

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION



In the Matter of Gregory T. Bolan, Jr. and
Joseph C. Ruggieri, Respondents.

Admin. Pro. File No. 3-16178

EXPERT REPORT OF STEPHEN D. PROWSE, Ph.D, CFA

A handwritten signature in black ink, appearing to read "Stephen D. Prowse".

Stephen D. Prowse, Ph.D, CFA

2/17/15

Date

I. QUALIFICATIONS

1. I am a Senior Managing Director in the Forensic and Litigation Services Practice at FTI Consulting, Inc. ("FTI"). I received my B.A. in economics from Cambridge University, Cambridge, England in 1982, my M.S. in economics from the California Institute of Technology in 1984, and my Ph.D in economics from the University of California at Los Angeles in 1989. In addition, I am also a CFA Charterholder. Attached as Exhibit 1 is a copy of my current resume, including a listing of publications I have authored. I have authored over 20 articles on economic and financial issues which have been published in peer-reviewed academic journals, books and other outlets. I have also served as a referee for numerous academic research journals such as the *Journal of Finance*, *Journal of Financial Economics*, and the *Journal of Banking and Finance*. Attached as Exhibit 2 is a list of my trial testimony experience. My business address is FTI Consulting, Inc., 2001 Ross Avenue, Suite 400, Dallas, Texas, 75201.
2. FTI is a multi-disciplined consulting firm that provides a variety of financial advisory services to corporate clients in the U.S. and abroad. The Forensic and Litigation Services Practice specializes in providing financial, valuation, accounting, statistical, economic and investigative consulting services to clients.
3. One of my responsibilities at FTI is to provide economic, statistical, valuation, financial, and damage quantification consulting services to clients. I have provided dispute advisory consulting and expert witness services in fraud, securities-related,

wrongful termination, antitrust, breach of contract, intellectual property and class certification cases. I have performed numerous event studies in the course of my career as a financial researcher, consultant and expert witness. I have been qualified as an expert to testify regarding materiality, event studies, and damages, and have been previously retained in the capacity as an expert witness by the Securities and Exchange Commission to examine materiality and perform an event study in an insider trading matter. Prior to joining FTI, I was a Principal (Partner) in the Dallas office of the Forensic Practice at KPMG LLP, where I provided similar services to clients.

4. Prior to my consulting career, I was employed by the Federal Reserve Bank of Dallas as a Senior Economist and Policy Advisor (1994-1998), and by the Board of Governors of the Federal Reserve System in Washington DC (1989-1994) as an Economist. I have also served as a Consultant Economist to the Bank for International Settlements (BIS) in Basel, Switzerland. In these positions I provided economic and financial analysis and policy advice on securities markets to the Chairman of the Federal Reserve Board, the President of the Federal Reserve Bank of Dallas, and the Director of Research at the BIS. I have also served as an Adjunct Professor at the Cox School of Business, Southern Methodist University (1998) where I taught finance, and currently serve as a guest lecturer in economics and finance. I started my career as a full-time economic consultant in 1998.

II. ASSIGNMENT

5. I have been retained by Counsel for Gregory Bolan to assess whether or not the information in certain Wells Fargo research reports regarding ratings changes or initiations on the following companies and dates were material to investors:
- the report issued on PAREXEL International Corporation on April 7, 2010, downgrading to “Market Perform” rating;
 - the report issued on Covance Inc. on June 15, 2010, upgrading to “Outperform” rating;
 - the report issued on Albany Molecular Research, Inc. on July 6, 2010, upgrading to “Outperform” rating;
 - the report issued on Emdeon, Inc. on August 16, 2010, upgrading to “Outperform” rating;
 - the report issued on athenahealth, Inc. February 8, 2011, upgrading to “Outperform” rating; and
 - the report issued on Bruker Corp. on March 29, 2011, initiating coverage with “Outperform” rating.
6. My rate for work performed in this matter is \$655 per hour. FTT’s fees associated with this matter are not contingent on any outcome.

III. DOCUMENTS AND INFORMATION RELIED UPON

7. The documents I have relied upon in performing my analysis include:

- Legal filings related to this matter;
- Research reports from Wells Fargo and other firms on the six companies and their industries;
- News articles and press releases related to the six companies, their industries, and market-wide events;
- Academic articles and case law; and
- Price, volume, and index data.

Attached, as Exhibit 3, is a complete listing of the documents I have relied upon in this matter.

IV. BACKGROUND

8. It is my understanding that the SEC alleges that Mr. Bolan provided advance notice of the issuance of Wells Fargo research reports with ratings changes or initiations at issue to both Mr. Ruggieri, who was a trader at Wells Fargo, and another individual who was a friend of Mr. Bolan's ("Trader A"). As a result, the SEC alleges that Mr. Ruggieri and Trader A were able to trade ahead of the issuance of the reports and realize profits.

V. SUMMARY OF OPINIONS

9. First, several of the reports were issued simultaneously with confounding information, which likely is responsible for some, if not all of the price movement on that day versus the alleged tipped information. This confounding information

makes it problematic to conclude that all of the stock price movement following a report was due to the report.

10. Second, I have performed statistical analyses of the price movements following the issuance of each of the research reports. I have found that none of the reports are followed by a daily price movement that is statistically significant at the generally-accepted 95% confidence level. In other words, stock price movement on each of the days analyzed cannot be reliably distinguished from random noise.¹
11. Based on my analysis, I conclude that the alleged tipped information regarding ratings changes or initiations was not material to investors.

¹ Because I find that the none of the reports was followed by a price movement that is statistically significant at the generally-accepted 95% confidence level, it is not necessary for me to distinguish (i.e., disaggregate) how much of that insignificant price movement was due to the report and how much was due to confounding information published at the same time. In stark contrast, a per se requirement for using an event study to reach the opposite conclusion – i.e., find information material – is to distinguish how much of the price movement was due to the information at issue, and how much was due to the confounding information. See, for example, *Liberty Media Corp. v. Vivendi Universal, S.A.*, 923 F. Supp. 2d 511, 518 (S.D.N.Y. 2013) (Plaintiff “bore the burden of disaggregating the effects of such ‘materialization’ events on Vivendi’s stock price from the effects of other, non-fraud-related ‘confounding’ events.”); *Bricklayers and Towel Trades Int’l Pension Fund v. Credit Suisse Securities (USA) LLC*, 752 F.3d 82, 95-96 (1st Cir. 2014) (rejecting plaintiffs’ event study for failing to address confounding events under “Daubert” because plaintiffs “bear[] the burden of showing that [their] losses were attributable to the revelation of the fraud and not the myriad other factors that affect a company’s stock price.”); *Demarco v. Lehman Bros., Inc.*, 222 F.R.D. 243, 249 (S.D.N.Y. 2004) (rejecting study advanced by plaintiffs to show analyst downgrade had material impact on price because it “does not distinguish between the effect on the market price of simultaneous similar information (‘confounding news’)”); *Dura Pharmaceuticals v. Brouho*, 544 U.S. 336, 343 (2005) (change in “price may reflect, not [fraud]...., but changed economic circumstances, changed investor expectations, new industry-specific or firm-specific facts, conditions, or other events, which taken separately or together account for some or all of that lower price”).

VI. ANALYSIS

A. Generally Accepted Principles of Econometric Event Study Methodology

12. An event study is a generally accepted financial and econometric methodology that can provide a basis to opine on the materiality of an announcement or an event based on the effect of the announcement on a company's securities prices.² I performed an event study analysis on the share prices of each of the six companies in order to examine the movements in the companies' share prices in response to the issuance of the Wells Fargo research reports. Numerous courts have held that an event study is a reliable method for determining the market's responsiveness to a certain event or release of information.³
13. An event study estimates the change in a company's security price that is attributable to a particular event or announcement. The change in a company's security price that is attributable to the event under study, and not to general economy-wide or industry-specific movements, is typically referred to as the *abnormal return*.

