

Two Major Trial Verdicts

... a note from the CEO



Recently, Analysis Group assisted in two major trials that went to jury verdicts. We are delighted our clients achieved extremely favorable results in these challenging and potentially influential cases.

Our firm was retained by Clifford Chance and Greenberg Traurig, defense counsel for Alliance Capital Management, in a case involving allegations of breach of contract and fiduciary duty.

The Florida Retirement System pension fund sued Alliance, alleging that the company had failed to adequately research its investments in Enron and had deviated from an agreed-upon investment strategy. During a two-year period, Managing Principal Mark Eglund led a case team that supported six Analysis Group academic affiliates who provided consulting and testimony in the areas of portfolio management, accounting, corporate compliance control, corporate governance, and damages. The jury found Alliance Capital not liable on all counts (see page 2).

In only the third securities fraud trial to go to a verdict in the last ten years, we supported our expert, Managing Principal Robert Sherwin, in providing damages analysis on behalf of defendant Ernst & Young and counsel Latham & Watkins. The case involved alleged accounting irregularities at Clarent Corporation, for whom Ernst & Young had provided auditing services. Managing Principal Bruce Deal led the damages analysis while Mr. Sherwin provided trial testimony. Though the plaintiff claimed \$125 million in damages, the judge found no liability or damages against Ernst & Young (see page 4).

The verdicts in these cases reinforce the importance of having access to experts who can provide authoritative testimony in highly specialized areas. The ability to identify and work effectively with these experts has been a hallmark of our firm throughout its 25-year history. In this edition of *Forum*, we have highlighted other recent examples of our work.

MARTHA S. SAMUELSON
PRESIDENT AND CEO

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Analysis Group Provides Expertise in Trial Victory for Alliance Capital

Client prevails in major verdict on investment management allegations

In a landmark trial verdict, a Florida jury found investment firm **Alliance Capital Management** not liable for the losses incurred by the Florida Retirement System pension fund as a result of Alliance Capital's investments in Enron stock.

The Florida State Board of Administration ("FSBA") hired Alliance Capital to manage a portfolio of stocks on behalf of the Florida Retirement System with the goal of achieving high returns. Under Alliance Capital's management, the FSBA's deposits of \$378 million grew to \$3.6 billion.

During 2000 and 2001, Alliance Capital invested a portion of the portfolio in Enron stock. This investment lost more than \$280 million when Enron collapsed. The FSBA sued Alliance Capital for allegedly failing to sufficiently research Enron and for allegedly not following an agreed-upon investment strategy. The FSBA was seeking more than \$1 billion in damages.

Analysis Group was retained by **Clifford Chance** and **Greenberg Traurig**, counsel for Alliance Capital. A team led by Managing Principal **Mark Eglund** analyzed daily stock holding and trading records over periods of more than 10 years. Analysis Group provided consulting support for counsel as well as research support for six expert affiliates: **Patricia Chadwick**,

Ronald Gilson, R. Glenn Hubbard, Michael Koehn, John Lacey, and Laura Starks.

Professor Hubbard, Dean of Columbia Business School, provided an overview of portfolio theory to show that the plaintiff's allegations were inconsistent with the investment strategy that the FSBA had requested from Alliance Capital. Ms. Chadwick, an investment strategy expert and president of Ravengate Partners LLC, demonstrated that Alliance Capital had followed a consistent strategy throughout the period in question. Dr. Lacey, an accounting expert and professor at California State University, Long Beach, testified that Alliance Capital could not reasonably have been expected to detect Enron's accounting fraud. Professor Starks, of the University of Texas, testified that Alliance Capital had sufficient procedures for ensuring compliance with guidelines and restrictions associated with the FSBA's account. She also testified that the plaintiff's allegations regarding the agreed-upon investment strategy were inconsistent with both Alliance Capital's and the FSBA's compliance procedures.

