

# OPINE EXPERTS

**John J. D'Andrea, Ph.D., Real Estate Economist**

**e-mail:** [cch@opinexperts.com](mailto:cch@opinexperts.com)

**Expert in Economic Damages, Real Estate Lending and Finance**

## **EDUCATION**

**1978 Princeton University: Ph.D. in Economics**

Dissertation: "The Mortgage, Housing and Deposit Sectors of the Canadian Economy"

Dissertation Committee: Professors Dwight Jaffee and Kenneth Rosen

Fields of Specialization: Money and Banking, Econometrics, Industrial Organization

**1975 Princeton University: M.A. in Economics**

**1973 Amherst College: B.A. in Economics**

Thesis: "The Aggregate Consumption Function - Review and Re-estimation"

Graduated Magna Cum Laude; Dean's List each semester

## **PROFESSIONAL BACKGROUND**

John D'Andrea has been involved in real estate consulting, finance, investment, management, development, and/or brokerage for more than 25 years. His clients<sup>1</sup> have included the *U.S. Department of Justice, Polaroid, All Nippon Airways*, and major financial institutions such as *Bank of America, Washington Mutual, California Federal Bank, and Home Savings*, as well as major law firms, investment banks and institutional investors.

He has been a featured speaker and panelist at numerous industry, trade association, and training meetings, such as the *UCLA Business Forecasting Project, Adjustable-Rate Mortgage Forum, Canadian Pulp and Paper Association Industry Forecasting Conference, and The Art of Econometrics*. Topics included mortgage finance, real estate investing, economic forecasts, industry forecasts, and housing markets.

## **LITIGATION SUPPORT**

Dr. D'Andrea has provided expert testimony and/or consultation in numerous cases involving real estate valuation, damages calculations, CMBS transactions, loan sales, underwriting, market feasibility, lender/developer disputes, syndication, bankruptcy, and standards of care. He has been designated as an expert in over twenty cases and has provided trial and deposition testimony as well as expert reports and declarations. Following is a representative sample of these cases:

- an expert report, deposition and trial testimony in U.S. District Court on alleged breaches of representations and warranties in a Commercial Mortgage Backed Securities transaction, including those relating to commercial loan underwriting, appraisal and materiality. Client prevailed in this first CMBS loan repurchase case to go to trial.

---

<sup>1</sup> Clients include those served directly or indirectly as an independent contractor or via law firms.

# OPINE EXPERTS

- expert reports and testimony on the damages sustained by a purchaser of 159 sub-prime residential mortgages as the result of allegedly inflated appraisals. Also provided opinions on the appraisal function in sub-prime lending and the import of representations and warranties in mortgage loan purchase and sale agreements.
- consultation on damages sustained by borrowers on over 200 residential mortgages as the result of alleged wrongful foreclosures.
- consultation on behalf of the Lehman Brothers bankruptcy estate regarding a lender's fulfillment of obligations to arrange debt and equity financing of a resort property during the financial crisis.
- an expert report and deposition testimony assessing a Special Servicer's adherence to the terms of a Pooling and Servicing Agreement with regard to the workout and ultimate resolution of a commercial loan secured by 13 hotel properties.
- consultation and mock trial testimony on over 700 alleged breaches of representations and warranties, including those relating to commercial loan underwriting, on almost 80 commercial loans in three Commercial Mortgage Backed Securitizations.
- consultation on allegations of a lender's breach of Loan to Value and other commercial loan underwriting representations in various insurance policies relating to claims on over 600 commercial loans.
- testimony and consultation on damages to homes and homes under construction resulting from an oil well blowout.
- consultation on damages sustained by a landlord as the result of a default on a 99-year ground lease for an urban property intended for hotel development.
- trial testimony on valuation and damages sustained by a would-be buyer due to the premature sale of a primary residence.
- trial testimony on the standard of care of a real estate broker and market pricing in the sale of a boarding house.
- a declaration on the damages sustained by a senior executive, relating primarily to compensation for arranging refinancing of a real estate holding company.
- testimony on damages resulting from an alleged breach of the terms of an industrial lease.
- testimony on real estate syndication structures, return on investment and net present value in a proposed venture to indirectly acquire a ground leasehold interest in an R&D office property.
- consultation in a lender/developer dispute over the foreclosure of three office/retail projects in San Francisco and Oakland. Complex damages analysis based upon the present value of cash flows from the properties and a development company.
- consultation in a matter involving a breach of contract for the purchase of a large golf/residential development site. Complex damages calculation including projections of golf course profits and residential lot subdivision analysis.
- consultation in a breach of contract dispute over a joint venture agreement for a "dot.com" office redevelopment project. Determined the damages sustained by the would-be partner in the project, given the proposed transaction structure and a lucrative lease for most of the project.
- consultation in a matter involving alleged negligence on the part of an accounting firm in the underwriting of six real estate limited partnerships. Performed detailed calculation of after-tax benefits to individual limited partners, retrospectively and prospectively, over a 28-year period.

