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Compass Lexecon's 2009 Client Newsletter

Compass Lexecon had a very successful year in 2009 notwithstanding the difficult economic environment. We opened new offices in New York and Century City and hired more than 20 new professionals. We also added several world-class experts including Ben Klein (formerly affiliated with LECG), Ken Lehn (formerly affiliated with Cornerstone), Atanu Saha (formerly affiliated with Alix Partners and Analysis Group), Mary Coleman (formerly affiliated with LECG), and David Mordecai (formerly working in the financial sector). And while we continue to be considerably (and intentionally) smaller than many of our competitors, we also continue to be retained and have success in a higher percentage than any other firm of the biggest and most complex cases and transactions as described more fully below. We are proud to present this summary of the 2009 highlights of our consulting practice.

United States v. Ruehle

In this historic and nationally publicized case, William Ruehle, formerly CFO of Broadcom Inc., was indicted for securities fraud in connection with alleged options backdating. Henry Nicholas, Broadcom's former CEO, was indicted for the same offense. Compass Lexecon was retained by the defense in both cases. The cases were severed and Ruehle's was the first case scheduled for trial. Professor Daniel Fischel, Compass Lexecon's President, was designated as a defense witness to testify about a variety of subjects including materiality based on Compass Lexecon's extensive analysis of the economics of alleged options backdating at Broadcom and other firms. But after a series of withering cross-examinations of cooperating government witnesses, exculpatory testimony by defense witnesses whom the court had immunized over government objection, and stunning revelations of prosecutorial misconduct exposed by defense counsel, the Court entered a judgment of acquittal in favor of Ruehle before the case went to the jury and also dismissed the indictment against Nicholas. We worked with Richard Marmaro, Matthew Umhofer, Jack DiCanio, Matthew Sloan, and Ryan Weinstein of Skadden, Arps, Slate, Meagher & Flom LLP who successfully represented Ruehle. We also worked with Nicholas' defense team led by Brendan Sullivan and others at Williams & Connolly LLP. David Ross, Jessica Mandel, and others in Compass Lexecon's Chicago office worked along with Professor Fischel on these cases.

Reed, et al. v. Advocate Health Care, et al.

In this alleged price-fixing class action, a plaintiff class of registered nurses in the Chicago, IL area alleged that defendant hospitals in Chicago conspired to suppress nursing wages. Compass Lexecon expert Bobby Willig, supported by Susan Manning, Elizabeth Wang, Bryan Keating, Meg Guerin-Calvert, and Compass Lexecon teams in Washington, DC and Cambridge, MA, testified on behalf of the defendants on class-wide impact and damages. In one of the strongest endorsements of expert testimony in recent memory, the Court heavily relied upon, and repeatedly cited Professor Willig's testimony, particularly with regard to the lack of common evidence of class-wide impact and damages, and the flaws in plaintiffs' expert's economic model, which the Court harshly criticized and completely rejected. Accordingly, the Court did not certify the proposed class because the plaintiffs' expert had not shown that common evidence could establish impact and assess damages on a class-wide basis. We worked with Scott Perlman and Bob Bloch of Mayer Brown; David Marx, Jr. and David Hanselman of McDermott Will & Emery; Michael Shakman, Diane Klotnia, and Edward Feldman of Miller Shakman & Beem LLP; Jim Calder and Martin Tully of Katten Muchin Rosenman LLP; Chris King and Margo Weinstein of Sonnenschein Nath & Rosenthal LLP; and Tim Haley of Seyfarth Shaw LLP.

Pfizer-Wyeth Merger

Pfizer Inc. and the law firms of Morgan, Lewis & Bockius LLP and Cadwalader, Wickersham & Taft LLP retained Compass Lexecon to provide economic analysis in connection with the successful merger of Pfizer and Wyeth. Valued at about \$65 billion, this was the largest merger or acquisition in 2009. The merger integrated Wyeth's expertise in biologic drugs with Pfizer's capabilities in small molecule drugs and its large distribution network. Compass Lexecon organized a team effort, led by Richard Gilbert, to address several issues of concern to the U.S. Federal Trade Commission, which was the lead antitrust enforcement agency for the merger. Professor Gilbert authored two white papers dealing with the effects of the transaction on pharmaceutical research and development and on the development of new drugs to treat Alzheimer's disease in particular. Professor Gilbert also co-authored a series of other papers with Compass Lexecon experts Vince Warther, Gilad Levin, and Jim Ratliff on whether the combined company was "too big to fail," the impact of the merger-related debt on the ability of the combined company to compete, and whether the merger facilitated anticompetitive bundling. We worked with Scott Stempel of Morgan, Lewis and Rick Rule of Cadwalader.

City of Moundridge, et al. v. Exxon Mobil Corp., et al.

On September 30, 2009, the United States District Court for the District of Columbia granted the summary judgment motion of Compass Lexecon clients Exxon Mobil, BP America, ConocoPhillips, and Shell. These firms hired Compass Lexecon expert Joseph P. Kalt to assess Plaintiffs' claims that the Defendants had colluded to fix the price of natural gas sold in North America. Professor Kalt's analysis found that there was no evidence of market concentration and, more fundamentally, that there was no credible evidence of any parallel or coordinated conduct among the Defendants with respect to supply or pricing decisions. Based in significant part on this analysis, the Court ultimately concluded that Defendants' behavior simply reflected

independent, self-interested conduct and, thus, did not provide any evidence to support an inference of conspiracy. We worked with legal teams representing each of the Defendant companies including counsel at Howrey LLP, White & Case LLP, Fulbright & Jaworski LLP, and Kirkland & Ellis LLP.

Chicago Mercantile Exchange CDS Clearing Review

In March, CME Group won final approval to provide central counterparty clearing services for credit default swaps (CDS), following an extensive review by the Securities and Exchange Commission, the Commodity Futures Trading Commission, the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, and the Financial Industry Regulatory Authority. As a result, CME became the first clearinghouse permitted to clear single-name CDS contracts alongside CDS index contracts. A Compass Lexecon team, headed by Professor Christopher Culp, and assisted by Hal Sider and Andrea Neves, was retained by CME to evaluate its proposed methodology for determining margin requirements for CDS contracts and the adequacy of financial safeguards available to cover default-related losses in excess of margin by a CME CDS clearing member. The Compass Lexecon team concluded in a series of written reports and presentations made to government regulators, that CME's approach to determining CDS portfolio margin is conceptually sound and that financial safeguards are available to absorb potential losses associated with CDS clearing member defaults.

Hedge Fund Litigation

Dr. Atanu Saha, Senior Vice President and Head of Compass Lexecon's New York Office testified at trial on behalf of defendants on both liability and damages issues in a hedge fund valuation dispute in Delaware Chancery Court which resulted in a written opinion granting our clients a complete victory. A team of economists from Compass Lexecon's New York office led by Vice President Alex Rinaudo assisted Dr. Saha. We worked with a team from Paul, Weiss, Rifkind, Wharton & Garrison LLP, led by Bruce Birenboim, on all phases of pretrial and trial practice including review of pretrial discovery, development of economic and financial models, critique of analyses by opposing expert and preparation of testimony.