Professor Gilson, of Columbia University's School of Law and Stanford Law School, researched how Alliance Capital's corporate governance structure motivated portfolio managers to make investment decisions that were



in their clients' best interest. Dr. Koehn, an expert in financial economics and a co-founder of Analysis Group, identified several flaws in the damages analysis performed by the plaintiff's expert. Dr. Koehn also showed that, even if one believed that Alliance Capital had made inappropriate investments, it was not possible to conclude that the FSBA suffered any financial harm as a result of these investments.

After a five-week trial, the jury found for Alliance Capital. "This verdict is extremely important to the investment industry," said Mr. Eglund. "Investors hire portfolio managers to make decisions that involve risk. Had the plaintiff prevailed in this case, investment firms might have had to reconsider actively managing portfolios for their clients."

The Analysis Group case team included Vice Presidents **Elizabeth Evans, Lee Heavner, Stanley Ornstein, and Marc Van Audenrode**, and Managers **Mike Nguyen** and **Jimmy Royer**.

Mark Eglund (213 896 4523) is based in our Los Angeles office. ■

Academic Affiliate Peter Tufano Files Report in Mutual Fund Market Timing Matter

Methodologies for defining market timing and detailing shareholder losses

Analysis Group academic affiliate Professor **Peter Tufano** of Harvard Business School, a noted mutual fund industry expert, was engaged as the Independent Assessment Consultant under settlement orders between Putnam Investment Management and the Securities and Exchange Commission, and the Commonwealth of Massachusetts. Professor Tufano's charge was to determine losses to fund shareholders from market timing and excessive short-term trading activities by Putnam employees and by participants in employee benefit and defined contribution/401(k) plans maintained and administered by Putnam.

The Putnam matter was the first of a number of settlements of market timing matters at other fund complexes. The settlement orders deferred to the expert in determining practicable definitions of the broad concepts of market timing, excessive short-term trading, and potential costs to other shareholders. Professor Tufano's work, supported by an Analysis Group team, built on the academic and practitioner literature.

His work required defining and applying methodologies for identifying potential market timing transactions and measuring dilution. Initial steps involved determining which mutual funds had predictable prices and over what time periods this predictability held, as well as the length of hold-

ing periods that might be consistent with market timing. To complete these analyses, Professor Tufano developed pro-forma trading strategies of would-be market timers.

Another methodological issue involved measuring the effect of trading costs that resulted from market timing and excessive short-term trading – i.e., the costs of investing and disinvesting the money put into (and then quickly withdrawn from) the mutual funds. This required analyzing how portfolio manager investment decisions responded to shareholder activity; identifying the portfolio trades that likely resulted from short-term shareholder activity; and measuring the costs of these portfolio trades. Professor Tufano used an implementation shortfall measure of trading costs to account for the added costs from investing and disinvesting the flows of the market timers and excessive traders.

Professor Tufano's methodologies were developed in consultation with the SEC's Office of Economic Analysis and Enforcement Division, the Securities Division of the Massachusetts Secretary of the Commonwealth, the Independent Trustees of the Putnam Funds, and Putnam Investment Management.

Professor Tufano directed a team, led by Vice President **Michael Quinn** and including more than 30 individuals

REPORT EXCERPT

"I define market timing as transactions primarily intended to capitalize on short-term staleness of a fund's net asset value (NAV). My task is not to identify individuals who are 'market timers.' Thus, I did not speak with traders to ascertain their motives. Rather, I use statistical techniques to identify potential market timing transactions."

- Independent Assessment Consultant's Report to the SEC, March 2, 2005

ranging from analysts to managing principals, in analyzing data from more than 75 Putnam mutual funds over a seven-year time period. The data included information pertaining to nearly 15,000 employees and over three million 401(k) shareholders, and containing over one billion transactions.

In March 2005, Professor Tufano filed his first reports under the SEC and Commonwealth orders, detailing the losses borne by fund shareholders. Under a plan to be developed by Professor Tufano in his forthcoming reports, Putnam will make payments to shareholders of more than \$150 million.

