



TRENDS, TIPS AND LESSONS LEARNED

March 2011

Corporate Resolutions Recent/Upcoming Events

March 4, 2011

Good Deals Gone Bad - Tales from the Trenches

Presented by: The Connecticut Chapter of the Association for Corporate Growth (ACG Connecticut)

Stamford Marriott, Stamford, CT

Speaker: Kenneth S. Springer, President, Corporate Resolutions Inc. and author of *Digging for Disclosure: Tactics For Protecting Your Firm's Assets from Swindlers, Scammers and Imposters*

March 25, 2011

What PE and VC firms should know to avoid FCPA issues

Audio seminar hosted by David Barry, Managing Director, Dow Jones Conferences
Ken Springer, President, Corporate Resolutions Inc., will speak along with Stuart M. Altman, Hogan Lovell's; Sean Hecker, Debevoise & Plimpton; and Stephen L. Braga, Ropes & Gray.

April 7, 2011

Northern New Jersey Chapter of the Society of Former Special Agents of the FBI

Ramsey Golf & Country Club, Ramsey, NJ

Speaker: Kenneth S. Springer, President, Corporate Resolutions Inc. and author of *Digging for Disclosure: Tactics for Protecting Your Firm's Assets from Swindlers, Scammers and Imposters*

May 20, 2011

New York Society of Security Analysts

Ken Springer, President, Corporate Resolutions Inc., will speak at the Author Series on his new book, *Digging for Disclosure*. The topic will be "preventing investment fraud."

June 15-17, 2011

Investment Trends Summit

Hosted by: Opal Financial Group
Santa Barbara, CA

Ken Springer, President, Corporate Resolutions Inc., will speak on prevention of investment fraud and the use of an Ethics Hotline to deter fraud

June 20-22, 2011

Private Equity World – Latin America 2011

Presented by: Terapinn
Four Seasons Hotel, Miami, FL
Kenneth S. Springer, President, Corporate Resolutions Inc., will speak on the challenges of conducting investigations in Latin America.

Eyes On The Inside

In the event you may have missed it, Corporate Resolutions Inc. issued the following press release last week:

Corporate Resolutions Inc. Announces Ethics Hotline for Hedge Funds

NEW YORK, March 8, 2011 – Corporate Resolutions Inc., a worldwide business investigations and consulting firm, announces its Ethics Hotline is now available to hedge funds as a tool for transparency. With the Galleon trial beginning today and the public consciousness raised about insider trading, hedge funds have become the unnecessary recipient of negative exposure. Implementing the Ethics Hotline at hedge funds is an ideal way to prevent fraud, insider trading and other forms of wrongdoing and show pension funds, fund-of-funds (FOFs) and other investors that hedge funds, like other firms, strive for ethical transparency.

"Although there is no guaranteed method for preventing insider trading, the implementation of an Ethics Hotline, gives hedge funds a set of eyes on the inside, and may be the best option for deterring such behavior," said Kenneth S. Springer, a former FBI agent and President and Founder of Corporate Resolutions Inc.

The Ethics Hotline allows employees and others to anonymously report illegal or unethical behavior via telephone or email. The complaints are then vetted by Corporate Resolutions, an independent third party, and the findings are discussed with the firm and/or outside counsel to determine the legitimacy of the complaint and what necessary actions need to be taken. (Hedge funds may consider retaining the Ethics Hotline services through outside counsel potentially for privilege purposes.)

"The Ethics Hotline gives investors, hedge fund managers and others a proactive approach to minimizing the vulnerability of fraud and sends a message to employees and future investors that the firm is committed to maintaining ethical business practices," said Mr. Springer. "For years, Corporate Resolutions Inc. has offered the Ethics Hotline to private equity firms as a system of checks and balances for portfolio companies and it has become a proven tool for investors who seek to avert malfeasance in the workplace."

Whistleblower hotlines gained prominence through Sarbanes-Oxley which called for every publicly traded company in the U.S. to offer some form of a whistleblower component. And, whistleblower hotlines have also been gaining some popularity through the Dodd-Frank Act. It is likely that before the SEC acts on whistleblower tips (as a result of this legislation), companies will be required to demonstrate they exhausted internal means first. According to the Association of Certified Fraud Examiners (ACFE) 2010 Report to the Nation on Occupational Fraud and Abuse, tips were by far the most common detection method in catching nearly three times as many frauds as any other form of fraud-related surveillance.

In an economic environment when investment firms need to show investors they have adequate safeguards in place to prevent fraud, the Ethics Hotline is an easy solution for hedge funds and expert network firms. The hotline appeals to regulators who continue to scrutinize firms that are knowingly vulnerable to insider trading, violations of the Foreign Corrupt Practices Act (FCPA), and Ponzi schemes.

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