

## CODE OF BUSINESS CONDUCT AND ETHICS

### I. General Statement of Business Philosophy

LECG is committed to the pursuit of excellence and to acting with integrity in all of its business matters. These commitments mean that employees and the Board of Directors of LECG share a common set of objectives and benefit from the achievement of those objectives.

The highest ethical standards should be maintained in all client-related and internal business matters. The purpose of this Code of Business Conduct and Ethics ("**Code of Conduct**" or "**Policy**") is to reinforce the Company's historical commitment to excellence and integrity and to provide basic guidelines for situations in which ethical issues may arise. The fundamental principle is that we expect all employees of LECG to perform their work with integrity.

In addition, the LECG Code of Conduct encompasses the fundamental tenets of the principles of the American Institute of Certified Public Accountants (AICPA) and the Public Company Accounting Oversight Board as an integral part of the Code (PCAOB). The Principles of the Code of Professional Conduct of the AICPA and PCAOB express the profession's recognition of its responsibilities to the public, to clients, and to colleagues and provide guidance in performance of professional responsibilities and express the basic tenets of ethical and professional behavior.

It is the policy of the Company to comply with all applicable laws including, without limitation, employment, discrimination, health care, safety, antitrust, securities and environmental. No director, officer, executive or manager of the Company has authority to violate any law or to direct another employee or any other person to violate any law on behalf of the Company. Every employee is responsible for his or her actions and no employee may justify an illegal or unethical act by claiming it was ordered by higher management.

Each employee and member of the LECG Board of Directors<sup>1</sup> is responsible for complying with this Code of Conduct. If anyone has questions about any section of this Code of Conduct, he or she should direct all questions to his or her Office Director or Managing Director, and/or contact the Code of Conduct Compliance Officer, Deanne Tully, General Counsel and Secretary ("Compliance Officer"), Human Resources, or the Legal Department.

Moreover, it is important to the success of LECG that employees of the Company participate in assuring that the Code of Conduct is complied with. If an employee is aware of a possible violation of the Code of Conduct and does not report it to an appropriate Company representative, the Company may not be able to address and rectify the situation. Accordingly, if an employee becomes aware of a violation of this Code of Conduct, the employee is obligated to report it in accordance with procedures set forth below. **No one may retaliate against an employee who reports a possible violation of this Code of Conduct.** Failure to comply with any of the provisions of this Code of Conduct subjects anyone covered by this Code of Conduct to disciplinary measures up to and including termination of employment.

<sup>1</sup>Unless as indicated otherwise, as used in this Code of Conduct, "employee(s)" include all employees, members of the Board of Directors of the Company, exclusive independent contractors of the Company, and all other persons to whom this Code of Conduct explicitly applies.

### II. Policies and Practices

#### A. Standards for Services Provided

LECG experts provide a wide range of services. Our experts provide reports, analyses, and advice to clients on business, regulatory, and litigation issues. LECG also provides expert witness services. In providing expert witness services, LECG adheres to the policy that its experts are independent and objective. Additionally, each expert is responsible for his/her own analysis and it should never be stated or implied that there is an "LECG" position on the various issues upon which one of our experts might

opine. All reports, papers, and testimony should have an author's name attached and not be attributed only to LECG.

In addition, LECG provides quality tax, attest, advisory and business consulting services to our clients. We are committed to upholding the trust our clients place in us, and we will not overstate our ability to deliver services nor provide any services that may damage our reputation or the reputation of our clients.

We maintain the highest standards in preparing accounting, business advisory and consulting services to our clients in full compliance with all laws and regulations. We are expected to be honest, trustworthy and promote a culture of consultation where we address and resolve questions of ethics. We must honestly account for time worked and expenses incurred for both internal and client-related activities. We must protect confidential and proprietary information for both internal and client-related activities

## **B. Conflicts of Interest**

A conflict of interest may arise in any situation in which an employee's loyalties are divided between his or her personal interests and the interests of the Company. All such conflicts must be avoided. Some of the more sensitive areas of potential conflicts of interest and the Company's related guidelines are as follows:

### 1. Accepting Gifts and Entertainment

An employee should never accept a gift from a client or vendor where there is the fact or appearance that the gift is intended to affect or compromise the employee's independent judgment. Normal business entertainment such as lunch, dinner, theater, a sporting event, and the like, may be accepted from clients or vendors if reasonable in amount and nature and are not designed or intended to affect an employee's independent judgment. Employees must immediately notify the Compliance Officer in the event that the employee is offered a gift that would be viewed as a violation of this policy whether the gift is accepted or rejected. In some international business transactions, it is customary and lawful for business leaders in a host country to give gifts to Company employees. These gifts may be of more than nominal value and under the circumstances returning the gifts or paying for them may be an affront to the giver. In such a case involving international business transactions, the gift must be reported to the employee's supervisor and the Compliance Officer. In some cases, the Company, in its sole discretion, may retain the gift.

