

# Troy V. Luh, Ph.D., CPA/ABV, CFF, CGMA, MSvs, MAcc

Troy V. Luh, Ph.D., CPA/ABV, CFF, CGMA, MSvs, MAcc  
9347 Pea Ridge Drive  
Hillsboro, MO 63050

August 24, 2022,

Mr. Larry Miller  
Chairman  
Franklin County Board, Illinois  
901 Public Square  
Benton, IL 62812

Dear Mr. Miller,

Thank you for engaging me to assist you with this matter. This agreement for forensic accounting services between the Franklin County Board (the "Client") and myself outlines my understanding of the objectives of this engagement as well as the terms and responsibilities of the parties.

## **Purpose and Objectives**

I will render services in this engagement solely for the purpose of providing the Client various forensic accounting services including reviewing the work of Treasurer's office to see if any red flags (unusual activity) exist and investigate any red flags that I may find. Typical red flags include lack of segregation of duties and/or total control of financial processes, constantly behind on bills and frequent late charges, unexplained delayed deposits, late tax payments and other unusual transactions or events. If necessary, I will also be providing assistance in the discovery process, calculating damages, and any other forensic services you request. Should you deem it necessary and appropriate, I will also provide testimony at deposition and trial.

Per your request, I will also recommend additional internal control procedures to help improve the efficiency and effectiveness of the financial reporting and safeguarding of assets of the County.

## **Consulting Representations**

I agree to hold in strict confidence all proprietary or sensitive information provided by you in connection with this engagement, and agree not to share any such proprietary or sensitive information with any outside persons unless I am endorsed as an expert witness and are called upon to testify in trial or in deposition, or I am compelled to do so by order of the court or by a governmental body with the authority to compel such production, or upon your request.

I will use my considerable knowledge and expertise to render the most accurate and complete work product possible but makes no guarantees as to how its work product will be interpreted in a court of law. Fees paid to me for this engagement are neither dependent nor contingent upon the outcome of this matter or its litigation.

### **Client Responsibilities**

You agree to provide promptly upon request, all financial and non-financial information and documentation reasonably deemed necessary or desirable in connection with the engagement. You represent and warrant that all information and documentation you will provide or have provided, except those in question, is true, accurate, correct and complete to the best of your respective knowledge and belief.

You further agree that I am not required to update my analyses and conclusions for events and circumstances occurring after the date of my report. Should an updated report be requested, I will be entitled to additional compensation for updating the report, to be paid in accordance with the terms of this agreement.

Schedules, information and other internal work papers ("Work Papers") developed are the sole property of myself and are not subject to examination or production to the you at any time during or after the engagement. You agree that possession of the Work Papers or other written documentation regarding the engagement does not carry with it the right of publication of all or part of it, nor may it be used or relied upon without previous written consent for any purpose other than that set forth above. No third-party beneficiaries are intended.

You agree that all Work Papers and electronic data I create are work product and contain information that may be protected by various legal privileges. You understand and agree that it is your duty to protect these Work Papers and electronic data by objecting to their production in discovery and obtaining appropriate protective orders, if warranted. If I am the declared expert witness, both parties understand that certain Work Papers may be subject to production regardless. Electronic data includes, but is not limited to: data contained in computers, computer systems, networks, software and hardware, processing equipment, databases, e-mail, operating systems, mainframes, servers, desktop computers, workstations, laptop computers, all mobile data devices including mobile phones, copiers, fax machines and other electronic devices and appliances, device controllers, mobile storage media such as thumb drives and disks, as well as data contained on the Internet or held by proprietary online services, ISPs, or any other third-party repositories.

### **Delivery/Timing**

My ability to deliver a report or analysis is dependent upon timely receipt of the required information. I will use my best effort to meet any reasonable deadlines. To facilitate my best efforts, I ask that you keep me timely informed and coordinate our schedules for any important dates. If litigation is required, that would include dates such as trial, discovery cutoff, depositions, settlement conferences and so forth.

