



## **Gary Stoley**

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### **Professional Summary**

A seasoned expert in credit risk evaluation, banking regulation, and financial consulting with 48 years of experience. Expertise in regulatory compliance, credit risk & administration, forensic investigations, and expert witness services. Extensive background in community banks, credit unions, and large financial institutions, with a focus on optimizing credit risk management and ensuring regulatory adherence.

### **Education**

#### **Bachelor of Business Administration (Accounting)**

University of South Dakota, Vermillion, SD, USA (1977)

### **Core Competencies**

- Credit Risk Evaluation & Administration
- Regulatory Compliance & Enforcement
- Executive and Board performance
- Design, deploy and test compliance with administrative actions imposed by regulators
- Forensic Investigations & Fraud Analysis
- Expert Witness Testimony & Report Writing
- Commercial, Consumer, Indirect, Real Estate, and Agricultural Lending
- Credit Risk Review & Internal Audit Optimization

## Expert Witness Experience 2017-present

Act as an expert witness in cases involving board and management conduct, credit risk & lending, fraud, BSA/AML and regulatory disputes.

Delivered 12 expert witness reports and participated in depositions and arbitration for multimillion-dollar cases.

- Evaluated a \$1 billion commercial real estate portfolio involving fraudulent transactions (2017).
- Conducted forensic analysis of a \$4.5 million residential real estate case, including underwriting and appraisal processes (2020).
- Provided deposition and arbitration testimony in a \$30 million dispute among banks and borrowers (2021).
- Investigated a \$50 million commercial loan fraud case, analyzing six years of underwriting and collateral management (2019).
- Evaluated state regulator actions in the insolvency of a state bank, providing deposition and expert reports (2021).
- Conducted forensic evaluation of a multi year, \$2MM floor plan lending arrangement laden with fraud (2020)
- Let a team in forensic reconstruction of a 15 year ponzi like scheme involving two banks and their mutual borrower with losses to elderly investors exceeding \$60MM. Via our work the client recovered all principal lost from the complicit banks (2022).
- Evaluated a bank's underwriting and administration of a (defaulted) equipment lease with an agriculture producer (2021)
- Assessed a bank's underwriting of an insurance agent's line of credit and collateral management involving alleged fraud (2022).
- Advised a savings association on its management of a contaminated collateral site related to a defaulted real estate loan.
- Prepared two reports and opinion on a case involving a bank attempting to collect on an individual guarantee subsequent to accepting a settlement of the guarantee (2023).
- Provided a report and opinion for a fidelity insurer in a dispute involving loan loss coverage and conduct of the executive officers (2021-22).
- Advised on several agriculture related disputes.
- Advised on a case involving a loan related default/dispute between a large dairy producer and its lender.
- Advised on a case involving an SBA loan broker relationship with a partner/lender.
- Performed a 15 year forensic evaluation of a loan and deposit relationship involving BSA noncompliance, fraud, insider fraud participation, weak board governance/conduct. Provided an opinion/report.
- I currently have four cases outstanding which are either dormant or in various stages of the legal process.

In addition to writing 12 expert witness reports in the past six years and providing technical support to the clients, my entire career as an OCC examiner required ironclad evaluation and documentation for hundreds of situations requiring legal or enforcement remedies.

This included defending my findings with enforcement committees, superiors, civil money penalty actions, administrative law hearing and FBI/DOJ in fraud situations. My expert witness work is a natural extension of this experience.

## **Credit Risk Consultant**

*Self-Employed (2013–Present)*

- Provide consulting services to banks and credit unions, focusing on credit risk evaluation, loan operations, internal audit processes, and regulatory compliance.
- Provide loan workout services involving forensic evaluation of troubled loan relationships, developing workout strategies, assessing repayment capacity and collateral, advising on collateral liquidation, bankruptcy tactics, communicating with borrowers/guarantors; particular emphasis on SBA and USDA guaranteed loans.
- Developed risk-based internal audit and credit review models.

## **Contractor, Comptroller of the Currency (OCC)**

*(2013–2018)*

- Supported OCC initiatives by evaluating credit risk and compliance in financial institutions – underwriting, financial analysis/repayment capacity, documentation, closing, collections, servicing, collateral management/valuations, foreclosure, assessing guarantor support.
  - Commercial real estate (all sectors)
  - Residential real estate
  - Agriculture
  - Indirect auto
  - Floor plan
  - Commercial and Industrial,
  - Asset based and accounts receivable lending
  - Home equity

## **Bank Regulator, Comptroller of the Currency (OCC)**

*(1977–2010)*

- Participated in or oversaw supervision of community, mid-sized, and large banks across the U.S.
- Led formal proceedings to address systemic deficiencies, including enforcement actions and civil money penalties.
- Managed oversight of the largest indirect auto and floor plan lending portfolios during the 2007–2010 recession.

## **Key Achievements**

- Designed and implemented risk-based internal audit and credit risk review models for financial institutions.
- Conducted forensic investigations into credit-related fraud, leading to referrals to FBI/DOJ and enforcement actions.
- Evaluated thousands of loans across sectors, including agriculture, commercial real estate, and unsecured lending.
- Led dozens of examinations involving discovery of systemic deficiencies; designed and deployed administrative actions to correct deficiencies.

## **Professional Affiliations**

- Northeast District Retail Credit Cadre (1997–2006)
- Northeast District Credit Cadre (1999–2005)
- Large Bank Retail Credit Cadre (2007–2010)
- SEAK Expert Witness Directory

## **Publications & Speaking Engagements**

1. **Webinar:** "Credit Risk Review - MeaningFUL or MeaningLESS?" (Sterling Compliance LLC, 2017)
2. **Conference Presentation:** "Credit Risk Review" (Credit Union National Association, 2021)
3. **Article:** "Credit Risk Review" (Pactola Credit Risk Advisory Services Newsletter, 2020)

## **Prior Testimony – Public reports and depositions**

- **Santander Bank v. Branch Banking and Trust Company** (Case No. 1:17CV01669-YK, 2019)
- **America West Bank Members, L.C. v. The State of Utah** (Case No. 2:16-cv-00326-CW-EJF, 2021)
- **Appalachian Community Federal Credit Union v. CUMIS Insurance Society, Inc.** (Case No. 3:20-CV-0553, 2023)
- **In addition, I have provided opinions and depositions in nine cases/arbitrations that resolved without the opinion or report entered into the court/public record.**