² See, for example, Mitchell, Mark L. and Netter, Jeffrey M., "The Role of Financial Economics in Securities Fraud Cases: Application at the Securities and Exchange Commission", *The Business Lawyer*, Vol. 49, February 1994, pp. 545 – 590. I assume for the purposes of my analyses that the market for the common stock of each of the companies analyzed was efficient over the time periods I analyze.

³ See, for example, *S.E.C. v. Berlacher*, 2010 WL 3566790, at *8 (E.D.Pa., Sept. 13, 2010) (accepting event study "as reliable and the best measure of materiality"); *In re Oracle Sec. Litig.*, 829 F. Supp. 1176 (N.D. Cal. 1993) ("Use of an event study or similar analysis is necessary more accurately to isolate the influences of information specific to [the company] which defendants allegedly have distorted"); *accord In re Imperial Credit Indus. Sec. Litig.*, 252 F. Supp. 2d 1005, 1014 (C.D. Cal. 2003) ("The event study method is an accepted method for the evaluation of materiality damages to a class of stockholders in a defendant corporation").

14. In order to estimate the abnormal return attributable to a particular event or announcement I employed the generally accepted procedures for performing event studies. First, for each of the six companies, I constructed a market model to explain movements in the company's stock price. The market model explains movements in the company's stock price using three explanatory variables: a general stock market index, a broad industry specific stock index, and a comparable company index. Second, I estimated this market model over a period of one year prior to the issuance of the Wells Fargo research report. Third, I estimated the abnormal return associated with the issuance of the Wells Fargo research report. Finally, I tested the abnormal return on this date for statistical significance.
15. Tests of statistical significance allow one to analyze whether the announced information could be associated with a material movement in the security price, by examining whether the abnormal return was the product of random chance or not. A finding that an abnormal return associated with the release of information is statistically significant (i.e., reliably different from zero) is evidence that the information was important, or material, to investors because it can be associated with a price movement that is different from the normal day-to-day volatility of the stock. Conversely, a finding that an abnormal return is *not* statistically significant is evidence that the information was not material to investors, because it cannot be associated with a price movement that is different from the normal day-to-day volatility of the stock. I use as my measure of statistical significance, the 95%

confidence level, the generally accepted confidence level used in event studies.⁴ A detailed discussion of the event study analyses I performed is presented in the following sections.

16. For each of the six companies, the market model I constructed is a multi-variate log differenced regression model that includes the following explanatory (independent) variables: (1) the S&P 500 as a general market index, (2) the Dow Jones U.S. Select Health Care Providers Total Return Index as an industry index, and (3) a comparable company index, customized for each company as an equally-weighted index of competitors.⁵ Each market model was used to estimate the abnormal stock price movement on the day of issuance of the relevant Wells Fargo research report for the company.

B. PAREXEL International Corporation April 7, 2010 Report

17. First, I note that there was confounding information in the market on the morning of April 7, 2010, which may have contributed to PAREXEL's price movement on that day. This renders problematic any attempt to attribute PAREXEL's stock price movement to the analyst report. Concerns over Greece's debt crisis led the Euro / US dollar exchange rate to decline from a 5:00 PM closing rate on April 6, 2010 of

⁴ See, for example, Macey, Jonathan R., Miller, Geoffrey P., Mitchell, Mark L., and Netter, Jeffrey M., "Lessons from Financial Economics: Materiality, Reliance, and Extending the Reach of *Basic v. Levinson*", *Virginia Law Review*; Vol. 77, August 1991, p. 10, who states, "We suggest choosing a significance level such that the probability of a Type 1 error is less than 5%; this is a standard level used by researchers in finance and economics." See also Kothari, S.P. and Warner, Jerold B., "Econometrics of Event Studies," Reprinted in 1 Handbook of Corporate Finance at 11 (2007 Ed.) ("The null hypothesis is rejected if the test statistic exceeds a critical value, typically corresponding to the 5% or 1% tail region (i.e., the test level or size of the test is 0.05 or 0.01).").

1.3399 Euros per dollar to a 5:00 PM close on April 7, 2010 of 1.3344 Euros per dollar,⁶ reaching its minimum for the day of 1.3326 Euros per dollar at 8:20 AM Eastern time.⁷ This was a widely reported event, including coverage by the *Wall Street Journal*, which highlighted this issue and that the Euro's value had sunk to a low.

18. Notably, the market had been warned that a drop in the Euro / US dollar exchange rate would have a negative impact on PAREXEL in (1) Wells Fargo's March 22, 2010 Squawk research report entitled "CRO's: Stronger USD Creates Headwind",⁸ (2) an April 1, 2010 research report on the healthcare industry from Jefferies & Company, Inc. entitled "Previews of Upcoming (Conference) Attractions," (3) Wells Fargo's April 7, 2010 research report on PAREXEL, and (4) PAREXEL's 10-Q for the quarter ended December 31, 2009.⁹ I note that the first two publications called out PAREXEL as being particularly sensitive to Euro-US dollar movements. I also note that British Pound / US dollar rate dropped, from a 5:00 PM close on April 6, 2010 of 1.5267 GBP per US dollar to 1.5241 at 5:00 PM on April 7, 2010.

⁵ For each company, the group of competitors used for the comparable company index consists of those competitors listed in contemporaneous Wells Fargo reports.

⁶ See, for example, "Euro Near Two-Week Low as Stocks Fall, Economic Recovery Stalls," *Bloomberg*, April 7, 2010, 6:57 AM; "GLOBAL MARKETS-Global shares, euro slip on renewed Greek worries," *Reuters*, April 7, 2010, 10:48 AM; "Greece Concerns Weigh on Stocks," *The Wall Street Journal*, April 7, 2010, 12:47 PM; "Greek Debt Solution Awaits Local German Election," *The Wall Street Journal*, April 7, 2010, 2:28 PM; "Greece Concerns Push Euro Lower," *The Wall Street Journal*, April 7, 2010, 4:36 PM; and "Greek Debt Muddle Sinks Euro," *The Sydney Morning Herald*, April 7, 2010.

⁷ Bloomberg L.P.

⁸ "Re: CRO's: Stronger USD Creates Headwind." March 22, 2010, Bates WF-000765700 – 702.

⁹ In particular, see PAREXEL International Corp.'s 10-Q, filed February 5, 2010, pp. 25, 29, and 31.

On April 7, 2010, it reached a low of 1.514 GBP per US dollar at 7:10 AM.¹⁰ The same research reports discussed above noted PAREXEL's sensitivity to the GBP / US dollar exchange rate in addition to the Euro / US dollar exchange rates. As such, the stock price decline in PAREXEL shares on April 7, 2010 likely was due at least partially to concerns about the Euro's and British Pound's declines.

19. Notwithstanding the above, to analyze PAREXEL's price movement following the issuance of the Wells Fargo research report downgrading to "Market Perform" before the market opened on April 7, 2010, I ran the market model over the period from April 7, 2009 through April 6, 2010. The comparable company index contains competitors Albany Molecular Research, Inc.; Charles River Laboratories International, Inc.; Covance, Inc.; ICON plc; Kendle International, Inc.; and Pharmaceutical Product Development, LLC.¹¹ My event study analysis found that the stock price movement from the closing price on April 6, 2010 to the closing price on April 7, 2010 was not statistically significant. I found an abnormal price decline of \$1.05 with a t-statistic of -1.81. This indicates that the stock price movement on that day is not statistically significant at the 95% confidence level. Thus, the stock price movement on that day cannot be meaningfully distinguished from random noise. See Exhibit 4.

¹⁰ Bloomberg L.P. GBP/USD Price Charts.