NRG/Exelon Merger Litigation

NRG filed suit in the United States District Court Southern District of New York seeking to require Exelon to withdraw its pending hostile tender offer, claiming that Exelon harbored a secret intent not to close the exchange offer. Compass Lexecon expert Daniel Fischel testified at trial on behalf of Exelon, disputing NRG's expert's methodology and conclusions. The Court, after considering the testimony of both experts, cited Professor Fischel's testimony favorably, and dismissed NRG's complaint. Vince Warther, David Gross, and Jerry Lumer of Compass Lexecon's Chicago office assisted in this analysis. We worked with Walter Carlson and Brad Kapnick of Sidley Austin LLP.

Avaya, Inc. Acquisition of Nortel

A Compass Lexecon team headed by Professor Dennis Carlton and Rick Flyer assisted Avaya's outside counsel, headed by Steve Newborn from Weil, Gotshal & Manges LLP, in Avaya's acquisition of Nortel Networks. Rick Flyer and Allan Shampine of Compass Lexecon made several presentations to the U.S. Department of Justice outlining the econometric evidence showing that the acquisition likely would not have any anticompetitive effects, despite the fact that each company had a high share of telecommunication equipment sales in both North America and Europe. Compass Lexecon's analyses were also presented to the EU competition authorities. The transaction was then approved by both the North American and EU competition authorities within a few months of being announced.

World Trade Center Litigation

In April 2001, corporations formed by Larry Silverstein and the Port Authority of New York and New Jersey entered 99-year leases for Towers One, Two, Four and Five of the World Trade Center. The consideration paid by Silverstein to the Port Authority in a competitive auction was valued at \$2.805 billion. Pursuant to the destruction of these buildings on September 11, 2001, Silverstein's company, World Trade Center Properties LLC, and several holding companies filed suit against American Airlines Inc., United Air Lines Inc., Boeing and other defendants seeking over \$16 billion in damages. Counsel for the aviation defendants, assisted by Compass Lexecon experts Daniel Fischel, Rajiv Gokhale, and others in Compass Lexecon's Chicago office, filed a motion for summary judgment, arguing that Silverstein's damage claim was implausible and the correct benchmark for damages was the market value of the four towers as of September 11, 2001. Judge Alvin K. Hellerstein reached the same conclusion in a series of rulings rejecting Silverstein's \$16 billion damage claim. Professor Fischel has now also made several presentations on damages to a mediator in the next phase of the case against the subrogated insurers. We are working with Brian Fraser and Neil Binder of Richards Kibbe & Orbe LLP, Roger Podesta and Maura Monaghan of Debevoise & Plimpton LLP, and Robert Atkins of Paul, Weiss, Rifkind, Wharton & Garrison LLP, among others.

Xerox/ACS Merger Litigation

Plaintiff, City of St. Clair Shores Police and Fire Retirement System, filed a class action suit in Texas state court challenging the merger agreement between Xerox Corporation and Affiliated Computer Services, Inc. (ACS). Compass Lexecon expert Charles Cox submitted a report on behalf of Xerox and ACS rebutting the claims of plaintiffs' expert about the fairness of the deal. We also provided support for Yale Law School Professor Jonathan Macey who analyzed the fairness of various deal provisions. The case was settled on terms which did not require the payment of any money or any delay in the timing of the deal. Laurel Van Allen, Jonathan Polonsky, and David Strahlberg of Compass Lexecon's Chicago office assisted in the analysis. We worked with Gary Bornstein of Cravath, Swaine & Moore LLP and Kevin Abrams and Tom Bayliss of Abrams & Bayliss LLP.

Hyundai Heavy Industries Co., Ltd. et al. v. International Petroleum Investment Company, et al.

Compass Lexecon expert Joseph Kalt, supported by Nancy Bonn and a team in our Cambridge, MA office, was retained by attorneys for claimants, Hyundai Heavy Industries, Co. and a group of Hyundai related entities and shareholders in an ICC arbitration in 2008 involving a breach of contract and other claims related to a large Korean petroleum refining and marketing company. Claimants asserted that the respondents underpaid dividends as described in the shareholder's agreement. Dr. Kalt examined the economics of the decision to underpay dividends in order to finance two expansion projects being undertaken by the company. Dr. Kalt concluded that paying the dividends as described under the agreement would have had no material effect on the company's ability to obtain financing for these projects or on the financial condition of the company. The ICC agreed with Dr. Kalt's conclusions stating that underpaying the dividend "...was not justified by the need for the financing of the Projects in either 2006 or 2007." Dr. Kalt provided written and oral testimony before the arbiter, and the ICC ruled that the respondents breached the agreement by refusing to pay the appropriate dividends. The ICC award was worth hundreds of millions of dollars to Hyundai. We worked with David Rivkin and Christopher Tahbaz of Debevoise & Plimpton LLP, and Kevin Kim of Bae, Kim and Lee LLC.

Valassis Communications Inc. Litigation

Compass Lexecon was retained by Greg Curtner at Miller, Canfield, Paddock and Stone P.L.C. and the Law Offices of David Mendelson PC on behalf of their client Valassis Communications Inc. to estimate damages in Valassis's suit against News America Marketing Inc., a unit of News Corp. Valassis claimed that it had been harmed by News America's unfair competition and tortious interference in the market for newspaper coupon inserts. Compass Lexecon expert Gustavo Bamberger of our Chicago office prepared two reports and testified on behalf of Valassis in a jury trial in Michigan's Circuit Court for the County of Wayne. Wendy Petropoulos and others in the Chicago office provided support. The jury found for our client and awarded \$300 million in damages to Valassis.

Household International Securities Fraud Jury Verdict

In May, after a five week trial before Judge Ronald A. Guzman, a federal court jury in Chicago delivered a verdict against Household International and three officer defendants and in favor of Compass Lexecon's client, a class of investors. The jury determined that all four defendants violated federal securities laws and that as a result, Household's stock price was inflated by \$23.94 a share for much of an 18 month period. Compass Lexecon expert Daniel Fischel provided expert testimony on materiality, causation and the quantification of inflation on behalf of the plaintiff class in the case. A team from our Chicago office including Mike Keable, Jessica Mandel, Jerry Lumer, Cliff Ang, and Peter Clayburgh worked on the case and provided invaluable assistance. We worked with Mike Dowd, Spence Burkholz, Dan Drosman, Azra Mehdi, and Luke Brooks from Coughlin Stoia Geller Rudman & Robbins LLP who successfully represented the plaintiff class.

