

## TURNING INFORMATION INTO INSIGHT

### *Accurate Information, Compelling Insights*

The real breakthroughs that help our clients succeed come from looking beyond the numbers. Accurate information is just the beginning.

Through our work in thousands of cases, across multiple industries, we have built a reputation for excellence by providing fact-based, thoughtful interpretation of complex legal and business issues. We apply our expertise pragmatically, interacting with clients to understand the real-world context in which they operate.

As a result, our clients count on us to help solve their most challenging problems, from resolving disputes to making critical business decisions.

**INTERPRETATION · INSIGHT · INTERACTION**

## INTERPRETATION

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### REDUCING THE UNCERTAINTY IN UNCERTAIN ENVIRONMENTS

Over more than two decades of providing analysis, strategic recommendations, and expert testimony, we have seen a steady increase in the complexity of the legal and business landscape. In this changing environment, our clients rely more than ever on our balanced, fact-based recommendations.

#### CASE IN POINT

##### *Salomon Smith Barney: Summary Judgment in Securities Case*

Analysis Group was retained by the law firm of Cravath, Swaine & Moore on behalf of defendant Salomon Smith Barney (SSB) in a securities litigation. MKP Master Fund LDC, a hedge fund, faced margin calls in excess of \$100 million from its prime broker, SSB. MKP sued, contending that had SSB not forced the fund to liquidate its portfolio to meet the margin call, the portfolio value would have been over \$200 million higher one month later. Working with our academic experts, an Analysis Group team demonstrated that deteriorating market conditions and the portfolio composition precipitated the margin call. SSB won summary judgment on all nine counts.

“I’ve worked with Analysis Group on numerous securities cases. Invariably, their attention to detail and in-depth knowledge make it easy for me to turn my attention to making sure the client will get absolutely the best analysis.”

**BURTON G. MALKIEL**, CHEMICAL BANK PROFESSOR OF ECONOMICS, PRINCETON UNIVERSITY

“My success as an expert witness depends critically on the scientific reliability of the research underlying my testimony. Analysis Group has consistently delivered bulletproof results. I rely on them for outstanding support in every area of my practice – financial analysis, quantitative market modeling, and econometrics.”

**ROBERT E. HALL**, MCNEIL JOINT PROFESSOR OF ECONOMICS AND SENIOR FELLOW (HOOVER) STANFORD UNIVERSITY

### ***Academic rigor, applied.***

While our intellectual tradition is rooted in the academic origins of Analysis Group, we are firmly focused on the legal, regulatory, and business realities our clients face. Our leadership in economic and financial analysis is based on consistently high standards of quality, technical proficiency, and meticulous attention to facts.

**STATE-OF-THE-ART ANALYTIC METHODS AND MODELING TECHNIQUES.** Our professionals have a passion for analysis and problem-solving. We continually innovate, developing new models that build on leading theoretical and empirical research, and refining methodologies for managing large and complex sets of data. What never changes, however, is the commitment of our entire organization to work that is accurate, reliable, and of the highest quality.

**OBJECTIVE CONCLUSIONS AND FACT-BASED RECOMMENDATIONS.** Embedded in our culture and our organizational processes is a deep commitment to objectivity and independence. We have found that our clients are served most effectively with impartial advice based solidly on the facts.

**PERSUASIVE COMMUNICATION AND EXPERT TESTIMONY.** We consider our analytical role as just the beginning of exceptional client service. Whether we are providing empirical analysis in a deposition, a business strategy presentation to a board or a graphic visualization in a jury trial, our work is precisely reasoned and clearly communicated.

“I have always enjoyed working with the talented professionals at Analysis Group. They are smart, thoughtful, and careful, and I know I can rely on their technical support and output.”