¹¹ These are the companies covered by Mr. Bolan in addition to PAREXEL in its industry, as noted in the July 14, 2009 Wells Fargo Pharmaceutical Services Industry Update.

C. Covance Inc. June 15, 2010 Analyst Report

20. First, I note that there is evidence of confounding positive information in the market on June 15, 2010, which may have contributed to Covance's price movement on that day. This renders problematic any attempt to attribute Covance's stock price movement to the analyst report. Recognia, a quantitative and technical stock analysis firm, issued an Alert noting a "double bottom" pattern in the price movement, indicating that it may move upward from the June 14, 2010 closing price of \$54.29 to a target price in the range of \$58.00 to \$58.90.¹² As such, the market's price movement in Covance shares on June 15, 2010 likely was due at least partially to Recognia's Alert Wire. This is supported by the fact that Recognia's reports are widely disseminated, including to clients of Charles Schwab, Fidelity, TD Ameritrade, and dozens of other trading platforms, and through Bloomberg LP.¹³
21. Notwithstanding the above, to analyze Covance's price movement following the issuance of the Wells Fargo research report upgrading to "Outperform" before the market opened on June 15, 2010, I ran the market model over the period from June 15, 2009 through June 14, 2010. The comparable company index contains competitors Albany Molecular Research, Inc.; Charles River Laboratories International, Inc.; ICON plc; Kendle International, Inc.; PAREXEL International

¹² See Recognia Inc. "Event Details" for "Double Bottom" Report on Covance, Inc. ("Event Date: 2010 June 14") and using "\$54.29" Closing Price from June 14, 2010; "Covance Inc forms bullish 'Double Bottom' Chart Pattern," June 15, 2010, Bloomberg L.P.:

¹³ See, for example, Recognia "Where to Find Our Products" Webpage, *available at*, <http://www.recognia.com/products/where-to-find>. The wide distribution of Recognia's reports is also evident from the fact that they appear in the Division of Enforcement's own Bloomberg terminal searches

Corp.; and Pharmaceutical Product Development, LLC.¹⁴ My event study analysis found that the stock price movement from the closing price on June 14, 2010 to the closing price on June 15, 2010 was not statistically significant. Although one would expect any market reaction to the information in the Wells Fargo report regarding an upgrade to “Outperform” to be positive, I found an abnormal price *decline* of \$0.62 with a t-statistic of -0.93. This indicates that the stock price movement on that day is not statistically significant at the 95% confidence level. Thus, the stock price movement on that day cannot be meaningfully distinguished from random noise. See Exhibit 5.

D. Albany Molecular Research, Inc. July 6, 2010 Report

22. To analyze Albany Molecular Research’s price movement following the issuance of the Wells Fargo research report upgrading to “Outperform” before the market opened on July 6, 2010, I ran the market model over the period from July 6, 2009 through July 2, 2010. The comparable company index contains competitors Charles River Laboratories International, Inc.; Covance, Inc.; ICON plc; Kendle International, Inc.; PAREXEL International Corp.; and Pharmaceutical Product Development, LLC.¹⁵ My event study analysis found that the stock price movement from the closing price on July 2, 2010¹⁶ to the closing price on July 6, 2010 was not

for both Covance and athenahealthcare. SEC Administrative File Document “BB Terminal News Printouts” at 2, 6.

¹⁴ These are the companies covered in addition to Covance in the July 14, 2009 Wells Fargo Pharmaceutical Services Industry Update.

¹⁵ These are the companies covered in addition to Albany Molecular Research in the July 14, 2009 Wells Fargo Pharmaceutical Services Industry Update.

¹⁶ July 2, 2010 was the last trading day before July 6, 2010.

statistically significant. Although one would expect any market reaction to information about the ratings upgrade in the Wells Fargo report to be positive, I found an abnormal price *decline* of \$0.02 with a t-statistic of -0.18. This indicates that the stock price movement on that day is not statistically significant at the 95% confidence level. Thus, the stock price movement on that day cannot be meaningfully distinguished from random noise. See Exhibit 6.

E. Emdeon, Inc. August 16, 2010 Report

23. First, I note that there is evidence of confounding positive information about Emdeon released during the trading day on August 16, 2010, which may have contributed to Emdeon's price increase on that day. This renders problematic any attempt to attribute Emdeon's stock price movement to the analyst report. Emdeon announced a strategic relationship with Noridian at 1:06 PM.¹⁷ As such, the market's price increase in Emdeon's shares on August 16, 2010 likely was due at least partially to this news.

24. Notwithstanding the above, to analyze Emdeon's price movement following the issuance of the Wells Fargo research report upgrading to "Outperform" before the market opened on August 16, 2010, I ran the market model over the period from August 14, 2009 through August 13, 2010. The comparable company index contains competitors athenahealth, Inc.; Cerner Corporation; Computer Programs and Systems, Inc.; Eclipsys Corporation; MedAssets, Inc.; AllScripts Healthcare

¹⁷ See <https://twitter.com/emdeon/status/21341329046> for the Twitter post linking to Emdeon's press release at <http://emdeon.mediaroom.com/index.php?s=43&item=87>. The Twitter post is at 1:06 p.m.

Solutions, Inc.; and Quality Systems, Inc.¹⁸ My event study analysis found that the stock price movement from the closing price on August 13, 2010¹⁹ to the closing price on August 16, 2010 was not statistically significant. I found an abnormal price increase of \$0.16 with a t-statistic of 0.96. This indicates that the stock price movement on that day is not statistically significant at the 95% confidence level. Thus, the stock price movement on that day cannot be meaningfully distinguished from random noise. See Exhibit 7.

F. athenahealth, Inc. February 8, 2011 Report

25. First, I note that there was confounding positive information about athenahealth released after the market closed on February 7, 2011, which may have contributed to athenahealth's price increase on that day. This renders problematic any attempt to attribute athenahealth's stock price movement to the analyst report. Recognia noted a "continuation diamond" pattern in athenahealth's stock price, indicating that the price may rise from the February 7, 2011 closing price of \$46.13 to a range of \$55.00 to \$57.00.²⁰ As such, the market's price increase in athenahealth's shares on February 8, 2011 likely was due at least partially to Recognia's Daily Market Report.

¹⁸ These are the companies covered in addition to Emdeon in the October 5, 2009 Wells Fargo Health Care IT Industry report.

¹⁹ August 13, 2010 was the last trading day before August 16, 2010.

²⁰ See "athenahealth Inc Forms Bullish 'Continuation Diamond' Chart Pattern," February 8, 2011, 12:15 AM, Bloomberg L.P.; Daily Market Report: "athenahealth Inc forms bullish 'Continuation Diamond' chart patterns," February 7, 2011, available at http://site.recognia.com/recognia/serve.shtml?page=event&cid=USvIkeAAA4ZQA_gABAACAAAD6CRg

26. Notwithstanding the above, to analyze athenahealth's price movement following the issuance of the Wells Fargo research report upgrading to "Outperform" before the market opened on February 8, 2011, I ran the market model over the period from February 8, 2010 through February 7, 2011. The comparable company index contains competitors Cerner Corporation; Computer Programs and Systems, Inc.; Eclipsys Corporation; Emdeon, Inc.; MedAssets, Inc.; AllScripts Healthcare Solutions, Inc.; and Quality Systems, Inc.²¹ My event study analysis found that the stock price movement from the closing price on February 7, 2011 to the closing price on February 8, 2011 was not statistically significant. I found an abnormal price increase of \$1.33 with a t-statistic of 0.89. This indicates that the stock price movement on that day is not statistically significant at the 95% confidence level. Thus, the stock price movement on that day cannot be meaningfully distinguished from random noise. See Exhibit 8.