CHEP Class Certification Litigation

In August 2009, U.S. District Court Judge Robert T. Dawson ruled in favor of Compass Lexecon's client CHEP USA by denying plaintiffs' motion for class certification in a suit alleging that CHEP violated Sherman Act Section 2 through its alleged efforts to monopolize the market for 40" x 48" wood pallets in the continental United States. Judge Dawson reached his decision in part by relying on the analysis of Compass Lexecon expert Dan Rubinfeld. Professor Rubinfeld demonstrated, and the judge agreed, that plaintiffs had failed to properly define a relevant market. In particular, Professor Rubinfeld's analysis showed that due to relatively high shipping costs, there were numerous localized relevant geographic markets rather than the single continental U.S. market alleged by plaintiffs. Professor Rubinfeld also argued that plaintiffs' proposed sampling methodology was incapable of demonstrating class-wide impact. Professor Rubinfeld was supported by a team in the Oakland office including Jim Ratliff, Simon Rosen, Kristin George, Blake Phillips, and Sarah Bartlett. CHEP was successfully represented by Bill Kolasky of Wilmer Cutler Pickering Hale & Dorr LLP.

Fresh Del Monte Pineapples Antitrust Litigation

On September 30, 2009, Judge Richard Berman of the U.S. District Court for the Southern District of New York granted summary judgment in favor of Compass Lexecon's client Del Monte in the Fresh Del Monte Pineapples Antitrust Litigation. Plaintiffs claimed that Del Monte had created a monopoly for extra sweet whole pineapples by improperly using its claimed patent rights over a particular strain of pineapples to exclude potential entrants from the market. In a series of earlier rulings, various courts relied heavily on the analysis of Compass Lexecon expert Bradley Reiff in rejecting Plaintiffs' proposed class of indirect purchasers. Professor Dennis Carlton of Compass Lexecon acted as Del Monte's expert on damages in the case. We worked with David Barrett, Carl Goldfarb, Stuart Singer, and Carlos Sires of Boies, Schiller & Flexner LLP who successfully represented Del Monte.

AT&T-Centennial Merger

Jon Orszag, Robert Willig, and Loren Poulsen of Compass Lexecon were retained by Rich Rosen and Will Mudge of Arnold & Porter LLP and Randy Smith of Crowell & Moring LLP to advise AT&T on its merger with Centennial. Orszag, Willig, and Poulsen submitted testimony to the FCC about the economic effects of the proposed merger, concluding that the proposed combination would deliver substantial consumer benefits and was thus in the public interest. With divestitures in only eight areas in Louisiana and Mississippi and other voluntary commitments by the parties, the Department of Justice and the FCC cleared the nearly \$1 billion merger.

Baxter International Securities Fraud and ERISA Litigation

Plaintiffs filed a series of cases under both the securities laws and ERISA challenging various financial disclosures by Baxter. Compass Lexecon experts Daniel Fischel and Michael Keable have acted as experts for defendants in these cases in the areas of materiality, causation, and damages. All of the cases except one have now either been dismissed or resolved in favor of

our clients at the summary judgment stage. We are working with Matt Kipp, Donna McDevitt, and Andrew Fuchs of Skadden, Arps, Slate, Meagher & Flom LLP in all the Baxter matters.

BPA America Production Co. Arbitration

Compass Lexecon expert Janusz Ordover was retained by Doak Bishop, John Bowman, and Kevin Sullivan of King & Spalding LLP on behalf of their client British Petroleum. British Petroleum asserted that Repsol failed to share incremental profits of certain sales of LNG produced by their joint investments in Trinidad & Tobago. Repsol responded, in part, that the requirement that it share incremental profits with British Petroleum violated EC competition law and United States antitrust law. Professor Ordover, supported by Steven Peterson and a team in Compass Lexecon's Cambridge office, testified that the profit sharing provisions of BPA and Repsol's agreement did not threaten competition or violate EC or US competition law. The tribunal agreed, finding that BPA and Repsol's agreement is enforceable and that Repsol violated the agreement.

NFL Enterprises LLC v. Comcast Cable Communications, LLC

Compass Lexecon expert Jon Orszag, supported by Jay Ezrielev, Elizabeth Wang, Loren Poulsen, and Bryan Keating of Compass Lexecon's Washington and Cambridge offices, testified on economic issues at an FCC hearing in front of the administrative law judge on behalf of Comcast in a case involving a carriage complaint brought by NFL Enterprises against Comcast. NFL Enterprises alleged that Comcast's carriage of the NFL Network was discriminatory and sought to compel Comcast to carry the NFL Network on highly penetrated tiers. The parties settled the dispute after the completion of the FCC hearing on very favorable terms to our client. As the newspaper stated, "If you want a final score from yesterday's announcement, it was something like: Comcast 34, NFL 10." We worked with various members of Comcast's legal team, including David Toscano, Arthur Burke, Michael Carroll, and Jennifer Ain of Davis Polk & Wardwell LLP and Mike Hammer of Willkie Farr & Gallagher LLP.

TCR Sports Broadcasting Holding LLP v. Comcast Corporation

Compass Lexecon expert Jon Orszag, supported by Jay Ezrielev, Elizabeth Wang, Loren Poulsen, and Bryan Keating of Compass Lexecon's Washington and Cambridge offices, testified on economic issues at an FCC hearing in front of the administrative law judge on behalf of Comcast in a case involving a carriage complaint brought by TCR Sports Broadcasting Holding LLP, which does business as the Mid-Atlantic Sports Network (MASN), against Comcast. MASN alleged that Comcast's lack of carriage of MASN in certain geographic areas was discriminatory and sought to compel Comcast to carry MASN in those areas on a highly penetrated tier. The FCC Enforcement Bureau concluded that Comcast had not discriminated against MASN based on affiliation. That decision led *Multichannel News* to write that, "MASN Whiffs Against Comcast." The parties ultimately settled the dispute on favorable terms to Comcast. We worked with various members of Comcast's legal team, including Arthur Burke of Davis Polk & Wardwell LLP; Robert Kirk, Michael Sullivan, and Andy Tollin of Wilkinson Barker Knauer, LLP; and Mike Hammer of Willkie Farr & Gallagher LLP.

Plaintiffs Shareholder Corporation v. Southern Farm Bureau Life Insurance Co.

On March 19, 2009, a jury in Federal Court for the Middle District of Florida returned a verdict for our client, Plaintiffs Shareholder Corporation (PSC), against Southern Farm Bureau Life Insurance Co. and awarded PSC \$31.7 million in damages. PSC claimed that it was defrauded when Southern Life purchased its convertible debenture. Compass Lexecon expert Charles Cox testified that Tillinghast-Towers Perrin's valuation of the debenture (the valuation provided to PSC by Southern Life) underestimated its value by at least 91% and that PSC suffered an economic loss of \$31.7 million. Rajiv Gokhale, Laurel Van Allen, Agustina Levy, and Jessica Mandel of our Chicago office provided support in the case. We worked with Jerry Linscott of Baker and Hostetler LLP in Orlando, FL.

