UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK
CR. NO. 04-837 (ILG)

In Re: United States of America
v.
Computer Associates International, Inc

PLAN OF ALLOCATION FOR THE RESTITUTION FUND

On November 4, 2004, I was appointed by Roslynn R. Mauskopf, United States Attorney for the Eastern District of New York, as Fund Administrator of the Restitution Fund totaling $225,000,000 arising out of the Deferred Prosecution Agreement entered into between the United States Attorney's Office ("The Office") and Computer Associates International, Inc. ("CA"). My responsibilities, as defined in the Deferred Prosecution Agreement include:

- holding the funds paid by CA in my custody;
- developing a formula by which the funds will be distributed to present and former CA shareholders[1] who were victims of the accounting fraud and obstruction of justice; and
- distributing the funds to the eligible victims.

Pursuant to the Deferred Prosecution Agreement, I was obligated by May 4, 2005, to prepare and submit to The Office, a Restitution Plan setting forth the procedures governing my activities, including but not limited to:

- the procedures by which present and former CA injured shareholders will be identified; and
- the procedures by which the financial losses of such shareholders will be determined and restitution for such losses will be paid.

Pursuant to this obligation I submitted a proposed Restitution Plan to The Office on March 17, 2005. Thereafter, The Office responded with comments. I hereby submit a final Plan of Allocation. I have been guided in defining this Plan by two principals: first and foremost to fairly allocate and distribute the Fund to those individuals and entities who suffered damages resulting from CA's accounting fraud; and second, to accomplish this task as efficiently as possible while still ensuring that all of those entitled will receive Notice and the opportunity to participate in the Fund.

In order to accomplish these goals, I have formulated a Plan that attempts to avoid "re-inventing the wheel" when certain relevant work has been done and approved by Judge Platt in In Re Computer Associates Class Action Securities Litigation, 98 Civ. 4839, Order and Final Judgment (E.D.N.Y., December 10, 2003), ("the Securities Class Action"). At the same time, I have formulated different approaches when called for by the unique circumstances presented by the Restitution Fund. Set forth below are the significant features of the Plan.

[1] I note that the Deferred Prosecution Agreement refers to "CA shareholders." I have interpreted this language not to exclude those who purchased options. See VI. Treatment of Options, at p. 11.

I. Background

The formulation of the Plan has been informed by my review of the relevant documentation, meetings and discussions with the government attorneys responsible for the criminal case, meetings and discussions with plaintiffs' and defense counsel in the Securities Class Action, review of the proceedings before Judge Platt in the Securities Class Action, review of the Complaint filed against CA by the SEC, and meetings with various other interested parties, including shareholders, journalists, and academics.[2]

In addition, I have retained Dr. Scott Hakala, an expert in securities fraud damages, for assistance in formulating this proposal. Dr. Hakala had been retained by the plaintiffs in the Securities Class Action as an expert on the damages resulting from CA's fraudulent conduct. During the course of that litigation, Dr. Hakala performed an event study and an inflation per share analysis to determine the inflation in the price of CA's publicly traded common shares due to CA's fraudulent accounting practices. After reviewing Dr. Hakala's study and conducting numerous subsequent meetings and interviews with Dr. Hakala, I asked him to prepare a report that would explain his analyses, See Hakala Report attached hereto as Exhibit 1. I retained Dr. Hakala due to both his expertise and reputation in the field and due to his familiarity and previous substantial work on the CA case. Once again my goal was to obtain the best advice to assist in proposing a fair formula without necessarily "reinventing the wheel."

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[2] At a meeting on March 9, 2005 hosted by Gary Lutin of Lutin & Company and attended by attorneys from the United States Attorney's Office, various law professors, and other interested parties, a number of issues regarding the Restitution Fund formula were discussed. Certain participants argued that, while holders of CA stock do not have cognizable losses under the security laws, these holders did in fact sustain damages due to the impact of the fraud on the enterprise value of CA. According to this view, the United States Attorney and the Administrator of the Restitution Fund are not bound by private law to recognize only damages as a result of the purchase of securities, but can apply a more creative standard that would compensate holders of CA stock on a particular date who were not able to recover through the Securities Class Action due to standing limitations. It has been suggested to the Administrator that the following shareholders should be compensated: (1) holders on a date (to be determined by an expert) when the market has largely appreciated the falsity of CA's earlier statements, or alternatively (2) holders who purchased before the beginning of the Securities Class Action class period and did not sell, if at all, until after the end of the period.