G. Bruker Corp.

27. To analyze Bruker's price movement following the issuance of the Wells Fargo research report initiating coverage with a rating of "Outperform" after the market closed on March 29, 2011, I ran the market model over the period from March 30, 2010 through March 29, 2011. The comparable company index contains competitors Agilent Technologies, Inc.; Danaher Corp.; Thermo Fisher Scientific, Inc.; Life Technologies Corporation; Illumina Inc.; Sigma-Aldrich Corp.; Waters Corp.; Pall

²¹ These are the companies covered in addition to athenahealth in the October 5, 2009 Wells Fargo Health Care IT Industry report.

Corp.; Mettler-Toledo International, Inc.; PerkinElmer Inc.; Affymetrix Inc.; and Caliper Life Sciences.²² My event study analysis found that the stock price movement from the closing price on March 29, 2011 to the closing price on March 30, 2011 was not statistically significant. I found an abnormal price increase of \$0.45 with a t-statistic of 1.34. This indicates that the stock price movement on that day is not statistically significant at the 95% confidence level. Thus, the stock price movement on that day cannot be meaningfully distinguished from random noise. See Exhibit 9.

²² These are the companies listed as being in the Life Science Tools sector in the March 29, 2011 Wells Fargo report initiating coverage on Bruker.

VIII. CONCLUSIONS

28. I conclude that the allegedly tipped information in each of the six Wells Fargo analyst reports concerning rating changes or initiations issued on the dates examined was not material to investors, based on the lack of any statistically significant impact on the stock price.

29. My analyses, opinions, and conclusions are based on the analysis performed by me, and those under my direction, through the date of this report. It is my understanding that discovery in this matter may be supplemented through the hearing date. I reserve the right to update or modify my opinions should additional relevant information become available.



Stephen D. Prowse, Ph.D, CFA
Senior Managing Director

Dallas



Employment

1989-1994: Economist, Federal Reserve Board

1992-1993: Economist, Bank for International Settlements (on leave from FRB)

1994-1998: Senior Economist & Policy Advisor, Federal Reserve Bank of Dallas

1997-1998: Adjunct Professor, Southern Methodist University

1998-2000: Director, PricewaterhouseCoopers LLP

2000-2003: Principal, KPMG LLP

2003-present: Senior Managing Director, FTI Consulting, Inc.

Background

Stephen Prowse is a Senior Managing Director in FTI Consulting, Inc.'s Forensic practice in Dallas, where he provides economic, financial, statistical and valuation analysis to clients, including those involved in litigation, arbitration, mediation and other contexts where parties are engaged in complex business disputes. He specializes in providing advisory and expert witness services to clients involved in antitrust, intellectual property, securities, valuation, and lost profits matters. He has offered expert testimony in all of these areas.

Dr. Prowse's clients represent the Financial Services, Retail, Manufacturing, Oil and Gas, Healthcare, Trucking and Transportation, Consumer Goods, Auto and Telecommunications Industries.

Dr. Prowse has a Ph.D in economics from UCLA and is a CFA Charterholder. Prior to joining FTI, Dr. Prowse was a Partner (Principal) in KPMG LLP's Forensic Practice. Prior to his consulting career, Dr. Prowse was a Senior Economist and Policy Advisor in the Federal Reserve System, where he provided economic and financial policy advice to the Chairman of the Federal Reserve Board and the President of the Federal Reserve Bank of Dallas on economic and financial matters. He has also served as an Adjunct Professor at the Cox School of Business, Southern Methodist University. He has published numerous articles in, and has served as a referee for, academic research journals such as the *Journal of Finance*, *Journal of Financial Economics* and *Journal of Banking and Finance*.



Selected Engagement Experience

Securities/Fraud

Dr. Prowse has extensive experience in assessing damages in securities-related cases, including 10b-5 class action lawsuits. He has valued companies, corporate equities, bonds, futures, options and other derivative securities both in and outside the context of litigation. He has performed event studies, developed appropriate peer groups, and isolated economy-wide, industry-specific and company-specific factors impacting a company's stock price. He has constructed probabilistic financial trading models to track "ins-and-outs" traders and retention shareholders. He has valued both public and private firms in the retail, mining, trucking, energy and sports-related industries, among others.

Antitrust

Dr. Prowse has provided advisory services to clients involved in antitrust litigation. He has performed studies to define the relevant market, assessed the competitive attributes of markets, performed pricing studies, estimated price elasticities of demand and supply, analyzed markets in competitive, monopolistic and oligopolistic environments, and estimated damages. He has also evaluated the competitive attributes of markets and firm's business practices to assess the firm's vulnerability to antitrust lawsuits.

Intellectual Property

Dr. Prowse has assessed economic damages and defined the market in intellectual property matters, including patent infringement, copyright and trade secrets cases. He has calculated reasonable royalties, lost profits, lost convoyed sales, damages through price erosion and unjust enrichment in such cases. He has also offered expert testimony in such matters.

Statistical and Econometric Analysis

Dr. Prowse has provided statistical analysis to clients involved in many types of disputes. He has experience in applying statistical, sampling, econometric, and regression principles in determining lost profits in breach of contract suits, lost wages and lost commissions in wrongful termination suits, and damages in antitrust and intellectual property disputes.

Education & Professional Affiliations

Dr. Prowse holds a Ph.D in economics from UCLA and is a CFA Charterholder. He is a member of the American Economic Association, the American Finance Association, and the CFA Institute.



Business and Academic Publications

"Dura's Impact on Damages", with Peri Nielsen, Insights The Corporate & Securities Law Advisor, Volume 22 Number 7, July 2008.

"Measuring Market Power in the Steel Industry", with Dan Slottje and Esfandiar Maasoumi, in Measuring Market Power, D.J. Slottje (ed.), Elsevier Science B.V. 2002.

"Antitrust Policy in Mexico", with Dan Slottje, Law and Business Review of the Americas, Summer 2001.

"The Private Equity Market", with George Fenn and Nellie Liang, in The Handbook of Corporate Finance, 2002.

"Angel Investors and the Angel Capital Electronic Network (ACE-Net)", with Zoltan Acs, in Bridging the Entrepreneurial Financing Gap: Linking Government with Regulatory Policy, Michael J. Whincop (ed.), Sydney: Federated Press 2001.

"Trends and Prospects in Venture and Angel Investments in New Media Companies", working paper, 2000.

"Shareholder Litigation against Boards of Directors," co-authored with Larry Ranallo, in Weil, Wagner and Frank (eds.), Litigation Services Handbook: The Role of the Financial Expert, 3rd edition (Wiley, NY).



STEPHEN D. PROWSE

DEPOSITION TESTIMONY

In the Matter of Certain Personal Data and Mobile Communications Devices and Related Software Thereof Apple, Inc.* Investigation No. 337-TA-710(United States International Trade Commission, Washington, D.C.) (April 2011)

In re Wells Fargo* Mortgage- Backed Certificates Litigation. Case No. 09-cv-01376-LHK (United States District Court Northern District of California – San Jose Division) (May 2011)

Katie Dougherty Plaintiff v. Grange Mutual Casualty* Defendant, Case No. A1006337 (Court of Common Pleas Hamilton County, Ohio) (June 2011)

AIG Retirement Services, Inc.* (formerly known as SunAmerica Inc.), a Delaware corporation, v. Altus Finance S.A., a corporation organized under French law, et. al., Case No.: CV-05-1035 JFW (United States District Court, Central District of California, Western Division) (June 2011)

United States Securities and Exchange Commission, Plaintiff, vs. Sunil Bhatta* et al., Defendants. No. 11 Civ. 0170 (In the United States District Court, Southern District of New York) (July 2011)

Amkor Technology, Inc., Claimant and Counter-respondent, v. Tessera, Inc.*, Respondent and Counter-claimant (International Court of Arbitration of the International Chamber of Commerce, Ref. No. 16 531/VRO) (July 2011)