Government Testimony on Horizontal Merger Guidelines

Professor Dennis Carlton submitted a statement to the FTC and U.S. Department of Justice regarding possible revisions to the Horizontal Merger Guidelines. His statement was sponsored by several firms and organizations including the National Association of Manufacturers, Microsoft, AT&T, Verizon, and the Financial Services Roundtable. At the invitation of the Department of Justice and the FTC, Professor Carlton appeared at hearings in December where he presented some of his views. The ABA publication, *Antitrust*, conducted an extensive interview with him about the Guidelines and published the interview in its Nov/Dec issue.

Rose Acre Farms, Inc. v. United States

On March 12, 2009, the United States Court of Appeals for the Federal Circuit issued a decision in favor of our client, the Federal Government in a regulatory takings case. Compass Lexecon expert Bradley Reiff testified on behalf of the Government on economic impact and damages and demonstrated that the plaintiff suffered no economic harm. The Federal Circuit in its decision relied heavily on Dr. Reiff's analysis in ruling for the government. Dr. Reiff was assisted by Lynette Neumann and Margaret Bennett of Compass Lexecon's Chicago office.

United States v. Nacchio

In 2007, Joseph Nacchio was convicted of insider trading. On appeal, he argued that the trial court erred by excluding the expert testimony of Compass Lexecon expert Professor Daniel Fischel on the ground that his lawyers had not provided the Government with adequate disclosure. The Tenth Circuit initially agreed and reversed the conviction but the entire Circuit en banc reinstated the conviction on a 5-4 vote and the Supreme Court declined to hear the case. After trial, Professor Fischel, assisted by David Ross and Jessica Mandel of Compass Lexecon's Chicago office, submitted an expert report on economic harm which the district court did not rely on and sentenced Nacchio to a prison term of six years. On appeal of this sentencing decision, however, the Tenth Circuit, repeatedly citing Professor Fischel's expert report on economic harm, reversed the district court and sent the case back for resentencing. We are working with Sean Berkowitz and others of Latham & Watkins LLP who are representing Mr. Nacchio.

Vodafone – Hutchison Merger

Compass Lexecon expert Janusz Ordovery provided economic consulting to the legal teams advising Vodafone Group Plc and Hutchison Telecommunications Ltd. in the proposed merger of their Australian mobile phone operations. In clearing the merger, the Australian Competition and Consumer Commission (ACCC) agreed with Professor Ordovery and focused on the increasing need for mobile network operators to have sufficient scale to be able to make significant investments in their network capabilities to provide high speed data services such as mobile broadband. Vodafone was represented by Linda Evans of Clayton Utz. Hutchison was represented by Fiona Crosbie of Allens Arthur Robinson.

Huntsman – Tronox Transaction

Mary Coleman, supported by a Compass Lexecon team in Washington, DC including David Weiskopf, Anna Koyfman, and Nicolas Shea, provided economic analysis related to Huntsman's proposed acquisition of certain assets of Tronox. The economic analysis focused on the titanium dioxide industry. Compass Lexecon participated extensively in written submissions and presentations to the United States Federal Trade Commission. The FTC ultimately decided not to issue a second request, terminating its investigation of the proposed transaction. Huntsman was represented by Billy Vigdor and Dionne Lomax of Vinson & Elkins LLP, and Tronox was represented by Marimichael Skubel of Kirkland & Ellis LLP.

Diebold ERISA Litigation

In March, Judge Peter Economus of the United States District Court for the Northern District of Ohio, Eastern Division, denied plaintiffs' motion for class certification in the Diebold ERISA Litigation. The Court's ruling was based on his finding that the plaintiffs could not adequately represent the class due to conflicts of interest between members of the proposed Class. David Ross, supported by Laurel Van Allen and Gina Vinogradsky in our Chicago office, submitted a report on behalf of defendants on the conflict issue. Defendants were represented by Victoria Gorokhovich and Jeremy Blumenfeld at Morgan, Lewis & Bockius LLP in Philadelphia.

Hoffman v. American Express Travel Related Services Co. Inc.

On March 26, 2009, Judge George C. Hernandez of the California Superior Court ruled in favor of our client, American Express, on all counts in the matter of Hoffman v. American Express. Plaintiffs were a national class of American Express card members, alleging that Amex overcharged them by as much as \$310 million in connection with travel insurance programs. In one of the few nationwide class actions that have gone to trial, Judge Hernandez ruled in favor of American Express after the Plaintiffs finished their 11-week trial presentation, and ordered Plaintiffs to pay court costs. Compass Lexecon expert Daniel Fischel provided expert testimony in the case and showed that the damage calculation of Plaintiffs' expert was unreliable. Professor Fischel was supported by a Chicago-based team that included Hal Sider, Tom Stemwedel, and Margaret Bennett. We worked with David Shapiro and Fred Norton of Boies, Schiller and Flexner LLP.

AVX Corporation and AVX Limited v. Cabot Corporation

On March 5, 2009, United States District Court Judge Richard G. Stearns ruled in favor of our client, Cabot Corporation, on its motion for summary judgment against AVX Corporation and AVX Limited regarding antitrust allegations of tying in the marketplace for tantalum. The Court's ruling relied in part on expert testimony provided by Compass Lexecon expert Joseph P. Kalt concerning the relevant market at issue and whether Cabot Corporation's actions were consistent with the economics of tying. Professor Kalt was supported by Eric Henson and Andrew Lemon of our Tucson and Harvard Square offices. We worked with Brian A. Davis of Choate Hall & Stewart LLP.

Herring Broadcasting ("WealthTV") vs. Bright House, Cox, et al

In this case, Compass Lexecon expert Janusz Ordoover, supported by Lacey Plache of Compass Lexecon's Los Angeles office, testified at an FCC hearing in front of the administrative law judge on behalf of Bright House and Cox in a case involving a carriage complaint brought by Herring Broadcasting ("WealthTV") against Bright House, Cox, and other MVPD defendants. WealthTV alleged that Bright House's and Cox's failure to carry the WealthTV network was discriminatory and restrained its ability to compete fairly. Professor Ordoover testified on behalf of Bright House and Cox on economic issues related to the carriage complaint and demonstrated that the plaintiff had failed to support its claims. The administrative law judge issued a recommended decision to the full Commission in favor of the defendants. We worked with various members of Bright House's and Cox's legal teams, including R. Bruce Beckner of Fleischman and Harding LLP and David Mills and J. Parker Erkmann of Dow Lohnes PLLC.

Royal Dutch/Shell Securities Litigation

Working on behalf of Royal Dutch and Shell, Compass Lexecon provided significant assistance to the defense of this case, which resulting, among other things, the first class-wide settlement between European investors and a European company over European securities claims. The work undertaken by the team from our Chicago office (including Daniel Fischel, Mike Keable, Vince Warther, Peter Clayburgh, Hans Peterson, and Liz Wall) included analyzing trading and relative price movements of shares traded on the U.S. and foreign exchanges. We worked with Ralph Ferrara, Ann Ashton, Jonathan Richman, Chris Clark, and others at Dewey & LeBoeuf LLP and Jon Tuttle and Scott Auby at Debevoise & Plimpton LLP.

