation and financial accounting issues and included calculations based on comps and detailed DCF modeling. Specifically, Dr. Kumar led a team to compute damages resulting

from a fire sale of the company's two major subsidiaries. This involved calculating a 'but for' value for the sold units and comparing this counterfactual value against the actual, heavily-discounted sale prices. Based in part on these loss calculations, the matter was settled privately.

Securities Litigation and Damages

- Assisted the U.S. government in a major fraud suit filed against the Standard & Poor's (S&P) credit rating agency, alleging that key modeling inputs were not analytically sound and deliberately inflated ratings on tranches of collateralized debt obligations (CDOs) during the credit crisis. Dr. Kumar led this fraud investigation at The Brattle Group, supporting a team of academic experts to opine on the first-best set of modeling assumptions given the data available at the time, and performing simulations of credit risk and cash flow models to determine the impact on the ratings of the securities at issue. This involved reverse engineering several of S&P's complex credit risk algorithms. The Brattle team found substantial evidence to suggest that fundamental ratings modeling inputs used by S&P were driven by business interests rather than analytical rigor. The investigation culminated in a multi-billion-dollar, headline-generating settlement between the government and S&P.
- Assisted attorneys representing a prominent Silicon Valley start-up in a shareholder class action suit to deny plaintiffs' class certification. Dr. Kumar supported an expert at Berkeley Research Group to assess if alleged misrepresentations made by the company impacted the prices of its privately sold securities on a class-wide basis, and if the claimants would thus be entitled to damages as a class. Dr. Kumar and her team demonstrated that it was not feasible to establish directly that the prices of securities of privately held firms are efficient with regards to reflecting new, material information. Further, she ascertained that the need for individualized inquiries in this matter was heightened by significant differences in the circumstances of the class members' transactions, including the unobservable dates on which their decisions were made, and the customized due diligence typically conducted by private investors. As a result, the expert concluded that it was not possible to determine on a class-wide basis if security prices were impacted by the company's alleged misrepresentations, and that individualized inquiries would therefore be necessary to determine plaintiff damages. The judge agreed, citing BRG's expert report, and denied plaintiffs' class certification for a significant client victory.
- Assisted an external expert in a probate litigation matter at The Brattle Group, evaluating the reasonableness of investments made by a family trust and calculating damages to the trust beneficiaries due to lack of diversification by the trustees.
- Supported Brattle expert testimony before a Pennsylvania federal jury on behalf of a former Capital One analyst accused by the SEC of engaging in insider trading. The analyst allegedly used proprietary data about consumer credit card transactions to trade ahead of revenue releases from major retail companies. Dr. Kumar led a statistical analysis demonstrating that this credit card purchase data could not have been used to accurately predict stock performance, as revenues represent only one piece of a much larger mix of information that could affect a company's stock price.
- Supported a Brattle testifying expert in arbitration hearings relating to the reasonableness of Puerto Rican claimants' investments in closed-end municipal bond funds offered by a major broker-dealer in Puerto Rico.

Tax Disputes and Other Controversies

- Supported a Brattle transfer pricing expert on behalf of a multinational beverages company. Dr. Kumar worked with a large team to perform a functional analysis of the company's foreign operations and developed several transfer pricing models to allocate residual profits across entities.
- Assisted a transfer pricing expert in Nortel Network's allocation and claims proceeding. Brattle was retained by the pension claimants of Nortel's UK subsidiary. One issue in the case was whether Nortel's transfer pricing arrangements reliably reflected the business reality and were at arm's length. Another issue was related to the allocation of Nortel's \$7.3 billion in liquidation proceeds among its creditors. On May 12, 2015, after an unprecedented joint trial before one U.S. court and one Canadian court, two judges simultaneously, but

independently, reached an important decision calling for an allocation of the proceeds largely proportional to Nortel's global creditor claims. This pro rata allocation is a modified mechanism that was proposed by Dr. Coleman Bazelon, a Brattle principal whom Dr. Kumar supported, as an economically rational allocation reflecting the financial and management realities of Nortel's business operations.