LML Patent Corp., Plaintiff, v. JPMorgan Chase & Co., Capital One, Inc.*, et al., Defendant. Case No. 2:08-cv-448- DF (In the United States District Court for the Eastern District of Texas Marshall Division) (July 2011)

In the Matter of Certain DC-DC Controllers and Products Containing the Same, uPI Semiconductor Corp.*, Investigation No. 337-TA-698 (United States International Trade Commission, Washington, D.C.) (December 2011)

Spin Master, LTD, et al., Plaintiff, v Zobmondo!! Entertainment LLC* and et al., Defendant, Case No. CV06-3459 ABC(JTLx) (United States District Court Southern District of California) (January 2012)

In re eBay Litigation*, Case No. C-07-2198 RMW (PSG). (United States District Court Northern District of California – San Jose Division) (March 2012)

The Lincoln Electric Company and Lincoln Global, Inc.*, Plaintiff, v National Standard, LLC, Defendant, Case No. 1:09-cv-01886-DCN (United States District Court for the Northern District of Ohio Eastern Division) (March 2012)

In the Matter of Certain Electronic Devices, Including Wireless Communication Devices, Portable Music and Data Processing Devices and Tablet Computers, Apple Inc.*, Investigation No. 337-TA-794, (United States International Trade Commission, Washington, D.C.) (April 2012)



Exhibit 2

**In the Matter of Certain Electronic Digital Media Devices and Components Thereof, Apple, Inc.*,
Investigation No. 337-TA-796, (United States International Trade Commission, Washington, D.C.) (April
2012)**

**Gerber Scientific International, Inc., Plaintiff, v. Roland DGA Corporation, and Roland DG Corporation*,
Defendant, Case No. 3:06-CV-02024-CFD, (United States District Court for the District of Connecticut)
(April 2012)**

**Starz Entertainment, LLC*, Plaintiff, v. Dish Network, LLC. Defendant, Case No. 2011CV1165, (United
States District Court Douglas County, Colorado) (August 2012)**

**Realtime Data, LLC D/B/A IXO v. Thomson Reuters Corp., IDS Inc.*, Factset Inc.* and Penson
Worldwide, Inc. Case No. 1:11-cv-06698-KBF, (United States District Court Southern District of New
York) (August 2012)**

**Securities and Exchange Commission, plaintiff, vs. Mercury Interactive, LLC*, Amnon Landan, Sharlene
Abrams, Douglas Smith and Susan Skaer, Defendants, Case No. 07cv02822 (United States District Court
for the Northern District of California) (December 2012)**

**In the Matter of Certain Electronic Devices, Including Mobile Phones and Tablet Computers, and
Components Thereof, Nokia Inc.*, Investigation No. 337-TA-847, (United States International Trade
Commission Washington, D.C.) (April 2013)**

**Textron Innovations Inc.*, Plaintiff, vs. American Eurocopter, LLC, and, Eurocopter, Case No. 4:09-CV-
377-A, (United States District Court for the Northern District of Texas Fort Worth Division) (April 2013)**

**In the Matter of Certain Sintered Rare Earth Magnets, Methods of Making Same and Products Containing
Same, Hitachi Metals, Ltd.*, Investigation No. 337-TA-855, (United States International Trade
Commission Washington, D.C.) (April 2013)**

**XY, LLC*, Plaintiff, v. Matthias J.G. Ottenberg; Propel Labs, INC., Sidis Corp., Daniel N. Fox; George C.
Malachowski; and Tidhar Sadeh, Defendants/Counterclaim Plaintiffs, v. XY, LLC* and Inguran, LLC,
Counterclaim Defendants. No. 1:11-CV-2920-RBJ-KMT (In the United States District Court for the District
Of Colorado) (July 2013)**

**Acer, Inc., Acer America Corporation, and Gateway, Inc. Plaintiff, v. Technology Properties Limited*,
Patriot Scientific Corporation, and Alliacense Limited, Defendant, Case No. 5:08-CV-00877-PSG (In the
United States District Court for The Northern District of California San Jose Division) (July 2013)**

**HTC Corporation and HTC America, Inc., Plaintiff, V. Technology Properties Limited*, Patriot Scientific
Corporation, and Alliacense Limited, Defendant, Case No. 5:08-CV-00822-PSG (In the United States
District Court for The Northern District of California San Jose Division) (July 2013)**

**Digital Reg of Texas, LLC Plaintiff, v. Adobe Systems Incorporated et al. *, Defendant Case No. 6:11-CV-
305 (In the United States District Court for the Eastern District of Texas Tyler Division) (January 2014)**

**Martin Resource Management Corporation, Plaintiff, v. Zurich American Insurance Company, Axis
Insurance Company, and Arch Insurance Company*, Defendants, C.A. No. 6:12-CV-00758 (In the United
States District Court for the Eastern District of Texas Tyler Division) (Feb 2014)**



Exhibit 2

In the Matter of Certain Sleep-Disordered Breathing Treatment Systems, and Components Thereof, BMC Medical*, Inv. No. 337-Ta-890, (United States International Trade Commission Washington, D.C.) (February 2014)

Amkor Technology, Inc., Claimant and Counter-respondent, v. Tessera, Inc.*, Respondent and Counter-claimant (International Court of Arbitration of the International Chamber of Commerce, Ref. No. 16 531/VRO) (April 2014)

Kinetic Concepts, Inc. And Kci Usa, Inc., Plaintiffs, v. Wake Forest University Health Sciences*, Defendant, Case No. 11 -CV -00163 XR and 11-CV -00713 XR (United States District Court For The Western District Of Texas San Antonio Division) (April 2014)

In the Matter of Certain Standard Cell Libraries, Products Containing or Made Using the Same, Integrated Circuits Made Using the Same, and Products Containing Such Integrated Circuits*, Inv. No. 337-TA-906, (United States International Trade Commission Washington, D.C.) (August 2014)

Amnon Landan, Claimant, *v. Hewlett-Packard as successor to Mercury Interactive, LLC (f/k/a Mercury Interactive, Inc.), San Francisco, Reference No. 1100073868, (September 2014)

Impala Partners and Impala Manager, LLC* v. Michael P. Borom Index No. 104091/2011 (Supreme Court of the State of New York, County of New York) (December 2014)

Angioscore, Inc. v. Trireme Medical, LLC, Trireme Medical, Inc., Eitan Konstantino, Quattro Vascular PTE LTD, and QT Vascular LTD (United States District Court for the Northern District of California Oakland Division) (December 2014)

In the Matter of Certain Marine Sonar Imaging Devices, Including DownScan and SideScan Devices, Products Containing the Same, and Components Thereof, Navico, Inc.* Investigation No. 337-TA-921 (United States International Trade Commission, Washington, D.C.) (January 2015)

Retained by party indicated by a *.