The issues raised regarding damages to holders merit serious debate by shareholders, companies, the government, and ultimately Congress. I do not believe, however, that such a dramatic departure from current securities law damage theories is appropriate here. The Restitution Fund was the result of securities law violations. In my view, the debate has not yet advanced to the point where this Restitution Fund should be allocated pursuant to the suggested models. First, while "holders" of CA stock may not have recovered in the Securities Class Action due to the current state of securities law, those shareholders who were compensated in the Securities Class Action as a result of damages resulting from the purchase of CA securities received only a fractional percentage of their actual losses and will not be made whole, even if they receive compensation from the Restitution Fund. Second, it is unclear how a holder's damages would be measured. The suggestion by some that all holders should receive a pro rata share of the Fund appears to me to carry "rough justice" too far, particularly when the degree of harm suffered by purchasers of CA stock relative to the inflation of the stock price is determinable. Finally, I am concerned about the wisdom of compensating all holders on a particular date because of the potential dilution of benefits. In sum, at this juncture I am not persuaded that a departure from the model of currently accepted methodology for the determination of securities fraud damages is warranted. Accordingly, the proposed formula presented here is based on the determination of securities fraud damages to those who purchased shares or options of CA stock during the Period of Participation.

II. The Period for Participation in the Restitution Fund

According to the Deferred Prosecution Agreement, CA agreed to pay an additional $225,000,000 in restitution to current and former shareholders who had already received compensation in connection with the civil litigation. Deferred Prosecution Agreement, ¶ 8. Accordingly, the time period used to define the CA shareholders who will participate in the Restitution Fund is from January 20, 1998 through February 25, 2002, the Class Period approved by Judge Platt in the Securities Class Action.

III. Notice

In the Securities Class Action, 792,000 Notices and Proof of Claim forms were mailed to shareholders and broker/nominees. This notice was distributed to the following persons or entities who could be reasonably identified:

- All persons or entities who purchased or transacted [3] in the common stock of CA or common stock options during the period January 20, 1998 through and including February 25, 2002;
- All participants in the Computer Associates Savings Harvest Plan ("the CA Harvest Plan") and their beneficiaries whose plan accounts were invested in CA common stock or any investment fund under the CA Harvest Plan that invested in CA stock during the period January 20, 1998 through and including May 30, 2003 (The ERISA Class); and
- All registered shareholders of CA common stock.

As a result of this Notice, 127,597 claim forms were returned. Of these, 97,327 were recognized, i.e., eligible.[4] There were 565 optouts.

I propose that Notice and Proof of Claim forms for the Restitution Fund be sent to all potential claimants to the Fund including those who received Notice of the Securities Class Action and did not submit a claim or opted out. See Notice of Claims Process for Distribution of the Restitution Fund and Proof of Claim, attached hereto as Exhibits 2 and 3 respectively. While these potential claimants received Notice of the prior settlement with CA and may have "elected" not to participate in the settlement, in my view these claimants should be provided the opportunity to evaluate their participation in this distinct fund. Accordingly, I propose the following:

- Notice and Proof of Claim forms to the approximately 792,000 potential claimants who received notice in the Securities Class Action;
- Notice and Proof of Claim forms to the 565 individuals or entities who opted out of the Securities Class Action,[5]

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[3] The term "transacted" is defined to include any acquisition where CA stock was used as currency, e.g. a merger.

[4] The 97,327 claims set forth above include the 18,000 participants in the CA Harvest Plan although the Harvest Plan submitted one omnibus claim on behalf of its 18,000 participants.

[5] Under the Plan of Allocation, securities brokers and other nominees shall within seven days of receipt of the Notice of Claims Process for Distribution of the Restitution Fund either (a) provide to the Fund Administrator the name and last known address of each person or organization for which the broker or nominee purchased relevant stock or options or for whom the broker or nominee holds CA common stock, or (b) request additional copies of the Notice and Proof of Claim Form which will be provided to the broker or nominee and within seven days will be mailed by the broker or nominee directly to the beneficial owners of the securities. Pursuant to the Plan, the broker or nominee will be entitled to reimbursement for reasonable expenses incurred and these expenses will be paid upon request and submission of documentation.