Ricoh v. Quanta Computer and Quanta Storage

On November 20, 2009, a jury in the United States District Court for the Western District of Wisconsin awarded our client, Ricoh, \$14.5 million in damages in a patent infringement lawsuit. The case involved patents on recordable DVD and CD drives, primarily used in notebook computers. Compass Lexecon expert David Gross testified as Ricoh's damages witness in the trial. Ricoh was represented by J.C. Rozendaal and Michael Guzman of Kellogg, Huber, Hansen, Todd, Evans & Figel PLLC.

Tyson Partners, L.P., f/k/a Altaris Partners, LLC

In a proceeding before the American Arbitration Association, we worked with Rob Cohen, Joe Serino, David Flugman, and Melody Wells of Kirkland & Ellis LLP on behalf of Tyson Partners L.P. (formerly known as Altaris Partners LLC). Tyson Partners claimed, among other things, that AIG Global Asset Management Holdings Corp. failed to fulfill its funding obligations under the parties' joint venture contract. Compass Lexecon expert David Mordecai, working closely with Vince Warther of Compass Lexecon's Chicago office, testified regarding industry practices with regard to such funding obligations as well as the economics of those obligations. The arbitration panel found for Tyson Partners on all claims and awarded all costs and attorneys' fees.

Transfer of Control of Stratos Global Corporation to Inmarsat, plc.

Jon Orszag and Jay Ezrielev of Compass Lexecon were retained by Marc Williamson and John Janka of Latham & Watkins LLP on behalf of their client Inmarsat plc to assist in the application for the transfer of control of Stratos Global Corporation and subsidiaries to Inmarsat. Vizada Services LLC opposed the transaction. On January 16, 2009, the FCC granted the application, finding that the transfer of Stratos Global Corporation and subsidiaries to Inmarsat was in the public interest. The FCC also denied Vizada's petition to oppose the transaction and further found that Vizada did not show that Inmarsat had significant market power in the international mobile satellite services market or that its acquisition of Stratos Global would give it significant market power.

Amaranth Manipulation Litigation

Our client Amaranth was sued by the CFTC and the FERC for allegedly manipulating the price of natural gas futures contracts. Compass Lexecon expert Daniel Fischel analyzed the economic evidence in the case and testified that the government's expert reports were fundamentally flawed and that Amaranth's trading was perfectly consistent with normal market activity. Professor Fischel was assisted by David Ross, Hans-Juergen Petersen, Elizabeth Wall, and others in Compass Lexecon's Chicago office. The case eventually settled on favorable terms. We worked with Stephen Senderowitz, Michael Phillips, David Mollon, and Kristen Grisius of Winston & Strawn LLP who represented Amaranth.

Tucson Newspapers TRO

This case involves an antitrust challenge by the Arizona Attorney General to the closing of a newspaper, *The Tucson Citizen*, by the owner of the remaining newspaper, *The Arizona Daily Star*. With the support of Eric Henson and Compass Lexecon's Tucson office staff, Professor Joseph Kalt filed an affidavit demonstrating that the Arizona Daily Star would not be able to successfully exercise any alleged monopoly power because consumers, both readers and advertisers, had access to many alternative media and that the "competition" at issue was between two products produced, marketed and priced by a single firm. The Court then rejected the Attorney General's request for a temporary restraining order. We were retained by attorneys

representing the newspapers including, Don Kaplan from K&L Gates LLP and Gordon Lang from Nixon Peabody LLP.

Stand Energy Corp., et al. v. Columbia Gas Transmission Corp., et al.

Compass Lexecon expert Joseph Kalt, supported by Eric Henson and a team in Cambridge, MA, were retained by attorneys for defendants Columbia Gas Transmission Corp., Dynegy Inc., Virginia Electric and Power Company, and El Paso Merchant Energy LP. Plaintiffs alleged that they and other proposed class members were harmed because Columbia Gas Transmission provided its own marketing affiliate and other defendants with preferential access to pipeline services. Professor Kalt testified that plaintiffs' claims were not susceptible to class-wide treatment and that injury to proposed class members could not be established without individualized inquiry. Judge Robert C. Chambers agreed, concluding that "To decide liability, individual inquiries would dominate the case," and denied class certification. Individual plaintiffs continued to press discrete claims of harm against Columbia Gas Transmission and others. Professor Kalt provided additional testimony rebutting the plaintiffs' expert's testimony regarding adverse impact to the individual shippers who brought the suits. The litigation was resolved favorably for our clients. We worked with several members of the defendants' legal teams including Hamilton Loeb of Paul, Hastings, Janofsky & Walker LLP, Richard "Ky" Owen of Goodwin & Goodwin, LLP, Roxane Polidora of Pillsbury Winthrop Shaw Pittman LLP, Howard Feller of McGuireWoods LLP, and Murray Fogler of Beck Redden & Secrest, LLP.

IPO Securities Litigation

In approving the settlement of the coordinated Initial Public Offering Securities Litigation involving over 300 cases, Judge Shira A. Scheindlin of the United States District Court for the Southern District of New York, in a lengthy opinion, repeatedly cited Compass Lexecon expert Professor Daniel Fischel's reports and affidavit. Professor Fischel's reports and affidavit focused on whether the 300 stocks traded in an efficient market, and also analyzed causation, materiality and damages. Vince Warther, Jessica Mandel, David Ross, Kevin Hartt, and Yili Wang, among others in our Chicago office provided assistance.

Lingis, et al. v. Motorola, Inc., et al.

On June 17, 2009, United States District Court Judge Rebecca R. Pallmeyer, Northern District of Illinois, Eastern Division, granted summary judgment for our clients, Motorola, Inc. in an ERISA case concerning investments in the Motorola Stock Fund that were part of Motorola, Inc.'s 401(k) Plan. Compass Lexecon expert David Ross, supported by Laurel Van Allen and Gina Vinogradsky in our Chicago office, submitted reports concerning class certification and damages and testified at deposition. Motorola, Inc. was represented by John Murray, Ian Morrison and others at Seyfarth Shaw LLP.

New Zealand Commerce Commission Litigation

Compass Lexecon was retained by the New Zealand Commerce Commission in its litigation against Visa, MasterCard and their New Zealand member banks, concerning the

competitive effects of interchange fees and network rules including restrictions on merchants' ability to levy surcharges on credit card transactions. Professor Dennis Carlton, Dr. Gustavo Bamberger and Dr. Alan Frankel submitted expert reports on behalf of the Commerce Commission. All defendants settled prior to trial, agreeing to permit merchant surcharges in New Zealand and to other relief. Compass Lexecon also worked with David Goddard, QC of Thorndon Chambers.