STEPHEN D. PROWSE**TRIAL/ARBITRATION TESTIMONY**

SmithKline Beecham Corporation*, d/b/a GlaxoSmithKline, Plaintiff, v. Abbott Laboratories, Defendant. No. 07-05702 (CW) (United States District Court Northern District of California Oakland Division) (April 2011)

In the Matter of E*Trade Securities, LLC*, Respondent, Case No. XY 2010-0001, (Before the Securities Commissioner State of Colorado) (June 2011)

United States of America, Plaintiff, v. Anthony Cuti*, Defendant, No. 08 CRIM 972 (United States District Court Southern District of New York) (June 2011)

Dyadic International, Inc., v. Ernst & Young, LLP,* and Ernst & Young Hong Kong, L.P. (International Institute for Conflict Prevention & Resolution). (CPR File: G-09-39) (June 2011)

Amkor Technology, Inc., Claimant and Counter-respondent, v. Tessera, Inc.*, Respondent and Counter-claimant (International Court of Arbitration of the International Chamber of Commerce, Ref. No. 16 531/VRO) (August 2011)

In the Matter of Certain DC-DC Controllers and Products Containing the Same, uPI Semiconductor Corp.*, Investigation No. 337-TA-698 (United States International Trade Commission, Washington, D.C.) (March 2012)

In the Matter of Certain Electronic Devices, Including Wireless Communication Devices, Portable Music and Data Processing Devices and Tablet Computers, Apple Inc.*, Investigation No. 337-TA-794, (United States International Trade Commission, Washington, D.C.) (June 2012)

In the Matter of Certain Electronic Digital Media Devices and Components Thereof, Apple, Inc.*, Investigation No. 337-TA-796, (United States International Trade Commission, Washington, D.C.) (June 2012)

Spin Master, LTD., et al., Plaintiffs, v. ZOBMONDO Entertainment, LLC*, et al., Defendants, Case No. CV06-3459, ABC (JTLx), (In the United States District Court Central District of California) (November 2012)

In the Matter of Certain Electronic Devices, Including Mobile Phones and Tablet Computers, and Components Thereof, Nokia Inc.*, Investigation No. 337-TA-847, (United States International Trade Commission Washington, D.C.) (June 2013)

HTC Corporation and HTC America, Inc., Plaintiff, V. Technology Properties Limited*, Patriot Scientific Corporation, and Alliacense Limited, Defendant, Case No. 5:08-CV-00822-PSG (In the United States District Court for The Northern District of California San Jose Division) (June 2013)



Exhibit 2

In The Matter of Certain Sleep-Disordered Breathing Treatment Systems and Components Thereof, BMC Medical Co.*, Investigation No. 337-Ta-890, (United States International Trade Commission Washington, D.C. 20436) (April 2014)

Digital Reg of Texas, LLC Plaintiff, v. Adobe Systems Incorporated* et al., Defendant Case No. 6:11-CV-305 (In the United States District Court for the Eastern District of Texas Tyler Division) (September 2014)

Amnon Landan, Claimant,*vs. Hewlett-Packard as successor to Mercury Interactive, LLC (f/k/a Mercury Interactive, Inc.), Francisco, Reference No. 1100073858), (October 2014)

Retained by party indicated by a *.

Exhibit 3

Materials Relied Upon¹

Legal filings

- S.E.C. Order Instituting Proceedings in the Matter of Gregory T. Bolan, Jr. and Joseph C. Ruggieri, Respondents (Sept. 29, 2014)
- Answer of Respondent Gregory T. Bolan, Jr.
- Summary Disposition Briefing as of February 13, 2015

Other Documents

- Pharmaceutical Services Industry Update, July 14, 2009, WF 551855-64
- Healthcare IT Industry Report, Oct. 5, 2009, WF 539323-332
- Life Science Tools Sector industry report dated March 29, 2011, Bates WF-000486200 - 486239
- CRO's: Stronger USD Creates Headwind, Bates WF 765700-02
- PRXL: Downgrading to Market Perform, SEC OTR EX46
- CVD: Opportunities Multiply as CVD Seizes Them – Upgrading Rating, SEC OTR EX53
- AMRI: Upgrading Rtg & Raise Est on Three Recent Developments, SEC OTR EX3
- EM: Valuation Sentiment at Depressed Levels—Upgrading to OP, SEC OTR EX63
- ATHN: Soaring Into the Clouds—Upgrading to Outperform, SEC OTR EX60
- BRKR: Initiating Coverage with an Outperform Rating, WF 511070-78
- Analyst Report Chart, WF 284305
- April 9, 2014 letter from M. Missal to S. Satwalekar re WF284305
- SEC Administrative File Document Entitled “BB Terminal News Printouts”
- Jefferies & Company, Inc. Healthcare / Pharmaceuticals Services report dated April 1, 2010, Bates JEP000254 - 261

News Articles and Press Releases

- “athenahealth Inc Forms Bullish ‘Continuation Diamond’ Chart Pattern,” February 8, 2011, 12:15 AM, Bloomberg L.P.
- Covance Inc Chart and Event Details from June 14, 2010 event from Recognia
- “Covance Inc forms bullish ‘Double Bottom’ Chart Pattern,” June 15, 2010, Bloomberg L.P.
- Daily Market Report: “athenahealth Inc forms bullish ‘Continuation Diamond’ chart patterns,” February 7, 2011, available at http://site.recognia.com/recognia/serve.shtml?page=event&eid=USvtkcAAa4ZOA_gABAACAAAD6CRg
- Emdeon’s Twitter Noridian announcement: <https://twitter.com/emdeon/status/21341329046>
- “Emdeon Announces Strategic Relationship with Noridian to Expand Emdeon's Footprint in the Public Payer Sector,” August 16, 2010,” available at <http://emdeon.mediaroom.com/index.php?s=43&item=87>

¹ I have also reviewed other documents, such as pleadings, as background for this action. The above identifies the documents that I have relied upon for the opinions set forth herein

Exhibit 3

- “Euro Near Two-Week Low as Stocks Fall, Economic Recovery Stalls,” *Bloomberg*, April 7, 2010
- “GLOBAL MARKETS-Global shares, euro slip on renewed Greek worries,” Reuters, April 7, 2010
- “Greece Concerns Weigh on Stocks,” *The Wall Street Journal*, April 7, 2010
- “Greece Concerns Push Euro Lower,” *The Wall Street Journal*, April 7, 2010
- “Greek Debt Muddle Sinks Euro,” *The Sydney Morning Herald*, April 7, 2010
- “Greek Debt Solution Awaits Local German Election,” *The Wall Street Journal*, April 7, 2010

Academic Articles and Case Law

- *In re Oracle Sec. Litig.*, 829 F. Supp. 1176 (N.D. Cal. 1993)
- *Bricklayers and Towel Trades Int'l Pension Fund v. Credit Suisse Securities (USA) LLC*, 752 F.3d 82, 95-96 (1st Cir. 2014)
- *Demarco v. Lehman Bros., Inc.*, 222 F.R.D. 243, 249 (S.D.N.Y. 2004)
- *Dura Pharmaceuticals v. Brouho*, 544 U.S. 336, 343 (2005)
- *In re Imperial Credit Indus. Sec. Litig.*, 252 F. Supp. 2d 1005, 1014 (C.D. Cal. 2003)
- Kothari, S.P. and Warner, Jerold B., “Econometrics of Event Studies,” Reprinted in 1 Handbook of Corporate Finance at 11 (2007 Ed.)
- *Liberty Media Corp. v. Vivendi Universal, S.A.*, 923 F. Supp. 2d 511, 518 (S.D.N.Y. 2013)
- Macey, Jonathan R., Miller, Geoffrey P., Mitchell, Mark L., and Netter, Jeffrey M., “Lessons from Financial Economics: Materiality, Reliance, and Extending the Reach of *Basic v. Levinson*”, *Virginia Law Review*; Vol. 77, August 1991
- Mitchell, Mark L. and Netter, Jeffrey M., “The Role of Financial Economics in Securities Fraud Cases: Application at the Securities and Exchange Commission”, *The Business Lawyer*, Vol. 49, February 1994, pp. 545 – 590
- *S.E.C. v. Berlacher*, 2010 WL 3566790, (E.D.Pa., Sept. 13, 2010)

Publicly-Available Data

- Price and volume data on the companies, competitors, and indices from Bloomberg L.P.
- Data on the Euro-US Dollar and GBP-US Dollar exchange rates from Bloomberg L.P.
- PAREXEL International Corp.’s 10-Q for the quarter ended December 31, 2009 filed February 5, 2010
- Recognia website, available at <http://www.recognia.com/>

Exhibit 4
PAREXEL International Corporation
Event Study Analysis of April 7, 2010

Date	Price	Trading Volume	Stock Price Return (%)		Market Return (%) ¹		Industry Return (%) ²		Competitors Return (%) ³		Daily			Cumulative			Cumulative Abnormal Price Movement		
			Daily	Cumulative	Daily	Cumulative	Daily	Cumulative	Daily	Cumulative	Expected ⁴ Return (%)	Abnormal ⁴ Return (%)	t-stat ⁵	Statistical Sig. ⁶	Expected ⁴ Return (%)	Abnormal ⁴ Return (%)		t-stat ⁵	Statistical Sig. ⁶
4/6/2010	\$34.68	464,248																	
3/7/2010	\$21.61	1,770,221	-0.04	-0.04	0.01	0.01	-0.01	-0.01	0.00	0.00	0.00	-0.04	-1.81		0.00	-0.04	-1.81		(51.03)

Notes and Sources:

All stock prices and index data obtained from Bloomberg L.P.

