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UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In Re:  
COURT REPORTING INSTITUTE, INC.,  
Debtor.

NO. 06-14202

BANKRUPTCY ESTATE OF COURT  
REPORTING INSTITUTE, INC., by and  
through Michael B. McCarty, Bankruptcy  
Trustee,  
Plaintiff,

Adversary No. 07-01167

DECLARATION OF WILLIAM A.  
HANLIN, JR.

vs.

ALAN JANISCH, a single man; and KAI  
MOLDSKRED and JOYCE MOLDSKRED,  
husband and wife, and the marital community  
comprised thereof,  
Defendants.

I, William A. Hanlin, Jr., am a CPA and Certified Fraud Examiner. A copy of my credentials are attached hereto as Exhibit A.

I have been given voluminous documents covering Mr. Kai Moldskred's investment with Court Reporting Institute, Inc. Specifically, I have reviewed the transfers by Kai Moldskred totaling \$150,000 on December 29, 2005 which were repaid by Court Reporting Institute, Inc. on January 2, 2006. I have also review the payments by Court Reporting Institute, Inc. on the outstanding long-

1 term notes by Kai Moldskred in 2006 which total \$123,000.

2 In my professional opinion based upon my review of the documents, none of these payments  
3 were fraudulent. The loan by Kai Moldskred of \$150,000 in December of 2005 and its repayment  
4 in January of 2006 had no effect on the company or its assets. The contribution and the payment  
5 cancelled each other out and left Court Reporting Institute, Inc. in the same position as if nothing had  
6 happened.

7 Likewise, the payments by Court Reporting Institute, Inc totaling \$123,000 to Kai Moldskred  
8 were payments on an outstanding loan and was merely repayment for monies received by the  
9 company.

10 Therefore, I see nothing fraudulent from an accounting standpoint in the specific transactions  
11 nor do I see any evidence of any intent to defraud the Court Reporting Institute, Inc. in any of the  
12 dealings between Kai Moldskred and the Court Reporting Institute, Inc during 2006.

13 I declare under penalty of perjury of the laws of the State of Washington that the foregoing  
14 statements are true and correct to the best of my information and knowledge.

15 DATED this 21<sup>st</sup> day of November, 2007.

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/s/ William A. Hanlin, Jr.  
WILLIAM A. HANLIN, JR., CPA,CFE,CVA,CFD

**EXHIBIT A****CREDENTIALS**

of

**WILLIAM A. HANLIN, JR.  
CPA, CFE, CVA, CFD**

William A. Hanlin, Jr. began his career in public accounting in 1969. Over the years, Mr. Hanlin has acquired a unique and varied background of skills in accounting, taxation, business matters and financial management on the domestic level and for clients in various foreign countries. He is the founder of the Hanlin Moss Group, PS, a firm of certified public accountants and valuation analysts. As managing partner, he also directs the Firm's growth and client development, as well as provides training for professional staff that have joined the Firm.

The Firm provides general auditing, accounting and tax services as well as specialty services in connection with business planning, business valuations, estate planning, litigation support, and other non-traditional disciplines.

In 2006, the Firm provided more than 550 clients with services including preparation of various financial statements, taxation and financial planning for individuals and businesses, forensic and litigation services, business valuations and other services. Mr. Hanlin heads the Firm's effort in the areas of valuation services and fraud/forensic accounting.

**FORENSIC SERVICES**

Mr. Hanlin has been engaged many times to review financial documents in connection with fraud and/or fraud-related matters. Many of these engagements have included providing written reports of findings to judges and juries in various local and Federal jurisdictions. Mr. Hanlin has been also engaged as a rebuttal witness in these matters, and has testified as an expert witness in these forums. Mr. Hanlin has conducted engagements to review activities of management for possible loss of cash or other deeds of mismanagement.

In 1993, Mr. Hanlin became a Certified Fraud Examiner (CFE). This professional designation, conferred by the Association of Certified Fraud Examiners, is awarded to select professionals who are responsible for detecting, and investigating fraud.