Professor Tufano's March reports can be viewed at http://www.analysisgroup.com/ne_tufano_sec_report.htm. ■

RECENT LITIGATION

FAVORABLE HATCH–WAXMAN
IP VERDICT

In a recent Hatch–Waxman litigation, the trial judge ruled that the patent for a blockbuster pharmaceutical compound belonging to our client, **Daiichi Pharmaceutical Corporation**, and licensed to **Ortho-McNeil Pharmaceuticals**, is valid and would be infringed by a generic product



proposed by the defendant, Mylan Pharmaceuticals. Managing Principal **John Jarosz**, with support from Vice President **Robert Vigil**, submitted an expert report and provided deposition and trial testimony examining the analysis by the defendant's economic expert, which had contended that the market success of the compound, Levofloxacin, was due to pricing and marketing strategies and not to quality advantages. Our analysis demonstrated that the advantages of the patent itself contributed substantially to Levofloxacin's success in the U.S. and overseas. An academic expert provided testimony on the validity of the Levofloxacin patent. The judge directed the FDA to change the effective date of marketing of the generic version of Levofloxacin to no earlier than the date of patent-in-suit expiration, December 2010.

Victory for E&Y in Rare Trial for Securities Fraud

Major win in class action involving alleged accounting irregularities

Analysis Group was retained by **Latham & Watkins** on behalf of the defendant, **Ernst & Young**, in a securities fraud class action trial, only the third such trial to go to a verdict in the last decade. The case involved alleged accounting irregularities at Clarent Corporation, a California-based Voice over Internet Protocol (VoIP) company. After the irregularities were made public in 2001, Clarent shareholders filed a class action accusing the company of overstating revenues. The plaintiffs also claimed that Ernst & Young, which had done auditing work for Clarent, was liable for securities fraud and asked for approximately \$125 million in damages against Ernst & Young.

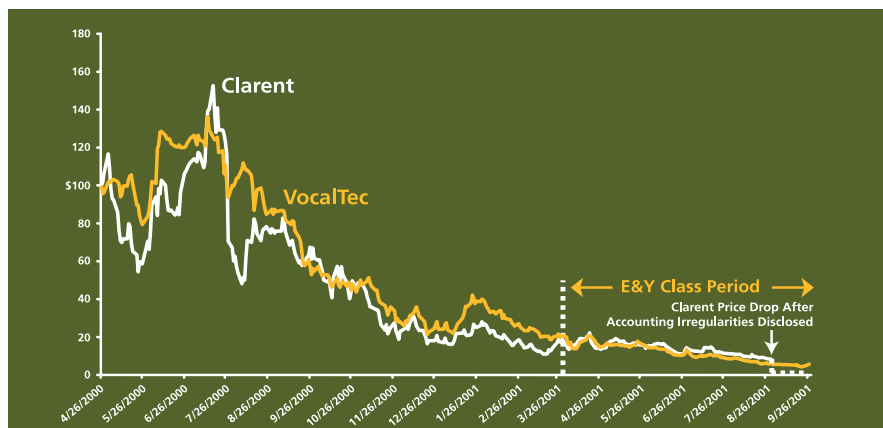
An Analysis Group team critiqued the plaintiffs' damages methodology and estimates. Managing Principal

Bruce Deal coordinated our consulting assistance on damages and causation issues. Additional support was provided by Vice Presidents **David Sosa** and **Stephen Schurman**.

Managing Principal **Robert Sherwin** served as the testifying expert on damages issues for Ernst & Young. At issue was whether Clarent's stock price decline could be attributed to any accounting misstatements, and could thereby be used to measure damages. Before the fraud was made public, Clarent's stock had declined during 2001 from approximately \$10 to \$5, as the telecommunications market went into a downturn and companies like Clarent lost favor with investors. After the fraud was revealed, Clarent's price declined further, from approximately \$5 to \$0.50. The plaintiffs' expert contended that the fraud accounted for

COMPARISON OF STOCK PERFORMANCE OF TWO SIMILAR VoIP COMPANIES

CLARENT AND VOCALTEC: \$100 INVESTED ON APRIL 26, 2000



up to \$8 in overpricing per share when the stock was trading at prices of \$10–\$12. This analysis equated to plaintiffs’ damages estimates of approximately \$125 million against Ernst & Young.

