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Analysis Group Client New World TMT Wins \$2.8 Billion Default Judgment

Los Angeles, January 16, 2007 — In one of the largest legal victories for a Chinese company in an American court, a Santa Clara County Superior Court Judge entered a default judgment on behalf of Analysis Group's client, Hong Kong-based New World TMT Limited, for compensatory and punitive damages totaling \$2.8 billion.

The judgment was rendered against PrediWave Corporation of Fremont, California, and its CEO and founder, Tony Qu. New World alleged that PrediWave defrauded it of nearly \$700 million in connection with its investment in PrediWave as well as its purchases of PrediWave's technology for video-on-demand cable systems, which did not work. The plaintiffs contended that Qu and PrediWave had knowingly engaged in actions aimed at defrauding New World of its investment.

Working with attorneys from Paul Hastings, counsel for New World, an Analysis Group case team led by Managing Principal **Bruce Strombom** provided damages analysis and estimated profits earned by the defendants in transactions involving the sale of memory chips. Dr. Strombom was supported on the case by Vice President Suzanne Heinemann.

Dr. Strombom explained "our analysis included a review of content development and marketing efforts by New World to bring one-way video-on-demand to consumers in China. We also used market data on prices of SDRAM memory chips to estimate the profit earned by a company related to the defendants in the resale of memory chips to New World."

The judge accepted Analysis Group's estimate of economic damages of \$670 million. This figure represented New World's investment in the PrediWave companies, purchases of video on-demand equipment for the Chinese market, and expenditures by New World to develop and promote the venture.

The award also included pre-judgment interest and \$2 billion in punitive damages.

Analysis Group has provided economic, financial, and business strategy consulting to law firms, corporations, and government agencies for more than 25 years. The firm has over 350 professionals, with offices in Boston, Chicago, Dallas, Denver, Los Angeles, Menlo Park, Montreal, New York, San Francisco, and Washington.

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