### 2. Outside Activities

Except for activities approved by the Company, no employee is to provide to any third party, "free-lance" or "moonlighting" consulting services of the kind provided by the Company. Employees who provide approved free-lance consulting services may not use Company time, facilities, resources, or supplies for such work.

### 3. Interests in Other Businesses

Except for interests approved by the Company, neither an employee nor his or her spouse, domestic partner, or any other member of the employee's immediate family may directly or indirectly have a financial interest in a competitor, or in a client or supplier if that employee or his or her subordinates deals directly or indirectly with that client or supplier in the course of his or her employment with the Company. This proscription does not apply to nominal (<1%) holdings of equities in publicly traded companies. However, if in the course of providing services to a publicly traded company, an employee becomes aware of matters that would constitute "insider information," then federal and state securities laws prohibit that employee from engaging in any stock transaction based on such matters. If an employee has any question as to whether a proposed stock transaction would violate federal or state securities laws or regulations, he or she should contact the Compliance Officer for further guidance. As a general matter, investments in diversified mutual funds are unlikely to pose any significant problems.

### 4. Finder's Fees and Referral Fees

The payment or receipt of Finders Fees and Referral Fees in connection with engagements is part of the ordinary course of the Company's business and are not prohibited by the Code of Conduct.

### **C. Use of Company Property and Information**

All employees are responsible for the proper use of the Company's physical resources and property, as well as its proprietary and other confidential information, or internal or external contractual information including compensation arrangements. Unless otherwise prohibited by an employee's supervisor, reasonable incidental use of a Company telephone, computer or other equipment is permitted.

#### 1. Company Property and Facilities

Any employee found to be engaging in, or attempting, theft of any property of the Company, including documents, equipment, intellectual property, personal property of other employees, cash or any other items of value will be liable to immediate summary dismissal and possible criminal proceedings against him/her. All employees have a responsibility to report any theft or attempted theft to the Compliance Officer and Company's management.

#### 2. Company Proprietary and Other Confidential Information

Information concerning engagements, pricing, products and services that are being developed, are trade secrets. These and all such other trade secrets, including information pertaining to any prospective Company acquisition, divestiture or hiring, must be held in the strictest confidence, and reasonable prudence and care should be exercised in dealing with such information in order to avoid inadvertent, inappropriate disclosure. This information must not be used in any way other than as required in performing employment duties. All files, records and reports acquired or created in the course of employment are the property of the Company or of the client as the case may be. Originals or copies of such documents may be removed from the Company's offices for the sole purpose of performing the employee's duties to the Company and must be returned at any time upon request.

#### 3. Trademarks, Service Marks and Copyrights

Trademarks and service marks - words, slogans, symbols, logos or other devices used to identify a particular source of goods or services - are important business tools and valuable assets which require care in their use and treatment. No employee may negotiate or enter into any agreement involving the Company's trademarks, service marks or logos without first consulting the Legal Department. The Company also respects the trademark rights of others. Using the trademark or service mark of another company, even one with whom our Company has a business relationship, always requires clearance or approval by the Legal Department to ensure that the use of that other company's mark is proper.

LECG recognizes and respects intellectual property rights. As part of LECG's desire to maintain the highest standards of ethical conduct, the Company is committed to fulfilling its legal obligations with respect to its use of copyright-protected works. Employees must avoid the unauthorized use of copyrighted materials of others and should confer with the Legal Department if they have any questions regarding the permissibility of photocopying, excerpting, electronically copying or otherwise using copyrighted materials.

### **D. Company Political Involvement**

Employees are free to exercise the right to make personal political contributions within legal limits, unless such a contribution is otherwise prohibited by other policies of the Company. The political views expressed in the form of contributions shall be deemed solely the personal views of the employee, and not those of the Company, its management or Board of Directors. The Company will not reimburse any employee for political contributions, and employees should not attempt to receive or facilitate such reimbursements. Any questions about compliance with this policy should be directed to the Compliance Officer.

### **E. Antitrust Laws**

The federal government, most state governments, the European Economic Community and many foreign governments have enacted antitrust or "competition" laws. In the United States and some other jurisdictions, some violations of the antitrust laws can lead to substantial civil liability. Moreover, some

violations of the antitrust laws can be criminal violations that can result in felony convictions of both corporations and individuals.