Mr. Sherwin’s analysis focused on the \$4.50 price drop when the accounting irregularities were revealed and attributed damages to various transactions in the accounting restatement. He used a demonstrative exhibit (see page 4) that helped illustrate to the jury how, prior to the fraud’s being revealed, Clarent’s

stock price decline could be attributed to market forces affecting similar companies, independent of the question of fraud. Combined with a detailed causation analysis, Analysis Group’s work resulted in affirmative damages estimates ranging from a few cents to \$1.92 per share. These equated to approximately \$4 million to \$50 million in shareholder damages.

Analysis Group’s critique of the plaintiffs’ expert’s methodologies contributed to a *Daubert* challenge, on which the judge held a hearing. While

the judge allowed the plaintiffs’ expert’s estimate of overpricing per share to go to the jury, he rejected the expert’s use of a trading model as unnecessary and possibly confusing.

After three weeks of testimony, the jury returned with a finding of no liability and no damages against Ernst & Young.

Robert Sherwin (213 896 4525) is based in our Los Angeles office; Bruce Deal (650 853 7201) is based in our Menlo Park office. ■

RECENT LITIGATION

VITAMINS ANTITRUST LITIGATION

Analysis Group has assisted a group of law firms representing large vitamin manufacturers in multiple federal and state litigations. The lawsuits have been brought by direct and indirect purchasers of vitamin products. In the direct-purchaser litigations, we developed pricing models to compute “but-for” prices for bulk vitamin products. In the indirect purchaser litigations, we evaluated class certification and calculated damages to plaintiffs. We applied advanced econometric models to transactional and aggregate data to assess pass-through along complex supply chains. The Analysis Group team included Managing Principal **Pierre Cremieux**, Vice Presidents **George Kosicki** and **Tamar Sisitsky**, and Manager **Adam Decter**, in support of several academic affiliates including Professor **Robert Pindyck** of MIT, who filed an expert report.

NO LIABILITY FOR DUPONT IN BENLATE DAMAGES LITIGATION

TicoFrut, S.A., a large orange grower and processor in Costa Rica, sued our client, **DuPont**, claiming that use of DuPont’s fungicide Benlate DF had caused TicoFrut to suffer more than \$170 million in damages. TicoFrut alleged that trees that were treated with Benlate DF produced substantially less fruit than non-treated trees. The company also alleged that, as a result, investors who would have funded significant planting of additional trees chose not to. The company claimed that it would have been able to expand to nearly four times its current size but for the damage caused by Benlate DF.

Working closely with DuPont’s outside counsel at **Bartlit Beck Herman Palenchar & Scott LLP**, an Analysis Group team led by Vice Presidents **Marc Van Audenrode** and **Catherine Niemann** supported our academic affiliate, Professor **Robert Hall**

of Stanford University, in analyses of TicoFrut’s production data and of the profitability of investing in Costa Rican



orange groves. Professor Hall concluded that there was no difference in orange production between TicoFrut trees that had been treated with Benlate DF and those that had not. Professor Hall also concluded that even if TicoFrut had achieved its claimed “but-for” productivity, planting orange groves in Costa Rica would not have been profitable, due largely to falling orange juice prices. The jury found no liability for DuPont.

Methodology Spotlight: The Importance of Causation Analysis in Mass Tort Pharmaceutical Cases

Managing Principals Paul Greenberg and Pierre Cremieux and Vice President Tamar Sisitsky discuss the value of quantitative analysis of individual, patient-level data in pharmaceutical mass tort cases.

Over the last two decades, pharmaceutical firms have developed a vast array of drugs to treat chronic illnesses such as arthritis, depression, pain, high blood pressure, and high cholesterol. As more people use these drugs, harmful side effects sometimes emerge, which can result in mass tort cases. In such cases, negotiations toward a global settlement can be enhanced by rigorous quantitative causation analysis.

Consider the following stylized example, which simplifies many of the complexities that often characterize these types of cases. Keep in mind,

however, that the eventual outcome of any negotiation will be case-specific, and dependent on multiple factors.