Mr. Hanlin is a Certified Fraud Deterrence Analyst (CFD) and is the chairman of NACVA's fraud deterrence training and certification program. This program was launched in 2002 and has quickly found appeal to a worldwide audience.

**VALUATION SERVICES**

Mr. Hanlin has prepared numerous business valuations since 1984. These valuations have been prepared for purposes of acquisition or sale of a business, for settlement in divorce proceedings, for partner/shareholder dispute resolution, for stock valuation in accord with specific terms of buy/sell agreements, and estate/gift tax purposes. Mr. Hanlin has been called upon to review the valuation reports of other experts during litigation and mediation. In 1994 Mr. Hanlin completed a formal regimen of training in business valuations, attaining the designation as a Certified Valuation Analyst (CVA). These courses are sponsored by the National Association of Certified Valuation Analysts (NACVA), which was organized specifically for CPAs to provide education in the field of valuation theory, as well as to promote uniform standards of valuation when valuing closely-held businesses. He is presently the International Association of Consultants, Valuators and Analysts (IACVA). IACVA's mission is to teach and promote the worldwide uniform application of valuation theory and models.

**ADVOCACY SERVICES**

Mr. Hanlin's practice has called for representation of clients on tax matters before the Appellate Division of the Internal Revenue Service on complex and technical matters. He has also provided assistance on tax matters in both U.S. Bankruptcy and U.S. District courts.

**EXPERT WITNESS:**

Mr. Hanlin has been qualified numerous times in court as an expert witness in Washington State and Federal Courts. He has served in many instances as a consulting expert to both clients and their lawyers to assist in mediating contract disputes, business valuations, divorces, bankruptcy, product loss valuations, loss of income and partnership disputes. In addition, Mr. Hanlin has served as court-appointed receiver for businesses where control was seized by the court.

**INSTRUCTOR:**

Mr. Hanlin has been an instructor for many years on the subject of valuation theory and application, as well as fraud deterrence.

**DEGREE:** Bachelor of Arts in Business Administration - University of Washington (1975)

**CERTIFICATE and LICENSE:**

Certified Public Accountant, State of Washington  
 Certified Fraud Examiner (CFE)  
 Certified Valuation Analyst (CVA)

**INDIVIDUAL MEMBERSHIPS and ACTIVITIES:**

American Institute of Certified Public Accountants  
 Washington Society of Certified Public Accountants  
 International Association of Consultants, Valuators & Analysts,

- President, 2006 – present
- Instructor - *Business Valuation Theory, Valuation of Intangible Assets and Intellectual Property*
- Principal author and instructor - *Universal Fundamentals and Analysis – Business Valuation*
- Presenter – IVSC/China Appraisal Society Joint Conference, Kunming, China

National Association of Certified Valuation Analysts,

Executive Advisory Board (Brd of Directors) (2001 - 2003)

Fraud Deterrence Board - Chair (2003 - 2007)

International Business Valuation Training Team - Chair (2003 - )

Valuation Education Board (2000 - 2001)

Ethics Oversight Board (1996 - 1997, 2002 - 2003)

Outstanding Member Award, May 1997

National Advisory Board (1994 - 1996)

National Standards Committee for CVA Practice (1994 - 1996)

Member - National Exam & Grading Team

Chair - Divorce Symposium Committee (1998 - 2002)

President, Washington State Chapter of NACVA (1996 - 1999)

Training Development Team faculty member - *Discounts and Premiums* (1999 - 2003)

Training Development Team faculty member - *The Market Approach* (2000 - 2003)

Course development and instructor - *Using Guideline Companies in Valuations* - 82001,  
*Valuing Intangible Assets - A Survey* - 82003, *Applying the Market and Guideline Methods in Valuations* - 82003

Association of Certified Fraud Examiners

**OTHER:**

Co-author - *The Value of Risk*, 2001

Article - *The Daubert Debate, Does Daubert Create New Standards for Business Valuation*

Speaker at NACVA National Conference and other forums for NACVA

Speaker at the Annual Conference for Association of Certified Fraud Examiners

Speaker at various small business forums on business organization and strategy

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 Seattle, WA 98101

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