In Re Broadcom Corporation v. Emulex Corporation, et al.

Prior to an anticipated acquisition offer from Broadcom, Emulex's Board of Directors amended its bylaws to create a super-majority voting provision and amended poison pill. Broadcom commenced a tender offer for Emulex's outstanding shares and filed suit in Delaware Chancery Court alleging that Emulex's directors breached their fiduciary duties by instituting a series of defensive tactics. Compass Lexecon was retained by counsel for Broadcom, Ed Welch and Ed Micheletti of Skadden, Arps, Slate, Meagher & Flom LLP and Tom Beck and Greg Varallo of Richards, Layton & Finger, PA to analyze the purported rationale for Emulex's defensive response to Broadcom's Proposal and Tender Offer from an economics perspective. Compass Lexecon expert Daniel Fischel, supported by a team in our Chicago office, filed an expert report on Broadcom's behalf prior to the case being settled.

PPL Electric Utilities Corp.

Based in part on Compass Lexecon's extensive testimony and analysis, the Pennsylvania Public Utilities Commission approved a multi-billion dollar power procurement plan for PPL Electric Utilities for years 2011-2013. Compass Lexecon provided PPL competitive market analysis, assistance with regulatory strategy development, and considerable support in the development of an overall procurement plan and request for proposals and electricity supplier agreements that would meet Pennsylvania's legislative and regulatory requirements. Joseph Cavicchi provided written and oral testimony supporting the procurement plan and relevant documents necessary for its implementation with extensive support from Andrew Lemon of Compass Lexecon's Cambridge office. We worked with David MacGregor and Michael Hassell of Post & Schell, PC.

Brieger, et al. v. Tellabs, Inc., et al.

On June 1, 2009, Judge Matthew Kennelly of the United States District Court for the Northern District of Illinois, Eastern Division ruled in favor of our client, Tellabs Inc., in an ERISA case. Plaintiffs alleged, among other things, that defendants made misrepresentations regarding Tellabs' business and failed to disclose information that plaintiffs needed in order to make informed decisions about the allocation of their contributions to the Tellabs Stock Fund in the Tellabs Advantage Plan, a retirement and savings plan. Compass Lexecon expert David Ross initially filed an expert report on class certification, and then testified at trial on behalf of defendants concerning the investment decisions made by Plan participants during the relevant period. Laurel Van Allen and Gina Vinogradsky of our Chicago office provided assistance. Defendants were represented by Chuck Jackson, Sari Alamuddin, Debbie Davidson, and others in the Chicago office of Morgan, Lewis & Bockius LLP.

Toys R Us Arbitration

In this case, Professor Dennis Carlton and Dr. Mark Israel of Compass Lexecon were retained by Michael Dockterman of Wildman, Harrold, Allen & Dixon LLP on behalf of Toys R Us in an arbitration related to a dispute with Chase, regarding the co-branded Toys R Us Visa card issued by Chase. Compass Lexecon provided an economic analysis of the importance of enforcement of contractual terms and estimated potential damages to Toys R Us if the contract were terminated prematurely. The case settled on favorable terms.

Distribution Settlement Services

Professor Francis E. McGovern of Duke University School of Law, in his role as the Independent Distribution Consultant for several securities and market timing settlement distribution funds, retained Compass Lexecon experts Jon Orszag, Arti Bhargava, and Yair Eilat to provide a wide range of consulting services which included developing economic models, equitable distribution methodologies, and the plans of distribution for these settlement funds. To date, the Compass Lexecon team has worked with Professor McGovern on the following settlement funds: Global Research Analyst Settlement; Banc of America Securities; HealthSouth; Bear Stearns & Co.; Prudential Securities, Inc.; Citigroup Global Markets Inc.; and most recently, American Skandia Investment Services, Inc. Compass Lexecon also has significant expertise in the development and execution of market timing settlement distribution plans. To date, this Compass Lexecon team developed four distribution plans associated with market timing settlements.

Energy Northwest Contract Dispute

Compass Lexecon expert Joseph Cavicchi provided extensive analysis and testimony on behalf of Energy Northwest in a power option purchase contract dispute that resulted in a favorable outcome for Energy Northwest. Our work required the use of complex analytical techniques that accounted for expected variations in wholesale fuel and power markets and utilized our extensive knowledge of how power plants are economically dispatched in wholesale electricity markets. Cavicchi provided written and oral testimony presenting the valuation and subsequent damages associated with the dispute. Compass Lexecon worked with Stevan Phillips of Stoel Rives LLP.

ABFS Deepening of Insolvency Litigation

In this case, a bankruptcy trustee sued our clients, JP Morgan Chase, Morgan Stanley, Credit Suisse, and Bear Stearns, claiming that they were responsible for losses of \$900 million suffered by American Business Financial Services, Inc., an originator of subprime loans. Compass Lexecon expert Daniel Fischel performed a valuation analysis, as well as an analysis of the economics of the subprime loans and the factors which affected the value of those loans, and concluded that the plaintiff and its experts had not established that the financial institution defendants were responsible for any losses. The case settled for a small fraction of the amount claimed on the eve of trial. We were retained by Steven Feirson and Michael Doluisio of

Dechert LLP and by Andrew Goldman and Douglas Curtis at Wilmer Cutler Pickering Hale & Dorr LLP.

Ramius Capital Group Arbitration

In a matter submitted to FINRA arbitration, claimant Ramius Capital Group, LLC alleged fraud through disclosure defects in connection with its purchase of collateralized debt obligations. Compass Lexecon expert Charles Cox testified on behalf of Ramius regarding liability, materiality, and scienter. The arbitration panel agreed with Cox's testimony and awarded damages to Ramius. Laurel Van Allen of Compass Lexecon's Chicago office assisted with the analysis. We worked with Philippe Selendy of Quinn Emanuel Urquhart Oliver & Hedges, LLP.

MetLife Demutualization Litigation

After separate class action lawsuits filed in federal and New York state courts regarding the fairness of compensation provided to policyholders in the MetLife demutualization were certified, Compass Lexecon expert Michael Keable testified at deposition in both cases that the policyholders, rather than being harmed, actually benefited from the demutualization and that plaintiffs' experts had failed to establish that there were any damages. Just prior to the beginning of trial in federal court, both cases settled on favorable terms for our client, MetLife. Keable was assisted by Rahul Sekhar, Cliff Ang, and others in the Chicago office. We worked with Bruce Yannett, Carl Micarelli, Mark Goodman, and others at Debevoise & Plimpton LLP.

Overstock.com, Inc., et al. v. Gradient Analytics, Inc., et al.