Assume that plaintiffs sue the pharmaceutical manufacturer of a drug that causes a fatal heart attack in one out of every 10,000 patients and has no other side effects. Of the ten million patients who took the drug, 2,000 died from heart attacks – 1,000 because of the drug and 1,000 because of health-risk factors unrelated to the drug. Let’s also assume that \$1.00 per life is considered fair compensation. Given these assumptions, the graph below captures

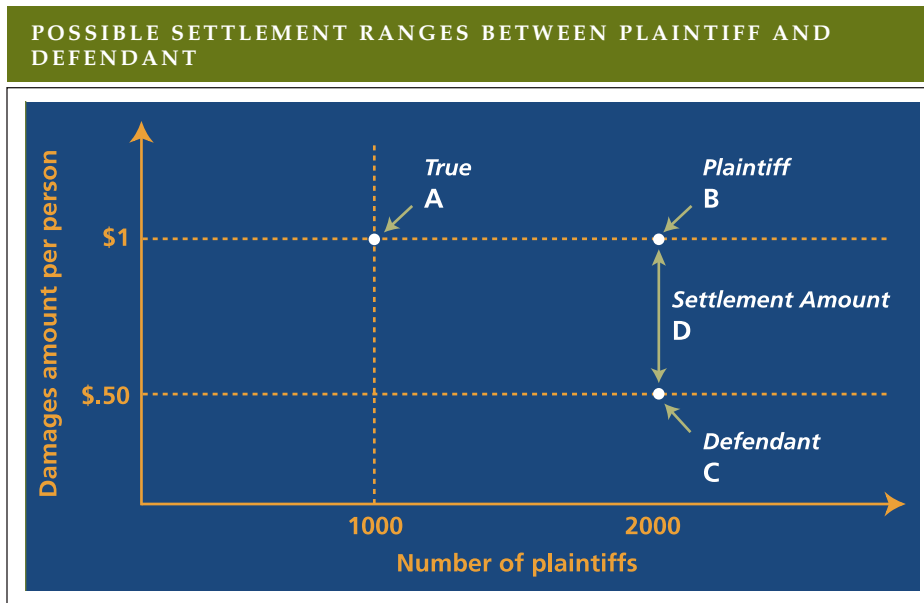


various potential settlement amounts.

To adequately compensate plaintiffs one would need to know which of the 2,000 patients died *specifically* because of the drug as opposed to other confounding factors (e.g., comorbid conditions, concomitant drugs). Patient medical records can help answer this question. These 1,000 patients would then each be owed \$1.00, for an aggregate amount of \$1,000 (point A on graph). Because this resolution makes whole all those plaintiffs who were injured by the drug (i.e., it neither undercompensates nor overcompensates individual plaintiffs), it is equitable for both the plaintiffs and the defendant.

If plaintiffs’ attorneys insist on securing compensation for every patient who took the drug and suffered a heart attack without any assessment of causation, they are likely to claim \$2,000 in damages (or point B). In response, the defendant might offer \$1,000 (at point C), giving each of the 2,000 plaintiffs an average award of only \$0.50.

Clearly, neither points B nor C would be truly equitable. Though point C would be fair in the aggregate to both plaintiffs (in the case of a class) and the



defendant, each plaintiff would receive \$0.50 regardless of whether the drug itself had caused the injury. Thus, half of the plaintiffs would be overcompensated and half would be undercompensated. In contrast, point B would be unfair to the defendant because it would overstate the aggregate amount of economic damage.

In this case, the two sides may agree to a settlement somewhere between \$1,000 (point C) and \$2,000 (point B), represented at point D. However, point D is also not equitable, as the defendant would end up paying more than the aggregate amount of economic damage.

Conclusion

In global settlements of mass tort cases against pharmaceutical firms, a quantitative method that does not include causation analysis will likely lead to an overestimation of damages and a misallocation of any monetary reward among plaintiffs. And yet, attempts to establish causation at the individual level may be resisted both because of the possible information requirements as well as the analytical challenges of controlling for confounding factors. Techniques that can be helpful in developing a fair payout matrix include statistical sampling of patient medical records to reduce the information needed, as well as applying econometric and biostatistical methods to identify the relationship between use of a particular drug and the injury at issue.