# OPINE EXPERTS

- consultation in a dispute over allocation of units in a REIT initial public offering (IPO). Provided testimony related to the magnitude and allocation of additional units received by key management.
- consultation in a matter involving a default on a long-term lease supporting the development of 1,000 housing units. Assisted in the rebuttal analysis of opposing expert's damages calculation.
- consultation and testimony on economic damages in a dispute between the U.S. Bureau of Indian Affairs (BIF) and a Northwest Indian tribe claiming that the BIF had mismanaged a timber sale to the detriment of the tribe.
- consultation in a matter involving claims of underwriting negligence on the part of a lead insurer by its re-insurers. Evaluated the reasonableness of the underwriting, economic feasibility, and performance of scores of real estate limited partnerships.

## **LOAN, PROPERTY and PORTFOLIO ANALYSIS**

Dr. D'Andrea has managed numerous assignments involving the evaluation, re-underwriting, monitoring, securitization and/or bulk sale of multi-billion dollar pools of performing and non-performing real estate loans held by commercial banks and thrifts. Clients include Washington Mutual, California Federal, Home Savings, Fidelity Federal and Valley Federal Savings. Assignments involved an evaluation of portfolio and capital market strategies, including the preparation of asset summaries, real estate cash flows, workout scenarios, investment value appraisals, and collateral deficits in connection with large pools of multifamily and commercial loans.

Other assignments have involved valuations of office, multi-family and industrial properties, as well as the valuation of partial interests in closely held real estate limited partnerships whose assets included substantial office and retail properties.

Dr. D'Andrea has also conducted numerous market and financial feasibility studies for residential, commercial, and mixed-use projects. Examples include the evaluation of a \$280 million center-city retail, condominium, hotel and office complex; assessment of the feasibility of a 400-unit town-home/condominium development; analysis of the economics of a limited partnership investment portfolio; and financial feasibility analyses of an 18-hole golf course and hotel property.

## **FINANCING STRATEGIES**

Dr. D'Andrea has assisted numerous clients in selecting and implementing optimal real estate financing strategies, including the analysis of projected investor and sponsor returns under various investment scenarios for a \$1.5 billion retail investment fund; strategic analysis and recommendations for construction, permanent, and equity financing for a 1,000-acre hotel, retail and residential development; and evaluating alternative project- and credit-based financing alternatives for a major entertainment company to fund an ambitious, real-estate-based growth strategy and assisting in the execution of the most promising alternatives. In a similar engagement, he assisted Blue Cross in the selection and implementation of financing for a \$22 million corporate headquarters building. Dr. D'Andrea has also assisted developers in the structuring and negotiation of joint venture agreements for the development of golf, hotel and office projects.

# OPINE EXPERTS

Dr. D'Andrea has also assisted numerous homeowners in assessing optimal workout strategies when faced with underwater properties, adjusting loans, defaults and other loan problems. He has counseled homeowners on the personal liability, tax, credit and other implications of various options such as modifications, short sales and foreclosure.

## **BUSINESS STRATEGY and FORECASTING**

Dr. D'Andrea was responsible for strategic planning at two of the largest savings and loans in the United States. In that capacity, he participated in the design of some of the first adjustable rate mortgages to be issued in California, monitored loan origination trends, and evaluated the risks associated with interest rate fluctuations.

He was project manager for an engagement that involved the estimation of the impact of new EPA regulations on the financial feasibility of the U.S. textile industry. Conducted for the American Textile Manufacturers Institute, that engagement utilized econometric and financial modeling techniques to quantify the impact of the regulations on individual plants, firms and the industry as a whole.

Numerous other engagements, including those for Polaroid and the Canadian Pulp and Paper Association, involved the development of econometric models for use in industry forecasts, impact analysis, marketing, and financial planning.

## **EMPLOYMENT HISTORY**

**Realty Solutions, San Rafael, CA** 9/05 – Present  
*President and Founder*

Consulting firm specializing in real estate finance and investment and providing litigation support via expert testimony, reports, declarations, and consultation.