Strict compliance with antitrust and competition laws around the world is essential. These laws are very complex and if any employee has questions concerning the application of antitrust laws to their activities, he or she should contact the Compliance Officer before taking action.

#### **F. International Operations**

Laws and customs vary throughout the world, but all employees must uphold the integrity of the Company in other nations as diligently as they would do so in their home country. When conducting business in other countries, it is imperative that employees be sensitive to foreign legal requirements and laws that apply to foreign operations, including the Foreign Corrupt Practices Act. The Foreign Corrupt Practices Act generally makes it unlawful to give anything of value to foreign government officials, foreign political parties, party officials, or candidates for public office for the purposes of obtaining, or retaining, business for the Company. Employees should contact the Compliance Officer if they have any questions concerning a specific situation.

#### **G. Relationships with Public Officials**

Some employees do business with federal, state or local government agencies. All employees engaged in business with a governmental body or agency must know and abide by the specific rules and regulations covering relations with public agencies. Such employees must also conduct themselves in a manner that avoids any dealings that might be perceived as attempts to influence public officials in the performance of their official duties. Employees should contact the Compliance Officer if they have any questions concerning a specific situation.

#### **H. Bribery, Kickback and Fraud**

No funds or assets of the Company shall be paid, loaned or otherwise disbursed as bribes, "kickbacks," or other unlawful payments that are intended or designed to compromise the conduct of the recipient with respect to his/her business relationship with the Company. Likewise, Company employees should not accept any bribe, kickback or other unlawful payment that is designed or intended to compromise the independent judgment of the employee in the conduct of the Company's business. Company employees should conduct their business affairs in such a manner that the Company's reputation will not be impugned if the details of their dealings should become a matter of public discussion.

Any employee found to be engaging in fraud, receiving, accepting, offering or condoning a bribe, kickback, or other similar unlawful payment, or attempting to initiate such activities, will be subject to immediate disciplinary action, up to and including termination of employment and possible criminal proceedings against her/him. All employees have an obligation to and must report any actual or attempted bribery, kickback, other unlawful payment or fraud to the Compliance Officer and Company management.

#### **I. Sanctions and Trade Embargoes**

The Company must abide by all economic sanctions or trade embargoes that the United States has adopted, whether they apply to foreign countries, political organizations or particular foreign individuals and entities. Inquiries regarding whether a transaction on behalf of the Company complies with applicable sanction and trade embargo programs should be referred to the Compliance Officer.

#### **J. Financial Books and Records**

The integrity of LECG's financial records is critical to the operation of the Company's business, and is a key factor in maintaining the confidence of its employees and equityholders. To that end, LECG must ensure that all transactions are properly recorded, classified, supported and summarized in accordance with LECG's accounting policies, which ensure compliance with accounting principles generally accepted in the United States and the Non-US countries in which LECG provides services.

It is a violation of LECG policy to misrepresent the Company's financial performance or otherwise knowingly compromise the integrity of the Company's financial statements, or to ask or instruct another employee to do so. No LECG employee may enter information into the Company's books or records that is unsupported, or that intentionally hides, misleads or disguises the true nature of any financial or non-financial transaction or result. In addition, each employee must retain, protect and dispose of Company records strictly in accordance with the applicable LECG record retention policies.

Improperly or fraudulently influencing, coercing, manipulating or misleading independent or internal auditors regarding financial statements, processes or internal controls is expressly against Company policy.

LECG's financial and accounting officers and personnel have a special fiduciary responsibility to ensure that financial and accounting practices support the full, fair, accurate, timely and clear disclosure of LECG's financial results and condition. These same officers and personnel are charged with ensuring that the Company's assets are adequately safeguarded, and that they provide fair, timely and accurate information sufficient to assist management in the operation of the Company. Each financial manager must agree to and abide by the terms of the Code of Ethical Conduct for Financial Managers attached to this Code.

Every employee is required to report promptly any case of suspected financial or operational misrepresentation, misconduct or impropriety. All such reports made by employees of any position or grade level will be expeditiously and thoroughly investigated. [See "Reporting Suspected Non-Compliance" below.] No employee who makes a good faith report of suspected misrepresentation, misconduct or impropriety will be subjected to reprisal by the Company or any of its personnel.