Pierre Cremieux (617 425 8135), Paul Greenberg (617 425 8128), and Tamar Sisitsky (617 425 8202) are based in our Boston office. ■

RECENT LITIGATION

SUCCESSFUL TRIAL DEFENSE FOR MCI WORLDCOM

Analysis Group was retained by defendant **MCI WorldCom** and law firm **DLA Piper Rudnick Gray Cary US LLP** in a litigation involving claims of fraudulent behavior. The plaintiff, Twister Communications Network, a pre-paid calling card and long-distance services company, alleged that MCI fraudulently took over its operations and destroyed the company. Twister sought to recover damages of \$478 million based upon a forecast of the company's projected free cash flow in the absence of MCI's alleged wrongful conduct.

Under the direction of Managing Principal **Keith Ugone**, an Analysis Group team demonstrated that Twister's projections contained a number of serious flaws, rendering the claimed damages estimates unreliable.

In addition, Twister's damages analysis did not adequately consider the company's poor financial health prior to MCI's alleged wrongful conduct or the significant downturn in the telecommunications industry during the period in question.

Dr. Ugone testified at deposition and at trial on the evaluation of Twister's claimed damages calculations. Following a five-week trial, the jury rejected Twister's claim that MCI defrauded Twister in any way, and awarded no damages.

Analysis Group team members included Vice Presidents **Bruce Blacker** and **Maureen Chakraborty**.

SETTLEMENT REACHED IN 10B-5 SECURITIES TRIAL

Analysis Group was retained by **Sidley Austin Brown & Wood LLP**, counsel for **AT&T**, in a 10b-5 securities class action suit. Shareholders of AT&T alleged that the company and its former chief executive had provided misleading guidance on financial results for the 2000 fiscal year in order to maintain the stock price in advance of an initial public offering for AT&T's wireless unit.

Analysis Group academic affiliate Professor **George Foster** of Stanford University provided economic analysis and deposition testimony regarding the reasonableness of AT&T's financial guidance. Professor Foster analyzed an enormous quantity of company-specific data from AT&T's budgetary and forecasting

systems to determine if these systems were designed to provide reasonable estimates. Professor Foster concluded AT&T did have the proper systems in place to provide reasonable guidance. In addition, academic affiliate Professor **William Lehr** of MIT provided a report and deposition testimony regarding the market conditions for telecommunications beginning in the late 1990s.

As reported in *The Wall Street Journal*, the plaintiffs had sought \$2.4 billion in damages, but the case was settled for \$100 million after three weeks of trial. **Bruce Deal**, Managing Principal in Menlo Park, California, managed the Analysis Group case team.

Spotlight on Analysis Group

PROMOTED TO VICE PRESIDENT

Lee Heavner, Los Angeles



Dr. Heavner has worked with counsel in all stages of litigation, including initial assessment and evaluation of claims, identification

of experts, and deposition and trial support. In recent litigation involving Alliance Capital, Dr. Heavner provided research and analysis in support of academic experts in the areas of portfolio theory, corporate governance, and investment advisor compliance. His experience also includes a broad range of antitrust cases. He has conducted academic research on vertical integration, the allocation of authority within firms, and social networks.

Dr. Heavner holds a Ph.D. and MBA from the University of Chicago's Graduate School of Business and a BS in Economics from MIT.

Rebecca Kirk, Boston



Ms. Kirk specializes in the application of microeconomics, finance, and econometrics to complex problems in business

litigation. She has conducted economic analysis and managed large teams in support of academic experts in a broad range of cases, including major antitrust litigation. In recent large litigations involving alleged anticompetitive practices by Microsoft, she managed a project to measure damages, prepared analyses used in the rebuttal of plaintiffs' experts, and assisted in the presentation of trial testimony.

Ms. Kirk holds an MBA in Financial Management from the Sloan School of Management at MIT and a BA with Honors in Economics from Middlebury College.