**Green Building Finance Consortium, San Rafael, CA** 5/07 – Present  
*Managing Director*

Contributor to research project focusing on motivating the private real estate sector to more accurately underwrite and effectively incorporate green building practices in commercial and residential properties.

**The Muldavin Company, Inc, San Rafael, CA** 1/00 – 9/05  
*Managing Director*

Responsible for managing and directing consulting in real estate finance, financial institution services, property and portfolio analytics, and litigation support.

**Realty Solutions, Los Angeles, CA** 4/91 – 12/99  
*President and Founder*

Founder and principal of a real estate services firm providing consulting, litigation support, brokerage, and financing services.

**The Meyers Group, Encino, CA** 10/90 – 4/91  
*Manager of Consulting Services*

Managed a staff of consultants providing pricing, absorption and other market data as well as feasibility analyses of large residential developments.

# OPINE EXPERTS

**Deloitte & Touche**, Los Angeles, CA

3/88 – 10/90, 1996

*Senior Manager*

Managed various real estate consultancies, including real estate valuation, loan portfolio and property due diligence, market and financial feasibility studies, and litigation support.

**John D'Andrea and Associates**, Los Angeles, CA

7/85 – 2/88

*President and Founder*

Operated consulting group specializing in strategic financial planning and asset/liability management for banks, S&Ls and credit unions.

**American Savings and Loan**, Irvine, CA

11/83 – 6/85

*Senior Vice President/Director of Economics*

Responsible for strategic financial planning and asset/liability management for a \$28 billion S&L, including analysis of the impacts of asset sales, hedges, adjustable rate lending programs, and interest rate fluctuations on association performance.

**Coast Federal Savings**, Los Angeles, CA

8/82 – 10/83

*Economist*

Provided strategic assessment of financial performance under alternate management policies and economic environments, and participated in the design of the association's first adjustable rate mortgages.

**Computer Sciences Corporation**, El Segundo, CA

9/81 – 4/82

*Product Support Manager*

Provided forecasting consultation to clients and managed marketing and support of economic forecasting products.

**Chase Econometrics**, Cambridge, MA

6/78 – 6/81

*Senior Consultant*

Assisted clients with marketing and strategic planning decisions through business forecasting, impact analysis, and econometric and financial modeling.

## TEACHING

- Princeton University: Assistant in Instruction, Introductory Statistics and Econometrics
- Chase Econometrics Seminars: *The Art of Econometrics*
- Computer Sciences Corporation: *Econometric Seminars*

## PRESENTATIONS, REPORTS, PUBLICATIONS

- Marin County Bar Association, Real Property Section  
Topic: Loan Repurchase Litigation – A Real Estate Expert's Perspective  
July 2011
- Canadian Pulp and Paper Association  
Topic: U.S. Newsprint Consumption and the Outlook for the U.S. Economy  
Quarterly: 1979 to 1980
- California Savings and Loan League  
Topic: Adjustable-Rate Mortgages  
Various Dates: 1982 to 1983

# OPINE EXPERTS

- UCLA Business Forecasting Conference  
Topic: Capital Markets  
July 1984
- “Capital Markets Stabilize Real Estate Economy”  
PREA Quarterly, Summer 2002
- “Hill Canyon Golf Course: Limited Market/Financial Analysis and Development Alternatives Overview”  
The City of Thousand Oaks, October 1996
- “Fidelity Federal Bank Multi-Family Mortgage Portfolio Analysis”  
Fidelity Federal Bank, July 1995
- “Office Market Analysis and Annual Estimated Operating Results for the Proposed Office Project in Hollywood California”  
TELACU Industries, September 1989
- “The Impact of EPA Regulations on the U.S. Textile Industry”  
American Textile Manufacturers Institute, 1980
- “The Canadian Mortgage Market”  
Bank of Canada, Summer 1975

## **REAL ESTATE AND LOAN BROKERAGE EXPERIENCE**

- Licensed Real Estate Broker: June 1996
- Licensed Salesperson: 1983 to 1996

Represented dozens of clients in sale and financing transactions. Residential loan brokerage activities included pre-underwriting, taking loan applications, and assembling appraisal, verification of employment/income, tax return and other application information for prime and sub-prime loans

## **PROFESSIONAL DESIGNATIONS AND AFFILIATIONS**

- Real Estate Broker, California Department of Real Estate
- Realtor, National Association of Realtors and California Association of Realtors
- Member, Marin Association of Realtors
- Member, Forensic Expert Witness Association
- Member, Women’s Council of Realtors