In addition, in my experience in the administration of settlements, claimants make inquiries throughout the administration of a fund regarding filing procedures and the status of their claims. Accordingly, I propose establishing a toll-free telephone line for claimant assistance staffed by knowledgeable personnel. This number will be included in the Notice and Proof of Claim forms and will be published on the CA website.

To the extent possible, the claims database compiled and maintained by the claims administrator for the settlement of the Securities Class Action will be utilized both for Notice and claims processing. Once again, in the interest of efficiency, I have retained Gilardi & Co., the claims administrator for the Securities Class Action settlements, to assist in sending Notice and processing claims. See Gilardi & Co. Brochure, attached hereto as Exhibit 4. Through my work to date with the General Manager and Gilardi personnel who would be responsible for assisting in sending Notice and processing claims, I have been impressed with both their expertise and their knowledge of the administration of the Securities Class Action settlement.

III. Distribution Schedule for Restitution Fund

In accordance with Paragraph 8 of the Deferred Prosecution Agreement, Computer Associates agreed to pay the sum of $225,000,000 according to the following schedule:

- $75,000,000 within 30 days of the date of approval of the Agreement by the Court (October 22, 2004). This amount has been received by the Fund Administrator and has been deposited into an interest bearing account;
- $75,000,000 within one year of the date of approval of the Agreement by the Court (October 22, 2005); and
- $75,000,000 within 18 months of the date of approval of the Agreement by the Court (April 22, 2006).

As stated, in my capacity as Fund Administrator I intend to provide Notice to potential claimants identified in the Securities Class Action, and to those individuals who opted out of the Securities Class Action. My goal in distributing the Restitution Fund is to distribute the funds as quickly and efficiently as possible. I anticipate that upon approval by the Court of the Plan of Allocation, Notice and Proof of Claim forms will be completed within 60-75 days (this estimate includes the time necessary for document preparation, broker solicitation, printing and mailing). I estimate approximately 150-200 days for the receipt and processing of all claims (this estimate includes a 90-day claimant filing period). Distribution of payments to eligible claimants will be made at approximately the same time that CA has made its final payment installment to the Restitution Fund on or before April 22, 2006 (estimate of 15 days to complete). Given this timeline, I plan to make one distribution to eligible claimants shortly after the third and final payment installment by CA into the Restitution Fund.

IV. The Formula

The formula I propose for allocation of the Restitution Fund will calculate damages based on the fraudulently induced inflation in the CA share price at the time of purchase and sale. In Dr. Hakala's June 22, 2005 report, he calculates the inflation as a percentage of the purchase or sale price for each day until the inflation is zero. Hakala Report, Exhibit C. The Plan of Allocation approved by Judge Platt in the Securities Class Action relied in part upon Dr. Hakala's analysis of inflation as a percentage of the purchase or sale price of CA stock for the Settlement Period. However, the Plan approved by Judge Platt weighted Dr. Hakala's formula to

account for the different litigation risks posed to individual claims based on purchases and sales on different dates. For example, shareholders facing a significant statute of limitations defense had their claims discounted to reflect this litigation risk. In my view, a weighting of Dr. Hakala's formula based on the analysis of litigation risk in the Securities Class Action is not appropriate for the Restitution Fund which should compensate for real losses suffered by victims of the fraudulent conduct. Accordingly, the formula proposed here does not discount or weight claims based on litigation risk, but instead calculates the damages for each shareholder based only on the inflation in the share price due to the fraud at the date of purchase and sale. After such a calculation is completed, the shareholder would receive a pro rata share of the Restitution Fund based on the calculated loss. See Hakala Report, p.11 for an illustration of how an individual shareholder's damages and distribution from the Fund would be calculated.

V. The Harvest Plan Claim

In Ambler v. Computer Associates International, Inc., the District Court approved a settlement of ERISA claims that were litigated on behalf of the CA Harvest Plan. Former counsel for the ERISA class has suggested to me that not only should the Harvest Plan be treated under the Restitution Fund formula as a shareholder, but also additional funds should be allocated to the Harvest Plan based on the breach of CA's fiduciary duties under ERISA. I have met with former counsel for the ERISA class to discuss the Restitution Fund's treatment of the Harvest Plan and its participants. In my view, which is informed in part by my discussions with government counsel and my review of the Deferred Prosecution Agreement and Information, the Restitution Fund is intended to compensate victims for damages resulting from violation of the securities laws, rather than ERISA. Accordingly, this proposal does not include any additional amounts for Harvest Plan participants based on ERISA violations. Instead, the Harvest Plan's damages will be calculated in a manner analogous to the calculation of damages for other shareholders. However, in recognition of the unique status of the Harvest Plan, the calculation of damages for the Harvest Plan will ensure that an appropriate accounting methodology is utilized. In furtherance of this objective, I propose the following:

