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Analysis Group Assists in Bear Stearns Securities Fraud Defense

Boston, November 30, 2009 — Analysis Group, Inc., a leading provider of economic, finance, and strategy expertise, supported testifying expert Dean [R. Glenn Hubbard](#) of Columbia Business School in his economic analysis and trial testimony in the high-profile criminal securities fraud trial of former Bear Stearns hedge fund managers Ralph Cioffi and Matthew Tannin. A Federal District Court jury found both men not guilty of alleged securities fraud related to the 2007 collapse of two funds that had been heavily invested in collateralized debt obligations, including subprime instruments.

Brune & Richard LLP and Williams & Connolly LLP, counsel for Mr. Tannin and Mr. Cioffi, retained Analysis Group to evaluate the funds' investment strategies, portfolio composition, and performance. Analysis Group Managing Principals [Maureen Chakraborty](#) and [Marc Van Audenrode](#), Manager [Ching Watson](#) and affiliate [Michael Koehn](#) led a team supporting Dean Hubbard.

Dean Hubbard filed an expert report and testified on the funds' investment strategies and the expectation of the funds' performance based on the information available at the time. He also reviewed the causes of the funds' eventual collapse. Sorting through complex investment terminology for a jury unfamiliar with financial industry concepts, Dean Hubbard opined that the funds were structured and managed such that it was reasonable from an economic perspective to expect they would be profitable during the months prior to their collapse. Dean Hubbard also testified that the managers' efforts to raise new capital were reasonable given the investment strategy and market expectations at the time.

"Professor Hubbard did an outstanding job of explaining the complexities of the funds' strategies to address the prevailing market conditions in the subprime market to a jury that was unfamiliar with financial industry jargon," said Dr. Chakraborty. "He helped them understand the difference between making investment decisions that turned out to be incorrect because of unforeseen events, and decisions made with an intent to commit fraud," she continued.

The Wall Street Journal Law Blog and *The AmLaw Litigation Daily* underscored Dr. Chakraborty's assessment of Dean Hubbard's testimony in their coverage of the verdict ("Bear Trial Postscript: The Value of Getting the Right Expert," November 11, 2009), ("Litigator[s] of the Week: Susan Brune of Brune & Richard and Dane Butswinkas of Williams & Connolly," November 12, 2009).

After six hours of deliberation that ended the three-week trial, the jury found no clear evidence of criminal intent and both fund managers were acquitted of all charges.

Founded in 1981, and with more than 475 professional staff, [Analysis Group](#) provides economic, financial, and business strategy consulting to leading law firms, Fortune 500 companies, and government agencies. 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.