Overstock.com sued our clients Copper River Partners and various entities, claiming that they worked in concert to harm Overstock.com and enrich themselves, including by depressing the company's stock price through issuance of allegedly false analyst reports and selling the stock short. Compass Lexecon expert Daniel Fischel with assistance from Mike Keable, Vince Warther, Cliff Ang, and others in the Chicago office, prepared a detailed analysis demonstrating that other factors and not the short sellers caused Overstock.com's share price decline. The case settled on very favorable terms for a nominal amount. We worked with Fred Norton of Boies, Schiller & Flexner LLP.

Stone Energy Corp. Securities Litigation

Compass Lexecon was retained by Cliff Thau, Steven Paradise, and Hilary Preston of Vinson & Elkins on behalf of their client Stone Energy Corp. in a case involving the company's revision of its proved oil and gas reserves. Compass Lexecon expert Daniel Fischel filed an expert report in the case, concluding that plaintiffs' experts had failed to establish that there was any stock price decline caused by defendants' disclosure of the reserve revisions. The case settled on favorable terms for our client. Fischel was assisted by Mike Keable, Peter Clayburgh, Cliff Ang, Jerry Lumer, and others in the Chicago office.

Delaware Escheat Liability Litigation

The Delaware State's Department of Finance filed suit against CA, Inc. alleging significant escheat liability following the termination of CA's agreement to voluntarily disclose prior escheat liability. Compass Lexecon was retained by counsel for the State of Delaware, Ed Welch and Ed Micheletti of Skadden, Arps, Slate, Meagher & Flom LLP to estimate CA's escheat liability. Kevin Dages, supported by a team in our Chicago office, served as consulting expert to Delaware during the discovery phase of the case and prepared analyses of escheat liability damage estimates for purposes of mediation and settlement. The matter settled favorably to our client.

Valuation/Solvency Analysis

Compass Lexecon has been, and continues to be involved in many of the largest valuation cases in the country. These cases have involved claims such as fraudulent conveyance, preferential transfer, deepening of insolvency, piercing the corporate veil, or securities fraud claims which required analyses of solvency at different points in time. Other cases have involved the effect of a particular event on the value of a firm or the securities of a firm. We are also frequently retained to determine whether the valuation analyses of investment bankers or other professionals in various contexts are consistent with appropriate methodology.

Financial/Credit/Housing Crisis Litigation

Compass Lexecon has been retained in cases involving all aspects of litigation relating to the recent financial crisis. Our cases have included such diverse issues as whether particular firms were causes or victims of the financial crisis, the foreseeability of the crisis, the timeliness of disclosures of various firms, whether particular investments were prudent or suitable, whether or not firms were excused from performance because of a material adverse change clause, whether and on what terms alternative financing was available in specific circumstances, and whether the bonuses and executive compensation paid by particular firms were appropriate. We are also deeply involved in litigation involving the Madoff and other major financial frauds.

HONORS, PRESENTATIONS AND PUBLICATIONS

Christopher Culp authored several articles and book chapters that were published or are forthcoming including, “Catastrophic Reinsurance and Risk Capital in the Wake of the Credit Crisis.” *Journal of Risk Finance* Vol. 10, No. 5 (2009) (with K. J. O’Donnell of RenaissanceRe); “Contingent Capital vs. Contingent Reverse Convertibles for Banks and Insurance Companies.” *Journal of Applied Corporate Finance* Vol. 21, No. 4 (Fall 2009); “The Social Functions of Derivatives.” in *Financial Derivatives: Pricing and Risk Management*. R. W. Kolb and J. A. Overdahl, eds. New York: Wiley, 2010; “The Shape of CDOs to Come.” *Cayman Financial Review* No. 18 (2010Q1) (with J. Paul Forrester); and “Returns, Risk, and Financial Due Diligence.” in *Finance Ethics*. J. R. Boatright, ed. New York: Wiley, 2010 forthcoming (with J. B. Heaton). Professor Culp presented “A Primer on Debt Products” before the American College of Investment Counsel Spring Investment Forum in Chicago in April 2009. He also presented “Looking Past the Credit Crisis Toward the Future of Derivatives and Structured Finance” at the Rochester-Bern Executive MBA Program Luncheon in September 2009 in Zürich. In November 2009, he presented “OTC Derivatives Clearing: Economic Benefits and Costs” before Citadel Investment Group in Chicago. In June 2009 Professor Culp provided written testimony to the U.S. House of Representatives, Financial Services Committee, Subcommittee on Capital Markets, Insurance, and Government-Sponsored Enterprises at a hearing on “The Effective Regulation of Over-the-Counter Derivatives Markets.”

Dennis Carlton gave the keynote lecture in January to the Japan Fair Trade Commission on how to improve aspects of Japan's antitrust statutes. In February, he spoke at Harvard University regarding the antitrust aspects of bundling. He spoke on a panel in March at the Spring ABA Antitrust meeting regarding whether Section 5 should differ in its application than the Sherman Act and spoke at the WilmerHale Annual Partners meeting at the ABA Antitrust Conference. In May, he helped organize the ABA antitrust conference held in Jackson Hole on Regulation and Antitrust where he spoke about the need for improvements in bankruptcy law and the need for organized exchanges with clearing houses as a remedy to some of the financial problems today. Also in May, he spoke at a conference sponsored by the Massachusetts Institute of Technology on antitrust and economics. In June, he presented a paper (“How Should Economic Evidence be Presented and Evaluated?”) at the European Union Conference on competition law and policy in Italy on how to present economic evidence. In November, Carlton spoke about credit cards at a conference on electronic card payment systems hosted by the Kansas City Federal Reserve Bank.

Carlton also published several papers since our last letter, including, “Why We Need to Measure the Effect of Merger Policy and How to Do It,” *Competition Policy International* (Spring 2009); “Competition Policy: Beware of Using It to Harm Competition,” *Fair Trade, Japan*, (Spring, 2009); “How to Measure The Effectiveness of US Merger Policy,” (available at <http://voxeu.org/index.php?q=node/3344>, (2009)); and, “Should Competition Policy Prohibit Price Discrimination?” (with M. Israel also of Compass Lexecon), *The Handbook of Competition Economics*, (2009).

Atanu Saha coauthored a paper, with Prof. Allen Ferrell of Harvard University, entitled “Securities Litigation and the Housing Market Downturn”, which was recently published in the

Journal of Corporation Law. This paper addresses one of the key issues – the foreseeability of the housing market downturn, which intensified in the fourth quarter of 2007 – that must be addressed in assessing the extensive securities class action litigation that has been filed against financial institutions (and others) seeking to recover damages for investor losses arising out of the credit market crisis. The paper concluded that the housing market downturn was in fact not foreseen by the market prior to the fourth quarter of 2007.