Alan White, Boston



Dr. White has assisted clients and worked with academic experts through multiple litigations, including support in preparing

expert reports, testimony, and rebuttal analyses and arguments. Dr. White's consulting experience includes analyses of economic issues relevant to class certification, quantification of lost profits due to false advertising, estimation of damages as a result of price-fixing by a vitamin manufacturer, and the calculation of but-for prices of PC hardware arising from an alleged patent infringement.

Dr. White holds a Ph.D. in Economics from the University of British Columbia, and an M.Litt. in Economics and BA in Mathematics and Economics from the University of Dublin, Trinity College.

PUBLICATIONS

ASSA Papers Presented:

At the 2005 conference of the Allied Social Sciences Association, Vice President **Alan White** and Manager **Jaision Abel**, along with academic affiliate Professor **Ernst Berndt** of MIT, presented their paper, "Hedonic Price Indexes for Personal Computer Operating Systems and Productivity Suites" (www.nber.org/papers/w10427).

Academic affiliate Professor **Robert Hall** of Stanford

University presented a paper co-authored with Analysis Group Vice President **Marc Van Audenrode** and Manager **Jimmy Royer** entitled, "Potential Competition and the Prices of Network Goods: Desktop Software" (www.aeaweb.org/annual_mtg_papers/2005papers.html).

LAPD Pedestrian and Motor Vehicle Stop Data Analyses: Academic affiliates **Geoffrey Alpert** and **Michael Smith**,

Managing Principals **Bruce Strombom** and **Elizabeth Becker**, and Manager **Alan Meister** presented for public comment a proposed methodology for analyzing stop data gathered by the Los Angeles Police Department. The proposed methodology report, prepared for the City of Los Angeles, is available at <http://www.lacity.org/LAPDstops>.

Health Care: Health Care Practice Co-Directors **Howard Birnbaum** and **Paul Greenberg**

recently analyzed the health care and work-loss costs of persons with ADHD, as well as their family members, in a study published in *Current Medical Research and Opinion*. They also published a cost analysis of depression in *Expert Opinion on Pharmacotherapy*, and contributed a chapter on the economic burden of depression to *Biology of Depression: From Novel Insights to Therapeutic Strategies* (Wiley, 2005). ■

PRACTICE NEWS AND EVENTS

Antitrust: Analysis Group President and CEO **Martha Samuelson** spoke on a panel entitled “Hot Topics in Economics” at the Conference Board’s 2005 Antitrust Conference. Ms. Samuelson’s presentation focused on new developments in regulatory restitution processes.

Business Strategy: With the Medicare Modernization Act (MMA) set to go in effect January 1, 2006, pharmaceutical companies need to make urgent decisions regarding partnering opportunities to provide prescription drug benefits to seniors through Medicare. In partnership with a pharmaceutical client, Analysis Group Managing Principals **Andrew Parece** and **Edward Tuttle** and Vice President **Genia Long** developed an interactive analytic model that estimates the impact of the MMA, by geographic region, on market share and product sales. The model helps drive strategic decision making by simulating scenarios to allow clients to see how a number of variables translate into financial outcomes for their brands.

Energy: Managing Principal **Susan Tierney** chaired a panel discussion on the National Commission on Energy Policy’s recommendations for breaking the decade-long stalemate over energy policy. Dr. Tierney, a member of the commission, was joined by several officials from the Commonwealth of Massachusetts.

Health Care: At the Novartis Canada Pharmaceutical Conference, Managing Principal **Pierre Cremieux** presented “New Orientations for Asthma,” drawing from his recent publication in *Health Economics* demonstrating a statistical relationship between pharmaceutical spending in Canada and health outcomes.

- Vice President **Anne Hector** presented “Your Patent Is About to Expire: What Now?” at Drug Delivery World’s seminar in May.

- At a conference hosted by Pharmaceutical Education Associates, Managing Principal **Andrew Parece** spoke on patent expiration and lifecycle management.

- Managing Principal **Paul Greenberg** spoke on a panel addressing product liability for FDA-regulated products at a conference hosted by the Food and Drug Law Institute.