- The Harvest Plan will submit an omnibus claim on behalf of all participants;
- The net loss for each Plan participant will be determined pursuant to a formula that accounts for the investment of the participant's account in CA common stock and not cash;[6]
- The net losses of all individual participants will be totaled to determine the amount of damages asserted in the Harvest Plan's claim;
- The Harvest Plan's distribution amount will be distributed to the Harvest Plan for allocation to the individual account of each eligible participant.

VI. Treatment of Options

I recommend that purchasers of options who were damaged by CA's fraudulent conduct be given the opportunity to participate in the Restitution Fund. Purchasers of options were not initially included as part of the

[6] The Harvest Plan invested in the Computer Associates Company Stock Fund which invested primarily in CA common stock but also maintained a portion of the account in cash.

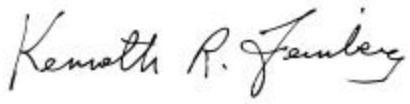
Settlement Class in the Amended and Consolidated Complaint in the Securities Class Action. In Re Computer Associates 2002 Class Action Securities Litigation, 98 Civ. 4839, Amended and Consolidated Complaint (E.D.N.Y. October 22, 2002). Upon objection by a member of the class who also traded in options, individuals and entities who transacted in stock options were included in the Settlement Class approved by Judge Platt. In re Computer Associates 2002 Class Action Securities Litigation, 98 Civ. 4839, Order and Final Judgment, p.2, (E.D.N.Y. December 10, 2003). In addition, Dr. Hakala has concluded in his June 22, 2005, report that certain individuals or entities who transacted in options during the period of participation were damaged by CA's fraudulent conduct. While option damages will undoubtedly represent a small fraction of the damages suffered by purchasers of common stock (less than 1% of the total damages in the Securities Class Action settlement was awarded to option traders), the Restitution Fund should include these victims.

I recommend that the formula utilized to determine the allocation of the Restitution Fund to traders in stock options should (like the calculation of damages for common stock) calculate damages based on the fraudulently induced inflation in option prices. The value of the option would be calculated using the Black-Scholes pricing formula and the closing share price of CA on the transaction date and then compared with the Black-Scholes pricing formula value using the uninflated share price of CA on that same day. Hakala Report, pp. 9-10; see also, pp. 11-12 for an illustration of how options damages would be calculated. This methodology is a departure from that utilized in the Securities Class Action settlement where damages for option traders were determined based on a negotiated percentage of the damages of those who purchased common stock. However, based on the expert opinion of Dr. Hakala, the methodology I recommend is a more accurate mechanism to value the actual damages to those who transacted in options. Hakala Report, pp. 9-10.

VII. Conclusion

Pursuant to the Deferred Prosecution Agreement, the Restitution Plan must be approved by The Office. After such approval, The Office and CA will jointly submit the approved Restitution Plan to the Court for its approval. After approval by the Court, I will begin the implementation of the Plan by initiating the Notification process.

Respectfully submitted,



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Kenneth R. Feinberg
Fund Administrator

The Feinberg Group, LLP
1455 Pennsylvania Ave, NW
Suite 390
Washington, D.C. 20004
(202) 371-1110

June 28, 2005

Exhibit 1 – Hakala Report

CBIZ Valuation Group, LLC

June 22, 2005

Mr. Kenneth Feinberg
The Feinberg Group
Suite 740 South
1120 20th Street NW
Washington, DC 20036-3437

Dear Mr. Feinberg:

Pursuant to your request, I am writing this summary report setting forth the analysis I performed and the recommended percentages of inflation per share for different periods from January 21, 1998, through May 14, 2002. The analysis I performed was for the purpose of assisting your firm in preparing a proposed plan of allocation for distributing the proceeds of a restitution fund created by Computer Associates pursuant to a deferred prosecution agreement. The inflation per share analysis provided in this report is extended beyond the restitution period of January 21, 1998, through February 25, 2002, provided for in the deferred prosecution agreement to reflect the impact of minor corrective events on April 15 and 17 and May 15, 2002, but recognizes that most of the losses occurred prior to February 25, 2002.