**R. GLENN HUBBARD, DEAN,**  
COLUMBIA BUSINESS SCHOOL

### EXPERTISE THAT ADAPTS TO NEW CHALLENGES AND OPPORTUNITIES

Rapid advances in technology are blurring traditional market boundaries; legislation is redefining standards for corporate accountability; and regulatory change is altering the shape of industries. Our expertise in economics, finance, and strategy continually expands to meet changing legal and regulatory requirements, as well as the dynamics of competitive markets. We provide our clients with the tools, strategies, and insights to help them address the challenges of these increasingly complicated environments.

### CASE IN POINT

#### ***Syngenta: Class Certification Denied***

Analysis Group was retained by counsel for Syngenta Seeds Inc. and Pioneer Hi-Bred International Inc. to help evaluate whether individual farmer impact could be established from class-wide evidence of premium pricing for genetically modified seeds. We supported our academic affiliate by analyzing invoice data covering approximately 40 million transactions and industry survey data covering purchasing patterns of farmers.

In denying class certification, U.S. District Court Judge Rodney Sippel of the Eastern District of Missouri stated, “... I cannot presume or assume – much less conclude – class-wide impact here because the evidence submitted during the class certification hearing demonstrates that such a presumption would be improper.”

“The AG team worked closely with us in constructing what proved to be the winning cross-examination at trial. For a case involving complex economic concepts or financial instruments I can think of no better place to look for help than Analysis Group.”

THOMAS J. MOLONEY, ESQ., CLEARY,  
GOTTLIEB, STEEN & HAMILTON

### ***A solid practice foundation...***

We structure our work around a number of core practice areas.

**ANTITRUST.** The rapid pace of change in technology and the business environment demands state-of-the-art economic expertise to assess antitrust issues. In large-scale, high-stakes antitrust cases, we have examined class certification issues, defined relevant market boundaries, and evaluated alleged anticompetitive practices as well as quantifying their potential impact. We are regularly called upon to analyze the complex dynamics that affect pricing, market share, and profitability.

**BUSINESS STRATEGY.** We work with clients in senior management to apply innovative analytical approaches and new insights to the competitive and market challenges they face in managing and expanding their businesses.

**COMMERCIAL LITIGATION.** Our professionals excel in analyzing data to assess damages in cases involving breach of contract, torts, malpractice, fraud, and fiduciary duty performance. We also provide expert testimony and support academic experts throughout the litigation process.

**INTELLECTUAL PROPERTY.** Intellectual property assets are significant drivers of value, especially in the information economy, and the importance of protecting these rights continues to increase. Analysis Group’s intellectual property professionals have extensive experience in valuing IP assets in both litigation and non-litigation situations, and in structuring business agreements.

**LABOR AND EMPLOYMENT.** The challenges presented by employment discrimination or wage and hour litigation require customized analysis. Our expertise in labor economics, statistics, and finance enables us to address the most formidable data demands and analytical challenges for our clients while remaining mindful of individual client needs.

**SECURITIES.** Our well-established track record in securities-related matters continues to build, as we work on high-profile cases involving market timing, 10b-5 securities litigation, fraud, and insider trading. We have conducted damages assessments and high-level analysis of risk and return characteristics of complex financial products, including various bonds and equity instruments and derivatives, on behalf of leading financial institutions and corporate clients.

“We have worked with Analysis Group virtually from the day it was founded, and their economists have repeatedly fulfilled our expectations. We have come to expect timely and insightful responses, whether from their consulting services or in preparing and delivering expert testimony.”

JOHN G. HARKINS, JR., FOUNDING PARTNER, HARKINS CUNNINGHAM

**TRANSFER PRICING AND TAX.** In a global economy, effective transfer pricing policies are critically important. We establish, document, and defend a company’s complex transfer pricing policies. We also provide finance and economic valuations for other tax matters, helping our clients establish and defend their tax positions for a range of tax issues. Clients regularly seek our expertise while planning, during an audit, or in litigation.