- Vice President **Mei Sheng Duh** conducted a podium session on the cost effectiveness of medications for chemotherapy-induced anemia at the 10th Annual International Meeting of the International Society for Pharmacoeconomics & Outcomes Research in May. The Health Care practice presented a series of pharmacoeconomic posters at the conference.

Intellectual Property: Managing Principal **Jeffrey Kinrich** and academic affiliate **John Finnerty** facilitated a panel discussion on “Damages and Intellectual Property Valuations” at the National Litigation Support Services Association’s 2005 Spring Conference.

- In February, Managing Principal **John Jarosz** participated in a panel on technology valuation and pricing at the 2005 annual meeting of the Association of University Technology Managers. Mr. Jarosz also

facilitated a roundtable valuation discussion at the Licensing Executives Society Winter Meeting.

- Vice President **Russell Mangum III** spoke about damages and remedies at Law Seminars International’s Trade Secret Litigation & Transactions seminar.

Telecommunications: Vice President **David Sosa** presented “Regulatory Issues in Deploying Wireless VoIP” at the 7th annual Broadband Wireless World Conference.

Valuation: Managing Principal **Jeffrey Kinrich** discussed AICPA’s Statement on Standards for Valuation Services at the 2005 Advanced Business Litigation Institute, hosted by the CalCPA Society’s Education Foundation.

See www.analysisgroup.com for a list of upcoming presentations, seminars, and conferences. ■

Academic Affiliate News

NEW ACADEMIC AFFILIATES

Randolph E. Bucklin



*Professor of Marketing,
UCLA Anderson School
of Management*

Professor Bucklin is an expert on applied choice models in marketing, channels of distribution, and pricing policies, and an award-winning research specialist in the quantitative analysis of customer purchase behavior. He has published widely and has also served as an expert witness in litigation. In his current consulting work, Professor Bucklin focuses on quantitative tools to improve corporate marketing decision making and analysis of the variables involved in consumer choice.

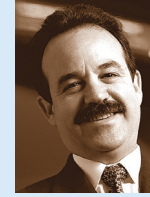
Sebastian Edwards



*Professor, Henry Ford II
Chair in International
Management, UCLA
Anderson School of
Management*

An expert in international economics and management, Professor Edwards has consulted to many national and international corporations and institutions. He has served as an expert witness in cases involving exchange rates, international securities, international taxation, credit events, and other economic and financial issues related to emerging markets. He is a research associate of the National Bureau of Economic Research.

Arthur D. Warga



*Dean & Judge James
A. Elkins Professor of
Finance, C.T. Bauer
College of Business,
University of Houston*

Professor Warga is a noted expert in fixed-income and corporate bond markets. He has provided expert consulting and testimony in litigations where he has valued high-yield bonds, testified on the risk and liquidity characteristics of corporate bonds, and analyzed bond markets. He has also consulted to the Congressional Budget Office on matters involving fixed-income securities and bond markets.

Accuracy of Hedge Fund

Reporting Indexes: Professor **Burton Malkiel** of Princeton University and Managing Principal **Atanu Saha** presented "Hedge Funds: Bonanza or Bias?" at an event hosted by Analysis Group in New York. Professor Malkiel and Dr. Saha's research on biases in hedge fund reporting indexes has drawn major media coverage in publications including *The Wall Street Journal*, *The Economist*, *The New York Times*, and *USA Today*. Dr. Saha was also interviewed on CNBC.

Issues in DTC Advertising: Professor **Ernst Berndt** of MIT discussed issues concerning direct-to-consumer (DTC) advertising for pharmaceuticals in *The New England Journal of Medicine*. He noted that the pharmaceutical industry is considering providing more balanced information on risks and benefits in its advertisements, in response to studies indicating concerns about adequate disclosure of risks associated with certain drugs.

The Coming Revolution in

Antitrust: At the 44th Annual Antitrust Seminar of the Practising Law Institute, Professor **Robert Hall** of Stanford University presented "The Coming Revolution in Antitrust Doctrine." Professor Hall discussed the role of real and potential competition on market entry and pricing, and contrasted U.S. and European approaches to antitrust issues.

See the back cover of *Forum* or www.analysisgroup.com for a list of selected academic affiliates and experts. ■

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