The summary begins with a discussion of the event study I performed. Then I summarize the inflation percentage to assume for calculating individual damages following receipt of individual claims data. Finally, I propose a method for extending the inflation per share estimates associated with common share purchases and sales to the sale or purchase of options associated with Computer Associates' shares.

Summary of the Event Study

An event study is based on a market model. A market model is a model of how the price of a security (in this case, the price of Computer Associates' publicly traded common shares) moves in relation to a market index and/or an index of peer group companies and responds to news and information. An event study is composed of three stages. The first stage of my event study was the identification of material events. The intent of this step of the event study analysis was to control for all days when potentially material information came into the market.[1] The available public information was reviewed to determine information that

[1] As long as there are sufficient degrees of freedom, the addition of more events (over-identification of events) will ensure a set of "clean" observations and avoid contaminating the market model estimates. Thus, adding "too many" events ensures the relative absence of bias and ensures consistency of the estimates but at some slight loss of efficiency. See, for example, Intriligator, *Econometric Models, Techniques, and Applications*, 1978, pp. 188-189, and Pindyck and Rubinfeld, *Econometric Models and Economic Forecasts*, 1991, p. 162-166.

investors would find to be material to Computer Associates on a qualitative basis.[2] This information included analysts' reports, press releases, securities filings, news articles (newspapers and daily publications, as well as more general publications) and even Internet bulletin board postings to the extent they appeared to represent informed investors and investors' perceptions.[3]

The second stage of the event study involved the refinement and preliminary analysis of the candidate events. In this stage, possible market indices and guideline or peer group companies were identified and analyzed relative to the returns of Computer Associates. Additionally, the news and information identified with respect to Computer Associates was placed within an event chronology and any unusual increases in trading volume (increase in trading volume by a t-statistic greater than one relative to the prior 50-trade day volume) and changes in stock prices (relative to market indices) were noted.[4]

The third stage of the analysis involved analyzing the candidate events (identified in stages one and two) in an integrated event study regression. I used the integrated multivariate regression approach.[5] This approach was selected because the older "two-pass" cumulative

[2] The list of material items relied upon is based on the NASDAQ guidelines as recognized by the SEC in *Federal Register*, Vol. 67, No. 157, August 7, 2002, pp. 51306-51310. We then added third party news reports, analysts' reports to that list consistent with the academic studies.

[3] Due to the wealth of coverage of Computer Associates in the press and by analysts as well as time constraints, I did not consider bulletin board posts at this time.

[4] This did not alter the selection of events and was not a basis for selecting events in the analysis.

[5] In creating a precise, reliable market model required for an event study, one should account for the effects of all significant company-specific news events during the study period, even news unrelated to the subject of interest. This is done using dummy or indicator variables integrated into the market model regression to capture and control for the effects of company-specific events. In a chapter of the textbook *Market Models: A Guide to Financial Data Analysis, 2001*, Alexander explains (p. 441), "Dummy variables should be viewed as necessary measures for data that have structural breaks, regime shifts or seasonalities. If dummies are omitted there will be residual problems that lead to inefficient parameter estimates on the real explanatory variables." In other words, if there are significant news events that caused the stock price of Computer Associates to move on specific days (both related and unrelated to the allegations in this case), it is necessary that one capture the effects of such news events with dummy variables on the appropriate dates in order to have a reliable analysis. Alexander specifically states (p. 440), "…[O]ne might consider creating a dummy variable to model the timing of important news announcements,…Structural break dummy variables are important whenever the data covers a permanent shift arising from a change in regime, or a temporary shift due to an extreme market movement. Dummy variables should be used prudently and only if there is a real reason, such as an important news announcement...." Consistent with this, I only included dummy variables in my event study for news events specifically related to Computer Associates (that were identified a *priori* without reference to the actual price movements of Computer Associates' shares) that were, in the context of this study, deemed important (material).

