THE 3553 GROUP LLC

The Defense Side of the Presentence Report

SAMPLE WORK PRODUCT — FINANCIAL STORY ADD-ON

Anonymized example of The 3553 Group format. Fictional case — all names, dates, and figures are invented for illustration only.

Prepared at the direction of counsel — Attorney Work Product

Financial Story Add-On

Transaction Chronology • Loss Context • Source-Indexed Exhibits

Prepared for	Defense counsel (attorney work product)
Subject	"Client M." — fictional illustration; former CFO, publicly traded issuer
Offense	Securities fraud, 18 U.S.C. § 1348 (fictional)
Attachment	Add-on to Engagement 02 (Full Mitigation Record)
Basis	Bank and brokerage records, issuer filings, and trading data provided by counsel; 1,140 transactions reviewed, 96 material transactions indexed
Prepared by	The 3553 Group

Bottom line: The PSR's loss narrative treats the issuer's entire stock decline as fraud loss. The transaction record tells a narrower story: of a $9.6M claimed loss, $6.1M of the decline tracks a sector-wide correction that hit non-defendant peer issuers in the same weeks, and the client's personal trading — the conduct at the heart of the case — nets to a gain of $212,000, not the $1.4M the PSR implies. The numbers below are indexed to source documents so counsel can put each one to the government at the objection stage.

1. What This Add-On Does

In white-collar cases, the loss figure is the guidelines. This add-on reconstructs the money independently of the PSR: every material transaction is dated, sourced, and classified; the loss claim is decomposed into its components; and the parts of the decline that the record does not support attributing to the offense are separated

from the parts it does. It is built for two uses — the loss objection under §2B1.1, comment. (n.3), and the financial narrative of the sentencing memorandum.

2. Transaction Chronology (Excerpt — Material Events)

Date	Event	Amount	Exhibit
Feb 3	Issuer closes Q4; revenue recognized on Contracts A–C (the charged conduct)	$3.28M recognized	EX-01, EX-02
Feb 19	Client sells 12,000 shares under a pre-existing 10b5-1 plan adopted the prior October	$486,000	EX-05
Mar 2	Sector index begins decline; two peer issuers issue guidance cuts (no fraud allegations)	Index −9% by Mar 16	EX-09
Mar 9	Client buys 4,000 shares on the open market	($158,000)	EX-06
Mar 30	Issuer announces restatement of Contracts A–C revenue	Stock −18% on the day	EX-03
Apr 1–14	Analyst downgrades across the sector; issuer declines a further 11% in line with peers	—	EX-10
May 22	Client sells remaining position after counsel review; proceeds segregated	$116,000	EX-07

The full chronology indexes 96 material transactions. Each entry carries the source document, the account, and a classification (charged conduct, plan transaction, open-market, or third-party).

3. Loss-Context Analysis

(a) Claimed vs. supported loss

Component	PSR	This review
Total decline attributed to the offense	$9.6M	$9.6M (starting figure agreed)
Less: decline during sector correction window, tracking peer issuers with no fraud nexus (Mar 2–16, Apr 1–14)	—	($6.1M)
Less: decline on restatement-day volume attributable to pre-announcement short interest documented in the record	—	($0.7M)
Loss with a record-supported causal path to the offense	**$9.6M**	**$2.8M**

Effect if sustained: the §2B1.1(b)(1) loss enhancement moves from +20 to +16 — a 4-level swing driven entirely by causation the PSR did not attempt. Draft objection language is provided in the companion Scan.

(b) Personal gain — the number the PSR implies vs. the number the records show

The PSR states the client "profited by approximately $1.4 million." The brokerage record shows gross sale proceeds of $602,000, open-market purchases of $158,000, and — decisive here — the two largest sales executed under a 10b5-1 plan adopted months before the charged revenue recognition. Net trading gain across the full period: **$212,000**. Gain matters to the narrative even where it does not control the loss table: it is the difference between a looting story and a much smaller, plan-driven trading picture, and the sentencing memorandum should not leave the $1.4M implication unanswered.

(c) Where the money went

Of the net gain, $140,000 is traced to identified tax payments and $52,000 to a child's tuition; the balance remains in the segregated account and is available for restitution or forfeiture resolution. No offshore transfers, no cash structuring, and no asset dissipation appear anywhere in the 1,140 transactions reviewed.

4. Source-Indexed Exhibits (Excerpt)

ID	Document	Proves
EX-02	Issuer 10-Q and revenue workpapers, Contracts A–C	Scope of charged recognition
EX-05	10b5-1 plan, adopted prior October; broker confirmations	Plan-driven sales; timing defense
EX-09	Sector index data; peer guidance releases	Market-decline component of loss
EX-10	Analyst reports, Apr 1–14 window	Sector-wide causation
EX-07	Segregated account statements	Gain preserved; restitution availability

5. Recommended Uses

1. **Loss objection:** Brief §3(a) with EX-09 and EX-10 attached; request an evidentiary hearing on causation if Probation declines to amend.
2. **Sentencing memorandum:** Use §3(b)–(c) to reframe personal gain accurately and to support the restitution posture.
3. **PSR corrections:** Request amendment of the "profited by" paragraph per §3(b) with brokerage records attached.

Respectfully submitted,

The 3553 Group
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About this sample. This is a fictional illustration of The 3553 Group's Financial Story Add-On. All names, companies, cases, dates, transactions, and figures are invented. An actual Add-On is built from the bank, brokerage, and filing records in counsel's case, and is delivered as attorney work product under counsel's direction. This document is a consulting work product; it is not legal, accounting, or investment advice and does not create an attorney-client relationship.