- Assisted a U.S. manufacturing company in a tax dispute with the IRS regarding interest deductions it claimed on intercompany loans. At issue was the classification of the intercompany loans as debt or equity. Dr. Kumar supported a leading finance academic at The Brattle Group and directed the analysis of several key transactions to support his expert opinion. She led a team determining whether the institution had a reasonable expectation of repaying its intercompany loans and whether the borrowing and lending transactions between the affiliated parties were at arm's-length. This involved constructing detailed financial projections for the company, developing a dynamic model to forecast key leverage and coverage ratios across a variety of scenarios, and benchmarking these metrics against a sample of comparable companies and leveraged buyout transactions. The matter has since settled.
- Analyzed a range of complex tax-related litigation, involving the evaluation of economic substance and stated non-tax business purpose of transactions that were used to offset significant income on taxpayers' income tax returns.

PUBLICATIONS

"Latest SEC Report on Rating Agencies Resurrects Questions Concerning Conflicts of Interest", February 2016, Pavitra Kumar, ABA's Practice Points.

"Correct Application of Event Studies in Securities Litigation", November 2015, Pavitra Kumar and Torben Voetmann, Event Study Tools.

"Hedge Fund Characteristics and Performance Persistence: Evidence from 1996-2006", June 2015, Pavitra Kumar, Quarterly Journal of Finance, Vol. 5, No. 2.

"High-Frequency Trading in Litigation", March 26, 2015, Pavitra Kumar, Paul Hinton and Lauren J. Schreur, Presented to The Knowledge Group.

"High-Frequency Trading Litigation Presents Complex Issues for Experts", June 2014, Zachary Ziliak, Pavitra Kumar, and Torben Voetmann, Law360.

"Computerized and High-Frequency Trading", May 2014, Michael A. Goldstein, Pavitra Kumar, and Frank C. Graves, The Financial Review, Vol. 49, No. 2.

"Estimating the Cost of Equity for Regulated Companies", The Brattle Group, Inc., 17 February 2013, by Bente Villadsen, Paul R. Carpenter, Michael J. Vilbert, Toby Brown and Pavitra Kumar, prepared for the Australian Pipeline Industry Association.

"Economic Considerations in Litigation Against the Credit Rating Agencies", April 2012, Bin Zhou and Pavitra Kumar, The Brattle Group, Inc.

"Trading at the Speed of Light: The Impact of High-Frequency Trading on Market Performance, Regulatory Oversight, and Securities Litigation", 2011 No. 2 (The Brattle Group Finance newsletter), Pavitra Kumar, Michael A. Goldstein, Frank C. Graves and Lynda S. Borucki.

ACADEMIC HONORS AND FELLOWSHIPS

- Passed CFA Levels I (2013), II (2014) and III (2015). CFA Charterholder as of December 2015.

- Securities Training Corporation (STC): Passed Series 7 (90%) and Series 63 (86%), September 2008.
- MIT Sloan Graduate Fellowship, 2005-2008.
- MIT Presidential 'Provost' Fellowship, awarded to top 120 first-year graduate students, 2004.
- Joint Winner of Cyril Offord Prize, awarded at the LSE for the most outstanding overall undergraduate performance in Mathematics, 2004.
- Winner of CS Mactaggart Scholarship Prize, (one of three prize winners out of 1000 students), awarded at the LSE for best undergraduate performance in first- and second-year examinations, 2003.

TEACHING EXPERIENCE

Teaching assistant for several MBA and Executive Education courses at the MIT Sloan School of Management including:

- Introduction to Corporate Finance
- Corporate Finance for Technical Executives
- Proseminar in Financial Engineering
- Special Seminar in Investment Management

TECHNICAL SKILLS

- Languages
Spanish (proficient), French (intermediate)
- Programming and software skills
Python, MATLAB, SAS, Mathematica, Excel
Online course certification in data science (using Python), General Assembly, November 2018
- Data expertise
Bloomberg, Datastream, WRDS, CRSP, Compustat, CapIQ, TASS
- Extracurricular accomplishments
Advanced Music Scholar (piano) in the 'Emerson Music Fellowship Program' at MIT, 2004-2007
Fellow of the UK Royal Schools of Music, 2005
UK Regional Keyboard Finalist in the national BBC Young Musician of the Year competition, 2004