



# CRA Announcement

**CRA** Charles River  
Associates

September 2017

## Expert solvency and financial analyses in Bumble Bee settlement

CRA consultants conducted analyses to assess the likelihood that Bumble Bee could become insolvent as a result of a fine sought by the US Department of Justice (DOJ) in an alleged price-fixing conspiracy. The DOJ agreed to lower the fine levied against Bumble Bee in part because a larger fine could lead to insolvency and jeopardize the company's continued viability.

In connection with a DOJ criminal investigation initiated in July of 2015, Bumble Bee retained **Professor Mark Zmijewski**, a senior consultant to CRA, to conduct a comprehensive solvency and financial analyses of the company and assess the likelihood of insolvency given a proposed antitrust fine sought by the DOJ. Professor Zmijewski's analyses demonstrated that an antitrust fine above a certain threshold would likely render Bumble Bee insolvent, which he presented to the DOJ and which was provided to the Court.

On May 8, 2017 the DOJ announced that they had negotiated with Bumble Bee who agreed to pay a fine of \$25 million payable over five years with no interest. This fine was below the original fine sought and aligned with the analyses provided by Professor Zmijewski. Professor Zmijewski was supported by a team in CRA's Chicago office led by **Pavel Nikolov** and supported by **Carlos Penikis**. CRA's consultants have conducted similar analyses for clients in other industries, using a standard set of financial analyses/solvency tools.

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