**VALUATION.** Valuation of complex business, financial, real estate, and intellectual property assets requires both technical proficiency and the ability to recognize and assess the many variables that influence future values. Our clients have benefited from our carefully tailored approach in the valuations we have conducted over the past 20 years.

### *...enriched by industry depth.*

We serve the business needs of clients in multiple sectors. In both litigation and non-litigation situations, clients find great value in our industry expertise, particularly in the following areas:

**ENERGY.** In addition to providing expert testimony, we have addressed a number of industry concerns including competition and market power, transmission access, and policy matters. Our energy practice is distinguished by the wealth of experience our professionals bring from their backgrounds as regulators, senior government officials, leading academics, and seasoned economic consultants.

**ENTERTAINMENT AND SPORTS.** In an age of broad Internet access, technological advances have a profound impact on content use and ownership, bringing a new level of complexity to the business of entertainment and sports. We specialize in helping solve the resulting issues related to valuation, branding, trademark, and piracy.

### **CASE IN POINT**

#### ***Ameren: Helping Energy Companies Merge***

Ameren, a large electric utility, hired Analysis Group to prepare market analyses to submit to federal and state regulators as part of its planned acquisitions of Central Illinois Light Company (CILCO) and Illinois Power Company. Our analyses, which addressed potential effects of competition in wholesale energy markets, revealed certain limited technical violations of merger screening standards. We therefore developed specific measures involving transmission system expansion and wholesale power sales to alleviate perceived competitive problems. Federal and state regulators subsequently approved the acquisition of CILCO; the merger with Illinois Power has also been approved by the Federal Energy Regulatory Commission (FERC) and state regulators.

“I work with Analysis Group for one reason: The work they do is unsurpassed in terms of quality. I have taken part in a number of antitrust and intellectual property projects with them, and I have always been thoroughly pleased with the support I have received, the team effort, and most important, the extremely high quality of the work. They are consummate professionals and a delight to work with.”

**ROBERT S. PINDYCK**, BANK OF TOKYO-MITSUBISHI PROFESSOR OF ECONOMICS AND FINANCE, SLOAN SCHOOL OF MANAGEMENT, MIT

**ENVIRONMENT.** Increasingly, companies find thorough economic analysis essential in environmental regulatory proceedings, litigation, financial risk analysis, and strategic decision-making. In addition to providing cost-benefit and cost-effectiveness analyses, our expertise in finance allows us to estimate present values of future environmental liabilities or benefits. We have particular strength in analyzing and designing environmental policy mechanisms.

**FINANCIAL INSTITUTIONS.** In valuing financial products and practices, we combine thorough knowledge of the underlying value of individual instruments and deep familiarity with financial institution markets and practices. For banks, credit card companies, and insurance and mutual fund firms, we analyze competitive issues, evaluate portfolio risk, and assess investment strategies. We also provide expert witness testimony, frequently in the context of high-stakes litigation.

**HEALTH CARE PRODUCTS AND SERVICES.** Our consultants take a uniquely integrated approach to the legal and business challenges related to health care, from pharmacoeconomics, epidemiology, and outcomes research to pricing, franchise strategy, and business development. We use our knowledge of industry data sources gained from outcomes research, for example, to assist attorneys in litigation involving medical products such as drugs and devices as well as hospital, physician, long-term care, and insurance services. Drawing on our deep industry and economic understanding, we help executives develop innovative strategies for growth and competitive success.

**REAL ESTATE.** Using analytical tools from economics, finance, statistics, and accounting, we investigate construction and real estate projects involving properties as diverse as low-rise condominiums and nuclear power plants. We conduct valuation and feasibility reviews and assess claims and damages for dispute resolution.

**TELECOMMUNICATIONS.** The telecommunications industry continues to undergo fundamental technical change, affecting core business issues for new entrants, incumbents, and policymakers. Our staff and affiliates have expertise in the regulatory and competitive dynamics of the industry, providing business planning, expert testimony, and regulatory and competition policy analysis.