Bobby Willig presented “New Media Competition Policy” at the NY State Bar Association Annual Antitrust Conference; “Antitrust and the Failing Economy Defense” at the ABA Section of Antitrust Law Spring Meeting, Chair's Showcase; “Mergers: New Enforcement Attitudes in a Time of Economic Challenge” at the Georgetown Law Global Antitrust Enforcement Symposium; and “Assessment of Competition in the Wireless Industry” at the Phoenix Center US Telecoms Symposium. In addition, during the first day of the DOJ/FTC Horizontal Merger Guidelines Workshop, Bobby Willig spoke on the panel that focused on Direct Evidence. He emphasized that direct evidence is no magic bullet, but rather has the potential to be a significantly informative element in analyses of market definition, competitive effects and other phases of guidelines assessment of a merger. Such uses of direct evidence, such as natural experiments, and the appropriate cautions would be better explained through examples in the Guidelines Commentary than in the revised Guidelines themselves.

Professor Daniel Fischel in September 2009 was an invited speaker at the Securities and Exchange Commission in Washington, D.C. on the use of economics to demonstrate causation and damages in securities fraud litigation.

Jon Orszag and Mark Israel prepared an updated version of the study “The Empirical Effects of Collegiate Athletics,” for the NCAA. The study focused on whether changes in athletic expenditures by colleges and universities are associated with corresponding changes in revenue, finding that on average \$1 additional dollar of expenditures generate \$1 additional of revenue – and thus no net revenue – as predicted by economic theory. This research was presented to the NCAA Leadership Advisory Board meeting at the Final Four and to the NCAA Board of Directors in April. It was also featured in a USA Today interview with Jon Orszag.

Jon Orszag and Doug Fontaine, at the request of ProtectingAmerica.org, prepared a white paper entitled “An Economic Assessment of the Homeowners’ Defense Act of 2009.” HDA-2009 is proposed legislation that seeks to improve the nation’s system for managing the financial and physical devastation that a major natural catastrophe can generate. The authors highlight several aspects of the current system that lead to inefficiencies and more generally compromise the effective management of catastrophic risk.

Mark Dutz, Jon Orszag, and Bobby Willig published a study, “The Substantial Consumer Benefits of Broadband Connectivity for U.S. Households,” which estimated that broadband at home provides \$32 billion annually in benefits to consumers. The authors presented the findings at a press conference in Washington, DC. Orszag published an op-ed about the study in *Multichannel News*.

Janusz Ordoover published “Coordinated Effects in Merger Analysis: An Introduction,” in *Columbia Bus. Law Review*, No. 2, and “Wholesale access in multi-firm markets: When is it profitable to supply a competitor?” in *International Journal of Industrial Organization*, vol. 25 (5) (with Greg Shaffer).

Bret Dickey testified before the U.S. House of Representatives, Committee on the Judiciary, Subcommittee on Courts and Competition Policy at its hearing investigating “Pay to Delay: Are Patent Settlements That Delay Generic Drug Market Entry Anticompetitive?” Dr. Dickey testified that patent settlements with so-called “reverse payments” can benefit consumers in many circumstances, and therefore the broad ban on such settlements currently being considered by Congress is inappropriate.

Compass Lexecon professionals contributed nine chapters to the three volumes of the American Bar Association book, Issues in Competition Law and Policy. They are: Benjamin Klein and Andres V. Lerner, “The Firm in Economics and Antitrust Law;” Richard J. Gilbert, “Competition and Innovation;” Dennis W. Carlton, “Barriers to Entry;” Daniel L. Rubinfeld, “Quantitative Methods in Antitrust;” Benjamin Klein, “Price Discrimination and Market Power;” Janusz A. Ordoover, “Coordinated Effects;” Michael L. Katz (with Howard A. Shelanski), “Merger Analysis and the Treatment of Uncertainty: Should We Expect Better?;” Dennis W. Carlton (with Michael Waldman), “Tying;” Richard J. Gilbert (with Alan J. Weinschel), “Competition Policy for Intellectual Property: Balancing Competition and Reward.” Meg Guerin-Calvert served on the editorial board for the publication.

Mary Coleman has been actively involved with the ABA Antitrust Section this year. She is vice chair on the Economics Committee and was session chair for a panel on Daubert at the Spring Meetings. She moderated a brown bag discussion with Carl Shapiro in May and participated in the working group providing comments to the FTC and DOJ on the Merger Guidelines Review project. Also, in November she participated on a panel at the Fall Forum.

Meg Guerin-Calvert served as Chair of the Membership of the ABA Section of Antitrust Law and as a member of the Long Range Planning Committee, where she has been particularly active in healthcare reform, organizational change, and competition policy.

Along with other members of the Section of Antitrust Law and the Section of International Law, Meg Guerin-Calvert hosted members of the Chinese Antimonopoly Commission for a two day seminar on antitrust law and economics, where she presented on entry, coordinated effects, and remedies. She has also participated in review of merger guidelines and other competition policy documents from MOFCOM.

Meg Guerin-Calvert co-authored an extensive presentation on class action litigation for the Section of Antitrust Law at the Spring Meeting entitled “Resources for Class Action Litigation: A Demonstration of Critical Issues and Techniques to Deal With Them.” She also was a panelist in a Brown Bag Seminar on Mergers and Alliances in the Airline Industry with participants from the DOJ and private bar.

Meg Guerin-Calvert presented at the Georgetown Law Global Antitrust Symposium on “Monopolization and Dominance: How Will New Economic Thinking Affect Enforcement?”

Greg Pelnar published “Section 1 Challenges to the Properties Arms of Sports Leagues: The Single-Entity Defense, Market Definition, and the Rule of Reason from Dallas Cowboys to American Needle and Beyond” in *Global Competition Policy*, May 2009(2).

Joseph Cavicchi and Andrew Lemon published “Anatomy of Sealed-Bid Auctions” in the June 2009 issue of *Public Utilities Fortnightly*. The article surveys the methods used by utilities in jurisdictions that have introduced retail competition to procure electricity for customers who do not otherwise obtain supply from independent retailers.

In April 2009, David Weiskopf presented a paper entitled “Hicks-Marshall Conditions and Defining Antitrust Markets for Intermediate Goods” at the International Industrial Organization Conference in Boston.

Todd Kendall published “An empirical analysis of political activity in Hollywood,” *Journal of Cultural Economics*, February 2009.

Allan Shampine published “Reasonable royalties and the sale of patent rights,” *Journal of Intellectual Property Law & Practice*, 2009 and “The Evaluation of Social Welfare for Payment Methods,” *2009 Oxford Business & Economics Conference Proceedings*, June 2009.

Lacey Plache was selected to serve on the editorial board of *The Antitrust Source* during 2009-2010. This is her second term.

Eugene Orlov’s paper titled “How Does The Internet Influence Price Dispersion? Evidence From The Airline Industry” is forthcoming in the *Journal of Industrial Economics* (2010). The paper estimates the Internet’s effect on the level and dispersion of airline fares on a given route within and across firms.

Kevin Green published “Competition in the Pharmaceutical Industry: The Case of PAH Drugs,” *International Journal of the Economics of Business*, Vol. 16, No. 1, February 2009, pp. 55–71.

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If you would like to find out more details about our work or our experts, please feel free to email or call any of us.

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