#### **K. Employment Policies**

The Company is committed to fostering a work environment in which all individuals are treated with respect and dignity. Each individual should be permitted to work in a business-like atmosphere that promotes equal employment opportunities and prohibits discriminatory practices, including harassment. Therefore, the Company expects that all relationships among persons in the workplace will be business-like and free of unlawful bias, prejudice and harassment. It is the Company's policy to ensure equal employment opportunity without discrimination or harassment on the basis of race, color, national origin, religion, sex, age, disability, or any other status protected by law or ordinance. It is the Company's policy to comply with all applicable wage and hour laws and other statutes regulating the employer-employee relationship and the workplace environment.

No Company employee may interfere with or retaliate against another employee who seeks to invoke his or her rights under the laws governing labor and employee relations. If any employee has any questions about the legal aspects or Company policies governing labor and employee relations matters, he or she should consult the **Policy and Practice** handbook or contact the Human Resources Department and/or the Compliance Officer.

The Company is committed to providing a safe workplace for all employees. In addition, several laws and regulations impose responsibility on the Company to safeguard against safety and health hazards. For that reason, and to protect the safety of themselves and others, employees and other persons who are present at Company facilities are required to follow carefully all safety instructions and procedures that the Company adopts. Questions about possible health and safety hazards at any Company facility should be directed immediately to the Office Manager as well as to Human Resources.

LECG's commitment to a safe work environment is jeopardized when any LECG employee uses illegal drugs on the job, comes to work with illegal substances present in his/her body, or possesses, distributes, or sells drugs in the workplace. Therefore, LECG has established a Drug Free Workplace policy located in the Policy and Practice Handbook to address these serious concerns. Under this policy, no employee may:

- Possess, sell, trade, or offer for sale illegal drugs or otherwise engage in the illegal use of drugs on the job;
- Report to work under the influence of illegal drugs; or
- Use prescription drugs illegally (nothing in this policy precludes the appropriate use of legally prescribed medication).

LECG reserves the right to implement disciplinary action for violation of this policy as deemed necessary, including immediate termination of employment if appropriate. Incidents will be evaluated on an individual basis and the appropriate action will be taken. Depending on the circumstances, other action, including notification of appropriate law enforcement agencies, may be taken with respect to any employee violating this policy.

#### **L. Media Relations**

On occasion, employees of the Company will receive requests for information from and/or interviews with various media outlets regarding the business of the Company in general. In order to insure that current and accurate information is provided to the media, as well as to insure that confidential information is not improperly disclosed, employees, independent contractors and affiliates should advise the Compliance Officer when such requests occur. Requests for interviews relating to work being done on a particular matter or on an employee's general area of expertise do not have to be approved in advance, but employees should be sure that any disclosures or discussions during such interviews do not violate any confidentiality obligations of the Company or employee.

#### **M. Computer, E-mail and Internet Policies**

Every employee is responsible for using the Company's computer system, including, without limitation, its electronic mail (E-mail) system and the Internet (collectively, the "Computer System"), properly and in accordance with the Company's acceptable use standards. Employees should be aware of, among other matters, the following:

##### 1. The Computer System is Company Property

The computers that employees are provided or have access to for work and the E-mail system are the property of the Company and have been provided for use in conducting Company business. All communications and information transmitted by, received from, or created or stored in its Computer System (whether through word processing programs, E-Mail, the Internet or otherwise) are Company records and property of the Company or of its clients as the case may be.

##### 2. No Expectation of Privacy

The Company has the right, but not the duty, for any reason and without the permission of any employee, to monitor any and all of the aspects of its Computer System, including, without limitation, reviewing documents created and stored on its Computer System, deleting any matter stored in its system, monitoring sites visited by employees on the Internet, monitoring chat and news groups, reviewing material downloaded or uploaded by users from the Internet, and reviewing E-Mail sent and received by users. Employees should not have an expectation of privacy in anything they create, store, send or receive on the Computer System.

##### 3. Professional Use of Computer System Required; Other Policies Apply

Employees are reminded to be courteous to other users of the system and always to conduct themselves in a professional manner. The Company's policies against discrimination and harassment (sexual or otherwise) apply fully to the use of the Company's Computer System, and any violation of those policies is grounds for discipline up to and including termination of employment.

#### 4. Offensive and Inappropriate Material; Illegal Activities

Company policies prohibit using the Company's Computer System to send or intentionally receive messages or files that are illegal, sexually explicit, abusive, offensive or profane.

#### 5. Solicitations

The Company's Computer System may not be used to solicit for religious or political causes, commercial enterprises, outside organizations, or other activities not related to an employee's services to the Company.

#### **N. Document Retention**

The space available for the storage of Company documents, both on paper and electronic media, is limited and expensive. On the other hand, there are legal requirements that certain records be retained for specific periods of time. Employees who are unsure about the need to keep particular documents should review the Company's Document Retention Policies and consult with their supervisor and/or the Legal Department, so that a judgment can be made as to whether the documents should be retained.

