

ADVANCED ANALYTICAL CONSULTING GROUP

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AACG addresses mutual fund and hedge fund regulatory compliance with new product offering

Scientific Fraud Detection helps identify fraudulent behavior related to trade allocation, portfolio pumping, front running and late trading

Boston, MA – August 19, 2009 – In the wake of the financial sector meltdown and heightened concerns about financial fraud, [Advanced Analytical Consulting Group, Inc.](#) (AACG) introduces a new product, [Scientific Fraud Detection](#), designed to help funds monitor regulatory compliance and identify fraudulent behavior. AACG now offers customized, rigorous statistical tests that help identify fraudulent behavior, including behavior related to trade allocation, portfolio pumping, front running and late trading. AACG's experienced economists apply a unique methodology which uses internal and external data to detect aberrant trading patterns.

The regulatory environment for investment management companies is becoming increasingly demanding. Regulators no longer consider spot checks sufficient to demonstrate compliance. The SEC has expressed clear preference for reliable compliance programs that allow companies to monitor their own activities. SEC Chairman Mary Schapiro recently announced that she is seeking increased payments to whistleblowers who identify violations that internal monitoring systems have missed. The U.S. Treasury is demanding greater oversight of hedge funds. Clients, in light of the Madoff Scandal, require credible assurance that their investments are safe from fraudulent activity.

"Our rigorous statistical tests help investors and investment management companies meet the challenges of this demanding regulatory environment," says AACG founder, [Daniel Levy, Ph.D.](#) "AACG assists investors in determining the kinds of tests they should require of their fund managers. AACG works with investment management companies to implement a robust compliance program that will address the needs of both regulators and investors. Companies that can demonstrate effective, ongoing self-monitoring of investment behavior through rigorous statistical analysis are better positioned to satisfy examination by regulators."

"Our economists have the necessary industry knowledge and experience to assist investors and investment management companies by implementing statistical testing to address regulatory or litigation concerns," says Dr. Levy. "For over 25 years, economists now at AACG have studied trading behavior. Our economists, statisticians and programmers have run monitoring tests at major hedge funds and mutual funds. AACG economists have testified in legal proceedings involving trading behavior for the SEC and involving statistical sampling litigations for the DOJ. AACG complements its team with academic and industry experts."

About Advanced Analytical Consulting Group, Inc.

Founded by former Senior Managers and national leadership of the Economics and Statistical Consulting Group of Deloitte's Financial Advisory Services in 2009, AACG provides economic, statistical and computing consulting for business decisions and litigation. AACG provides expert testimony, support for academic experts, and advice and assistance in identifying the right expert from academic and business settings. AACG assists business clients with strategic and operational consulting based on in-depth quantitative analysis of corporate data and the client's position in the market. From offices in Boston and San Francisco, AACG serves clients in Canada, Mexico, the United Arab Emirates, the United Kingdom and the U.S. For more information, visit www.AdvancedAnalytical.com.