¹ The market index is the S&P 500.

² The industry index is the Dow Jones U.S. Select Health Care Providers Total Return Index.

³ The custom competitor index is an equally-weighted custom index made up of Albany Molecular Research, Inc.; Charles River Laboratories International, Inc.; Covance, Inc.; ICON plc; Kenzo International, Inc.; and Pharmaceutical Product Development, LLC.

⁴ The regression is run on log returns over April 7, 2009 through April 6, 2010.

⁵ An asterisk (*) indicates the price movement is statistically significant at the 5% level.

Exhibit 4
PAREXEL International Corporation
Market Model ¹

R Square	0.5632
Adjusted R Square	0.5578
Standard Error	0.0241
Observations	251

	<u>Coefficients</u>	<u>Standard Error</u>	<u>t-Statistic</u>
Intercept	0.0043	0.0183	0.2362
Market Index ²	-0.3272	2.6914	-0.1216
Industry Index ³	0.1974	0.1267	1.5578
Competitors Index ⁴	1.3785	0.0906	15.2156

Notes and Sources:

All stock price and index data obtained from Bloomberg L.P.

¹ The regression is run on log returns over April 7, 2009 though April 6, 2010.

² The market index is the S&P 500.

³ The industry index is the Dow Jones U.S. Select Health Care Providers Total Return Index.

⁴ The custom competitor index is an equally-weighted custom index made up of Albany Molecular Research, Inc.; Charles River Laboratories International, Inc.; Covance, Inc.; ICON plc; Kendle International, Inc.; and Pharmaceutical Product Development, LLC.

Exhibit 5
Covance, Inc.
Event Study Analysis of June 15, 2010

Date	Price	Trading Volume	Stock Price Returns (ln)		Market Returns (ln) ¹		Industry Return(ln) ²		Competitors Return (ln) ³		Daily				Cumulative				Cumulative Abnormal Price Movement
			Daily	Cumulative	Daily	Cumulative	Daily	Cumulative	Daily	Cumulative	Expected ⁴ Return (ln)	Abnormal ⁴ Return (ln)	t-stat ⁴	Sig. ⁵	Expected ⁴ Return (ln)	Abnormal ⁴ Return (ln)	t-stat ⁴	Sig. ⁵	
6/14/2010	\$34.29	923,807																	
6/15/2010	\$34.99	1,004,661	0.01	0.01	0.01	0.01	0.01	0.01	0.02	0.02	0.02	-0.01	-0.93	0.02	-0.01	-0.93			(0.62)

Notes and Sources:

All stock price and index data obtained from Bloomberg L.P.

¹ The market index is the S&P 500.

² The industry index is the Dow Jones U.S. Select Health Care Providers Total Return Index.

³ The custom competitor index is an equally-weighted custom index made up of Alkermes Inc., Charles River Laboratories International, Inc.; ICON plc; Kendle International, Inc.; PARFEXEL International Corp.; and Pharmaceutical Product Development, LLC.

⁴ The regression is run on log returns over June 15, 2009 through June 14, 2010.

⁵ An asterisk (*) indicates the price movement is statistically significant at the 5% level.

**Exhibit 5
Covance, Inc.
Market Model ¹**

R Square	0.5382
Adjusted R Square	0.5326
Standard Error	0.0124
Observations	252

	<u>Coefficients</u>	<u>Standard Error</u>	<u>t-Statistic</u>
Intercept	-0.0188	0.0119	-1.5841
Market Index ²	2.8940	1.8166	1.5931
Industry Index ³	0.3158	0.0723	4.3659
Competitors Index ⁴	0.5697	0.0546	10.4362

Notes and Sources:

All stock price and index data obtained from Bloomberg L.P.

¹ The regression is run on log returns over June 15, 2009 through June 14, 2010.

² The market index is the S&P 500.

³ The industry index is the Dow Jones U.S. Select Health Care Providers Total Return Index.

⁴ The custom competitor index is an equally-weighted custom index made up of Albany Molecular Research, Inc.; Charles River Laboratories International, Inc; ICON plc; Kendle International, Inc.; PAREXEL International Corp.; and Pharmaceutical Product Development, LLC.

Exhibit 6
Albany Molecular Research, Inc.
Event Study Analysis of July 6, 2010

Date	Price	Trading Volume	Stock Price Returns (ln)		Market Returns (ln) ¹		Industry Returns (ln) ²		Competitors Returns (ln) ³		Daily				Cumulative				Cumulative Abnormal Price Movement	
			Daily	Cumulative	Daily	Cumulative	Daily	Cumulative	Daily	Cumulative	Expected Return (ln)	Abnormal Returns (ln)	t-stat ⁴	Statistical Sig. ⁵	Expected Return (ln)	Abnormal Returns (ln)	t-stat ⁴	Statistical Sig. ⁵		
7/2/2010	\$3.41	200,747																		
7/6/2010	\$3.40	196,637	0.00	0.00	0.31	0.01	0.00	0.00	0.01	0.01	0.00	0.00	-0.18		0.00	0.00	-0.18			(50.03)

Notes and Sources:

All stock price and index data obtained from Bloomberg L.P.

¹ The market index is the S&P 500.

² The industry index is the Dow Jones U.S. Select Health Care Providers Total Return Index.

³ The custom competitor index is an equally-weighted custom index made up of Charles River Laboratories International, Inc.; Covance, Inc.; ICON plc; Kendle International, Inc.; PAREXEL International Corp.; and Pharmaceutical Product Development, LLC.

⁴ The regression is run on log returns over July 6, 2009 through July 2, 2010.

⁵ An asterisk (*) indicates the price movement is statistically significant at the 5% level.

Exhibit 6
Albany Molecular Research, Inc.
Market Model ¹

R Square	0.1902
Adjusted R Square	0.1804
Standard Error	0.0230
Observations	252

	<u>Coefficients</u>	<u>Standard Error</u>	<u>t-Statistic</u>
Intercept	-0.0273	0.0254	-1.0779
Market Index ²	3.8559	3.9187	0.9840
Industry Index ³	0.4662	0.1383	3.3712
Competitors Index ⁴	0.3456	0.1000	3.4571

Notes and Sources:

All stock price and index data obtained from Bloomberg L.P.

¹ The regression is run on log returns over July 6, 2009 through July 2, 2010.

² The market index is the S&P 500.

³ The industry index is the Dow Jones U.S. Select Health Care Providers Total Return Index.

⁴ The custom competitor index is an equally-weighted custom index made up of Charles River Laboratories International, Inc.; Covance, Inc.; ICON plc; Kendle International, Inc.; PAREXEL International Corp.; and Pharmaceutical Product Development, LLC.