#### **O. Former Government Employees**

There are some laws restricting hiring a government employee (other than secretarial, clerical, or other similar employees) as an employee or retaining as a consultant. These restrictions also cover informal arrangements for prospective employment under certain circumstances. Therefore, written clearance must be obtained from the Legal Department before discussing proposed employment with any current government employee and before hiring or retaining any former government employee who left the government within the past two years.

### **III. Compliance with the Code of Conduct**

A violation of this Code of Conduct may result in disciplinary action including possible immediate termination from employment with the Company, without additional warning. Every employee must certify that he or she has read this Code of Conduct and to the best of his or her knowledge is in compliance with all its provisions.

The Code of Conduct reflects general principles to guide employees in making ethical decisions and cannot and is not intended to address every specific situation. As such, nothing in this Code of Conduct prohibits or restricts the Company from taking any disciplinary action on any matters pertaining to employee conduct, whether or not they are expressly discussed in this document. The Code of Conduct is not intended to create any expressed or implied contract with any employee or third party. In particular, nothing in this document creates any employment contract between the Company and any of its employees, nor alters the at-will employment relationship between the Company and its employees.

The Board of Directors of LECG, or the Audit Committee with respect to financial matters, has the exclusive responsibility for the final interpretation of the Code of Conduct. The Code of Conduct may be revised, changed or amended at any time by the Board of Directors of LECG.

### **IV. Reporting Suspected Non-Compliance**

#### **A. General Policy:**

To assist in the administration of the Code of Conduct, the Company has established the position of Compliance Officer and an Ethics Compliance Hot Line for reporting concerns or violations of this Code of Conduct. The current compliance officer is **Deanne Tully, General Counsel (202-973-6494 in the US)**. The special **Ethics Compliance Hot Line phone number is 1-800-750-4972**. As part of its commitment to ethical and legal conduct, the Company expects its employees to submit a message, which can be anonymous, to the Ethics Compliance Hot Line or bring to the attention of the Compliance Officer information about suspected violations of this Code of Conduct or of any law by any Company employee or agent. Employees who have information about suspected improper **financial, accounting or auditing**

matters should **also** submit a complaint that can be an anonymous message to the Ethics Compliance Hot Line, or bring it to the attention of their supervisors. The Chairperson of the Audit Committee of the Board of Directors will be advised of any information provided to the Ethics Compliance Hot Line relating to financial matters involving the Company. Employees are required to come forward with any such information, without regard to the identity or position of the suspected offender. The Company will treat the information in a confidential manner (consistent with appropriate evaluation and investigation) and will ensure that no acts of retribution or retaliation will be taken against anyone for making a good faith report.

Because failure to report criminal activity can itself be understood to condone the crime, we emphasize the importance of reporting. Failure to report knowledge of wrongdoing may result in disciplinary action, up to and including termination of employment against those who are aware of criminal activity but who fail to report it.

## **B. Complaint Procedure**

Notification of Complaint - Information about known or suspected violations by any employee or agent should be reported promptly. Whenever practical, an employee should do so in writing to the Compliance Officer, but oral and anonymous complaints are permitted as discussed above.

Investigation – The personnel appropriate to deal with the specific nature of the report will investigate any report of violations of the Code of Conduct. Employees are expected to cooperate in the investigation of reported violations.

Confidentiality - The Compliance Officer will not, to the extent practical and appropriate under the circumstances to protect the privacy of the persons involved, disclose the identity of anyone who reports a suspected violation or who participates in the investigation. Employees should be aware that the Compliance Officer, and those assisting the Compliance Officer, are obligated to act in the best interests of the Company, and do not act as personal representatives or on behalf of the employees.

Protection Against Retaliation - Retaliation in any form against an individual who reports a violation of this Code of Conduct or of law, even if the report is mistaken, or who assists in the investigation of a reported violation, is itself a serious violation of this Policy. Acts of retaliation should be reported immediately and will be subject to disciplinary action up to and including termination of employment.



**CODE OF BUSINESS CONDUCT AND ETHICS ACKNOWLEDGMENT**

Please indicate that you have received, read, and will abide by this Code of Business Conduct and Ethics by signing your name and dating the attached acknowledgment and returning it to Mary Simmons in Human Resources by e-mail or fax (610) 687-3229, by March 12, 2010.

I certify that I have received and read and that I will abide by LECG's **Code of Business Conduct and Ethics** distributed to me on \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Office

\_\_\_\_\_  
Date

cc: Human Resources file