## INTERACTION

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“Analysis Group worked closely with my legal team from early in the case through the end of the trial. They combined high quality work with an ability to translate their analysis into language and concepts understandable to non-economists.”

**MARGO WEINSTEIN, ESQ.**  
SONNENSCHN NATH &  
ROSENTHAL LLP

### HIGHLY MOTIVATED AT EVERY LEVEL

From our managing principals and vice presidents to our analysts and academic experts, we provide clients with motivated, talented professionals at every level. We are proud of the strong client relationships that our distinctive culture has allowed us to develop.

Although our approach is carefully tailored to each client situation, we believe successful client service should always be defined by four key principles: collaboration, access, responsiveness, and pragmatism.

### CASE IN POINT

#### ***Microsoft: Comprehensive Support for Large-Scale Litigation***

Analysis Group assisted Microsoft’s legal team in the 2004 Minnesota overcharge litigation, which was settled after seven weeks of trial. Our team, a mix of Ph.D.s and MBAs, worked closely with the attorneys and numerous experts to provide analyses of the economics and structure of the software industry and of Microsoft’s actions.

Over four years, our work with Microsoft has spanned multiple, large-scale efforts, from the discovery process through trial preparation and settlement negotiations. We have identified potential experts in areas of survey design, class certification, pricing, statistics, liability and damages, accounting, and information technology. Our ability to meet multiple demanding deadlines has been due in large part to our flexible team structure, carefully integrated mix of skills, and firm-wide commitment to client service.

“The exceptional quality of the staff makes working with Analysis Group a real pleasure. They are uniformly well-educated, highly motivated, and very responsible. Their attention to detail and insistence on accuracy are crucial to my ability to write up and testify regarding research results for energy, health care, and high tech clients.”

ERNST R. BERNDT, LOUIS B. SELEY PROFESSOR OF APPLIED ECONOMICS, SLOAN SCHOOL OF MANAGEMENT, MIT

### ***Collaboration.***

**THE VALUE OF THE TEAM.** We structure our teams to enhance interaction with our clients throughout the course of our work together. We take care to staff our teams with a mix of educational backgrounds and real-world expertise, focusing on the analytical skills required to meet the specific demands of the case. Project teams include MBAs and Ph.D.s, blending strong project management and client service skills with high-level quantitative analysis. Our professional staff are frequently paired with uniquely qualified academic experts for maximum effectiveness.

### ***Access.***

**AN UNPARALLELED NETWORK OF LEADING EXPERTS AND ACADEMICS.** A relationship with any Analysis Group consultant provides access to our full set of professional resources. Building and maintaining close ties to highly specialized experts from academia, industry, and government is a constant priority, ensuring we always have access to the people and ideas that will make the difference for our clients.

### ***Responsiveness.***

**ORGANIZED AROUND CLIENT NEEDS.** We can scale project teams rapidly to meet demand, deploying the best talent within our firm and identifying a selection of the most appropriate experts internally, or from our extensive network of affiliates, regardless of location. Speed and flexibility define our approach, as we work to the schedules of our clients’ hearings, court dates, or planning deadlines. Our rigorous project management ensures that we meet critical engagement milestones.

### ***Pragmatism.***

**ALWAYS MINDFUL OF THE ENVIRONMENT.** The work we do must be credible and convincing in the courtroom, at the arbitration hearing, and with senior management or the board of directors. We work with our clients to help visualize and translate complex ideas into clear business cases and pragmatic, compelling arguments.

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## A LEADING PROVIDER OF ECONOMIC ANALYSIS

*Analysis Group provides economic, financial, and business strategy consulting to leading law firms, Fortune 500 companies, and government agencies. Founded in 1981, with over 475 professional staff, we assist law firms with all aspects of litigation and advise corporations and government clients on business issues that require expert analysis and interpretation of economic and financial data. We help organizations create strategies for innovation and growth.*



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