### **Admissibility Challenges**

Because of the adversarial nature of any dispute, it is not uncommon that parties in litigation challenge the admissibility of experts, whether valid or not. You hereby acknowledge that I am being retained because I satisfy the necessary requirements of knowledge, skill, experience, training and education. As such, even if all or certain testimony is excluded as a result of a challenge to the admissibility of my testimony, all fees and expenses are still due and owed upon presentation of an

invoice, and you are not relieved of liability for such fees and expenses. You further agree to compensate me for any time or out-of-pocket expenses incurred in defending such challenges.

### **Limitation of Liability**

In no event shall I be liable to you for any indirect, special or consequential damages or loss of profits arising out of and related to the services provided by me.

### **Fees and Billing**

Fees are based on actual hours worked at my forensic accounting rates of \$500 per hour which increases to \$700 per hour for trial preparation, deposition and testimony, plus out-of-pocket expenses. If during the course of this engagement my billing rates change, I will promptly notify you of such change and adjust my rates accordingly. Upon execution of this agreement, **I require a retainer of \$50,000.** During the course of the engagement, services rendered will be billed on a periodic basis and must be paid within 30 days. The retainer will be applied to the final billing, or refunded to the extent it exceeds such billing.

**In order to avoid any appearance of a conflict of interest, all fees must be paid in full prior to any testimony given in depositions or trial.** In addition, the report or report draft cannot be released until all fees are paid. This provision is for your protection as well as mine, so that I may truthfully testify I have no financial interest that could potentially prejudice my testimony. **Work will commence upon receipt of the signed engagement letter and retainer.**

It is agreed that the fees on this engagement may include, but are not limited to: research, telephone and face-to-face conferences or consultations with you and appropriate personnel, reviewing documents, organizing documents, analysis, testing, responding to discovery requests, report writing, investigating, reading and signing deposition transcripts, portal-to-portal travel, waiting time, preparing exhibits, preparing demonstrative aids, as well as preparation time for and testifying at deposition, trial, hearings, arbitration or other venues. In addition, you will be responsible for all reasonable out-of-pocket expenses including, but not limited to: travel, copying, storage of evidence or documents, and outside research services retained specifically for this engagement. Any such individual out-of-pocket expenses exceeding \$100 each to be approved in advance by you.

Invoices are due upon receipt. All invoices must be paid prior to issuing my final report or testifying. I reserve the right to withdraw from, or stop work on, this engagement if fees have not been paid as agreed. If the engagement is terminated prior to completion, I will send an invoice for services rendered to the date of termination and it will be due upon presentation. You agree to hold me harmless and indemnify me for any negative consequences that may result from my withdrawal under these circumstances. You agree that the unpaid fees shall constitute a lien on any recovery through settlement or judgment of the above-referenced matter. You hereby direct and authorize your attorney to withhold from any such recovery the amount of my unpaid fees and to pay them directly to me out of such recovery.

Troy V. Luh, Ph.D., CPA/ABV, CFF, CGMA, MSvs, MAcc

**Acceptance**

If this proposal is satisfactory, please indicate approval of the terms set forth above by signing and dating of this engagement letter. Please make a copy and retain the other for your files.

Sincerely,

*Troy V. Luh*

Troy V. Luh, Ph.D., CPA/ABV, CFF, CGMA, MSvs, MAcc  
9347 Pea Ridge Drive  
Hillsboro, MO 63050

I accept and agree to the above terms and conditions.

*Larry Miller*  
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Mr. Larry Miller, Chairman

*9-6-2022*  
\_\_\_\_\_  
Date

*3897 Baker Stone Rd*  
\_\_\_\_\_  
Address

*Thompsonville, IL 62890*  
\_\_\_\_\_  
City, State, Zip

*MillerFarm1972@yahoo.com*  
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Email Address