Exhibit 7
Endson, Inc.
Event Study Analysis of August 16, 2010

Date	Price	Trading Volume	Stock Price Return (in)		Market Return (in) ¹		Industry Return (in) ²		Competitors Return (in) ²		Daily				Cumulative				Cumulative Abnormal Price Movement
			Daily	Cumulative	Daily	Cumulative	Daily	Cumulative	Daily	Cumulative	Expected ³ Return (in)	Abnormal ⁴ Return (in)	t-stat ⁴	Sig. ⁵	Expected ³ Return (in)	Abnormal ⁴ Return (in)	t-stat ⁴	Sig. ⁵	
8/13/2010	\$13.89	178,079																	
8/16/2010	\$11.04	272,807	0.01	0.01	0.01	0.01	0.00	0.00	0.01	0.01	0.00	-0.01	0.96						90.16

Notes and Sources:

All stock price and index data obtained from Bloomberg L.P.

¹ The market index is the S&P 500.

² The industry index is the Dow Jones U.S. Select Health Care Providers Total Return Index.

³ The custom competitor index is an equally-weighted custom index made up of: Interneeth, Inc.; Ceram Corporation; Computer Programs and Systems, Inc.; Eclipsys Corporation; MedAssets, Inc.; AllScripts (Leidos) Solutions, Inc.; and Quality Systems, Inc.

⁴ The regression is run on log returns over August 14, 2009 through August 13, 2010.

⁵ An asterisk (*) indicates the price movement is statistically significant at the 5% level.

**Exhibit 7
Emdeon, Inc.
Market Model ¹**

R Square	0.0907
Adjusted R Square	0.0797
Standard Error	0.0147
Observations	252

	<u>Coefficients</u>	<u>Standard Error</u>	<u>t-Statistic</u>
Intercept	-0.0039	0.0243	-0.1590
Market Index ²	0.3101	3.8049	0.0815
Industry Index ³	0.1980	0.0897	2.2081
Competitors Index ⁴	0.1571	0.0734	2.1401

Notes and Sources:

All stock price and index data obtained from Bloomberg L.P.

¹ The regression is run on log returns over August 14, 2009 through August 13, 2010.

² The market index is the S&P 500.

³ The industry index is the Dow Jones U.S. Select Health Care Providers Total Return Index.

⁴ The custom competitor index is an equally-weighted custom index made up of athenahealth, Inc.; Cerner Corporation; Computer Programs and Systems, Inc.; Eclipsys Corporation; MedAssets, Inc.; AllScripts Healthcare Solutions, Inc.; and Quality Systems, Inc.

Exhibit 8
athenahealth, Inc.
Event Study Analysis of February 8, 2011

Date	Price	Trading Volume	Stock Price Return (ln)		Market Return (ln) ¹		Industry Return(ln) ²		Competitors Return (ln) ³		Daily			Cumulative			Cumulative Abnormal Price Movement	
			Daily	Cumulative	Daily	Cumulative	Daily	Cumulative	Daily	Cumulative	Expected Return (ln)	Abnormal Return (ln)	Statistical Sig. ⁴	Expected Return (ln)	Abnormal Return (ln)	Statistical Sig. ⁵		
2/7/2011	\$48.11	302,603																
2/8/2011	\$48.00	1,037,192	0.04	0.04	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.03	0.89	0.01	0.03	0.89		51.33

Notes and Sources:

All stock price and index data obtained from Bloomberg L.P.

¹ The market index is the S&P 500.

² The industry index is the Dow Jones U.S. Select Health Care Providers Total Return Index.

³ The custom competitor index is an equally-weighted custom index made up of Centex Corporation; Computer Programs and Systems, Inc.; Eclipsys Corporation; Emdeon, Inc.; MedAssets, Inc.; AllScripts Healthcare Solutions, Inc.; and Quality Systems, Inc.

⁴ The regression is run on 10 returns over February 8, 2010 through February 7, 2011.

⁵ An asterisk (*) indicates the price movement is statistically significant at the 5% level.

Exhibit 8
athenahealth, Inc.
Market Model ¹

R Square	0.2150
Adjusted R Square	0.2055
Standard Error	0.0315
Observations	253

	<u>Coefficients</u>	<u>Standard Error</u>	<u>t-Statistic</u>
Intercept	-0.0114	0.0389	-0.2938
Market Index ²	1.7106	6.3422	0.2697
Industry Index ³	0.7205	0.2150	3.3518
Competitors Index ⁴	0.7931	0.2051	3.8672

Notes and Sources:

All stock price and index data obtained from Bloomberg L.P.

¹ The regression is run on log returns over February 8, 2010 through February 7, 2011.

² The market index is the S&P 500.

³ The industry index is the Dow Jones U.S. Select Health Care Providers Total Return Index.

⁴ The custom competitor index is an equally-weighted custom index made up of Cerner Corporation; Computer Programs and Systems, Inc.; Eclipsys Corporation; Emdeon, Inc.; MedAssets, Inc.; AllScripts Healthcare Solutions, Inc.; and Quality Systems, Inc.

Exhibits
Braker Corp.
Event Study Analysis of March 30, 2011

Date	Price	Trading Volume	Stock Price Return (ln)		Market Return (ln) ¹		Industry Return(ln) ²		Competitors Return (ln) ³		Daily			Cumulative			Cumulative Abnormal Price Movement		
			Daily	Cumulative	Daily	Cumulative	Daily	Cumulative	Daily	Cumulative	Expected ⁴ Return	Abnormal ⁴ Return	t-stat ⁵	Statistical Sig. ⁶	Expected ⁴ Return	Abnormal ⁴ Return		t-stat ⁵	Statistical Sig. ⁶
			(ln)	(ln)	(ln)	(ln)	(ln)	(ln)	(ln)	(ln)	(ln)	(ln)	(ln)	(ln)	(ln)	(ln)		(ln)	(ln)
3/29/2011	\$19.93	346,704																	
3/30/2011	\$20.60	939,296	0.03	0.03	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.02	1.34		0.01	0.02	1.34		\$0.45

Notes and Sources:

All stock price and index data obtained from Bloomberg L.P.

¹ The market index is the S&P 500.

² The industry index is the Dow Jones U.S. Select Health Care Providers Total Return Index.

³ The custom competitor index is an equally-weighted custom index made up of Agilent Technologies, Inc.; Danaher Corp.; Thermo Fisher Scientific, Inc.; Life Technologies Corporation; Illumina Inc.; Sigma-Aldrich Corp.; Waters Corp.; Pall Corp.; Mettler-Toledo International, Inc.; PerkinElmer Inc.; Alkermes Inc.; and Caliper Life Sciences.

⁴ The regression is run on log returns over March 30, 2010 through March 29, 2011.

⁵ An asterisk (*) indicates the price movement is statistically significant at the 5% level.

Exhibit 9
Bruker Corp.
Market Model ¹

R Square	0.4335
Adjusted R Square	0.4267
Standard Error	0.0165
Observations	253

	<u>Coefficients</u>	<u>Standard Error</u>	<u>t-Statistic</u>
Intercept	0.0134	0.0169	0.7928
Market Index ²	-2.1688	2.8078	-0.7724
Industry Index ³	0.0156	0.1384	0.1124
Competitors Index ⁴	0.9781	0.1126	8.6889

Notes and Sources:

All stock price and index data obtained from Bloomberg L.P.

¹ The regression is run on log returns over March 30, 2010 through March 29, 2011.

² The market index is the S&P 500.

³ The industry index is the Dow Jones U.S. Select Health Care Providers Total Return Index.

⁴ The custom competitor index is an equally-weighted custom index made up of Agilent Technologies, Inc.; Danaher Corp.; Thermo Fisher Scientific, Inc.; Life Technologies Corporation; Illumina Inc.; Sigma-Aldrich Corp.; Waters Corp.; Pall Corp.; Mettler-Toledo International, Inc.; PerkinElmer Inc.; Affymetrix Inc.; and Caliper Life Sciences.

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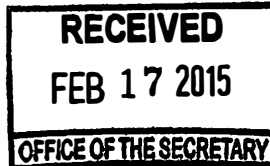
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