



STATE OF TENNESSEE
SECRETARY OF STATE

**REQUEST FOR QUALIFICATIONS # 33501-179104
AMENDMENT # 1
FOR FORENSIC ACCOUNTANT SERVICES**

DATE: 7/05/2017

RFQ # 33501-179104 IS AMENDED AS FOLLOWS:

1. This RFQ Schedule of Events updates and confirms scheduled RFP dates. Any event, time, or date containing revised or new text is highlighted.

EVENT		TIME	DATE
1.	RFQ Issued		CONFIRMED
2.	Disability Accommodation Request Deadline	2:00 p.m.	CONFIRMED
3.	Notice of Intent to Respond Deadline	2:00 p.m.	CONFIRMED
4.	Written "Questions & Comments" Deadline	2:00 p.m.	CONFIRMED
5.	State response to written "Questions & Comments"		July 5, 2017
6.	RFQ Technical Response Deadline	2:00 p.m.	July 12, 2017
7.	State Notice of Qualified Respondents Released & Solicitation Files Opened for Public Inspection		July 21, 2017
8.	End of Open File Period		July 28, 2017
9.	RFQ Negotiations		July 31, 2017
10.	Respondent Contract Signature Deadline	2:00 p.m.	August 14, 2017
11.	Anticipated Start Date		September 15, 2017

2. State responses to questions and comments in the table below amend and clarify this RFP.

Any restatement of RFQ text in the Question/Comment column shall NOT be construed as a change in the actual wording of the RFQ document.

QUESTION / COMMENT	STATE RESPONSE
<p>1</p> <p>Please provide specific information on the allegation, as well as the period of time the contractor's services will cover?</p>	<p>The allegations are that the respondent, through the use of multiple legal entities, misappropriated money intended as a loan. Additionally, it is alleged that the respondent accepted commissions in excess of a cap agreed to by the respondent and the respondent's clients. There are other allegations of fraud; but, those two are the most significant to the State at this time. The State became aware of these allegations through court-appointed receivers. Currently, it is expected that the contractor will review the case materials, produce an expert report, likely participate in a deposition, and testify at the hearing. Due to the need to consult with the expert regarding his or her findings and due to the unknown time period in acquiring an expert, no hearing date has been set. It is anticipated that the hearing will be held in early 2018.</p>
<p>2</p> <p>By what date does the work need to be completed?</p>	<p>There is not a hard deadline at this point. The attorney would like to set this matter for a formal hearing in early 2018, necessitating the completion of a case review and expert report by around the start of Fall 2017. Timelines can be negotiated.</p>
<p>3</p> <p>Does the State currently have all underlying documents necessary to perform the work?</p>	<p>Yes, with the exception of a few bank records that the State anticipates it will subpoena when formal charges have been filed. Charges are being held pending insight and advice from the hired expert.</p>
<p>4</p> <p>If items are missing, will the contractor be able to obtain the necessary information through further discovery?</p>	<p>Yes. The attorney anticipates a discovery period, and some documents will likely be subject to administrative subpoena power.</p>
<p>5</p> <p>Please confirm that the contractor is expected to budget hours for the deposition, as well as for the hearing itself.</p>	<p>Yes, while no deposition is scheduled, the attorney anticipates opposing counsel will request one. Additionally, the attorney would expect live testimony on the subject despite the deposition. It is possible a video deposition with cross examination could be used in lieu of live testimony, but no such arrangement has been discussed at this time.</p>
<p>6</p> <p>Is the contractor expected to be present for only his or her testimony, or would the contractor be expected to attend the majority of/the entire hearing?</p>	<p>While final decisions have not been made on hearing strategy, it would be best for the contractor to plan to attend the full hearing for the possibility of acting as a rebuttal witness.</p>
<p>7</p> <p>If the contractor is expected to be present for the majority of/the entire hearing, does the State have any idea how long the hearing will be scheduled for?</p>	<p>Dates have not been set in this matter; however, at least a full day would likely be needed. It is possible it may extend longer. It is not anticipated that it would take more than two full days.</p>

QUESTION / COMMENT	STATE RESPONSE
<p>8</p> <p>Can the Expert Witness hold a Certified Public Accountant (CPA) license from another state that gives them authorization to practice as a CPA in the State of Tennessee?</p>	<p>Yes.</p>
<p>9</p> <p>Other than knowledge of the Tennessee Real Estate Broker License Act of 1973 and the Tennessee Real Estate Commission Rules, is there additional real estate specific knowledge required so the contractor can identify the best team for the request?</p>	<p>The allegations involve duties owed to clients, commissions, and fraud in the conduct of real estate business. The powers of the Tennessee Real Estate Commission are generally confined to discipline stemming from violations of the Tennessee Real Estate Broker License Act of 1973 and the accompanying rules; however, knowledge of the industry practice/standard of care would likely be helpful to the Tennessee Real Estate Commission.</p>
<p>10</p> <p>What is the period of time under review for the expert testimony?</p>	<p>The allegations stem from business activity between 2006 and 2011.</p>
<p>11</p> <p>Please provide further detail regarding the "considerable documentation" for review. Is some of this documentation available in an electronic format?</p>	<p>The documentation exists physically; but, an auditor with the State pulled documents deemed relevant, and those documents have been scanned and can be accessed electronically. The digital file contains approximately 564 MB of data contained in 519 files. Those files contain pleadings from a previous Chancery Court action as well as all discovery. That discovery includes bank statements, copies of checks, various ledgers and balance sheets, operating agreements, deeds, emails, and contracts.</p>
<p>12</p> <p>Please provide the names of individuals and/or entities involved in this matter for conflict of interest checking purposes.</p>	<p>Due to the fact that the charges have not been filed yet, the name of the respondent(s) will only be disclosed to the selected contractor, prior to the execution of the contract, to determine if a conflict of interest exists.</p>
<p>13</p> <p>What types of documents will be required and/or available for the forensic accountants review?</p>	<p>The State is in possession of bank statements, legal entities' ledgers, copies of checks, sales contracts, operating agreements, email communications, loan documents, depositions, deeds, balance sheets, discovery responses, and court pleadings. The State will attempt to recover any documents the expert may wish to view that may be missing from what is in the State's possession.</p>
<p>14</p> <p>How many years of documents are involved?</p>	<p>Documents from 2006 to 2011 are involved. Court documents are available from 2013 through 2015.</p>

QUESTION / COMMENT	STATE RESPONSE
15 Are the documents available in electronic format?	Yes, and any that are not currently available in electronic format can be made available electronically when acquired.
16 Is the investigation related to one licensee?	This involves two licensees. A licensed Principal Broker and that Broker's licensed firm.
17 Has a date been set for the hearing?	No.
18 Does the potential violation involve commercial or residential real estate?	Both. Some sales are related to commercial real estate. Some other issues that are mentioned relate to the sale and management of condos/homes.
19 Will the forensic accountant have access to all reports and/or findings to date related to the licensee?	Yes.
20 Have any parallel criminal investigations commenced related to the licensee?	The State is not aware of any criminal investigations into the licensee.
21 Who will the forensic accountant be reporting to during this assignment?	During this assignment, the forensic accountant will be reporting to Sara R. Page, Assistant General Counsel for the Tennessee Department of Commerce and Insurance.

3. **RFQ Amendment Effective Date.** The revisions set forth herein shall be effective upon release. All other terms and conditions of this RFQ not expressly amended herein shall remain in full force and effect.