Many academic articles discuss the use of dummy/indicator variables to capture the effects of events including: Larcker, Gordon and Pinchea, "Testing for Market Efficiency: A Comparison of the Cumulative Average Residual Methodology and Intervention Analysis," *Journal of Financial and Quantitative Analysis*, June 1980, pp. 267-287; Box and Tiao, "Intervention Analysis with Applications to Economic and Environmental Problems," *Journal of the American Statistical Association*, March 1975, pp. 70-79; Binder, "Measuring the Effects of Regulation with Stock Price Data," *The RAND Journal of Economics*, Summer 1985,

abnormal returns (CAR) approach to event studies can often be a biased and inconsistent approach to analyzing events.[6] The integrated regression approach yields consistent and

pp. 167-183; Karafiath, "Using Dummy Variables in the Event Methodology," *The Financial Review*, August 1988, pp. 351-358; Malatesta, "Measuring Abnormal Performance: The Event Parameter Approach Using Joint Generalized Least Squares," *Journal of Financial and Quantitative Analysis*, March 1986, pp. 27-38; and Dufour, "Dummy Variables and Predictive Tests for Structural Change," *Economics Letters*, 6, 1980, pp. 241-247. Examples in textbooks discussing using dummy indicator variables to capture events in time include: Pindyck & Rubinfeld, *Econometric Models & Economic Forecasts*, 1991, pp. 104-108; Spanos, *Statistical Foundations of Econometric Modeling*, 1986, pp. 536-539 (and as part of a continuing example of modeling money holding behavior in a dynamic, time-series regression); Enders, *Applied Econometric Time Series*, 1995, pp. 243-249 (discusses structural change in unit root time-series and uses dummy variables to test for and adjust for structural change or level shifts in such series); Intriligator, Econometric Models, Techniques, and Applications, 1978, pp. 58-61, and Campbell, Lo and Mackinlay, *The Econometrics of Financial Markets*, 1997, p. 167.

[6] The traditional CAR analysis fails to control for company-specific news and, thus, provides a misspecified test in that it consistently fails to control for the factor it is used to test and improperly formulates that hypothesis test, especially in a single company event study analysis.

There is substantial general and specific literature in the statistics, economics and finance fields discussing the problems that can arise in the traditional two-pass CAR methodology. See, for example, Larcker, Gordon and Pinchea, "Testing for Market Efficiency: A Comparison of the Cumulative Average Residual Methodology and Intervention Analysis," *Journal of Financial and Quantitative Analysis*, June 1980, pp. 267-287. The authors in this paper state (p. 267), "The objective of this paper is to suggest that the traditional CAR methodology is often inappropriate and that *intervention analysis* [italics in original] is a possible alternative. Where the systematic risk (i.e. Beta) of a firm change as the result (or in anticipation) of an announcement, the cumulative average residual methodology will result in biased residuals. …Intervention analysis, on the other hand, can separate such risk changes from the information content of the announcement. In addition, intervention analysis also allows the observed auto-correlation in the market model residuals to be removed, thus providing improved beta estimates required for reliable statistical testing." Franses in *Time Series Models for Business and Economic Forecasting*, 1998, recommends "intervention" analysis (p. 130) consistent with Box and Tiao (1975) and points out the statistical problems that arise when one does not capture the effects of known events (with dummy variables) or "neglects them" (pp. 128-129). He states (p. 144), "With a *priori* knowledge of specific events and approximate dates which may yield aberrant observations (…), it is not difficult to examine their relevance for a model that will be used for forecasting. We can simply extend our model with additional regressors, such as the dummy variables…. Standard tests for significance can then be used to decide which regressors are potentially important for forecasting." In other words, not only should a researcher use a *priori* information to identify possible events for inclusion in the regression analysis as dummy variables, but should then test to determine whether such dummy variables should be included in the final analysis.

The bias and inconsistency problems associated with the two-pass or CAR event analyses are particularly significant in single company event studies. First, the "clean period" required to obtain estimates of the standard errors and the coefficients of the market model in the CAR methodology is almost never really clean in a statistical sense. Clean in a statistical sense implies few or no significant company-specific events and a properly specified market model. Because company-specific events are common in stock price return data, the residuals during the candidate "clean period" are usually not normally distributed (fat tails or kurtosis is common) and the estimated market model is biased and inconsistent due to an *omitted variables problem*. These problems lead to overstated standard errors and understated t-statistics during the event analysis stage of the two-pass methodology. Additionally, fundamental changes in the businesses of a company and its peer companies over time can render the market model coefficients in the "clean period" inapplicable to or biased relevant to the estimation period. Second, the market model in the two-pass CAR methodology is often estimated using a daily returns series. The low percentage of variance explained by the market model (low R-squared of 15% or less) leads to an unfavorable (low) signal to noise ratio and will tend to cause the market

unbiased estimates of both the market model and the effects of events over the period of interest.[7] After identifying all candidate events, the measured effect of each candidate event is analyzed in the context of daily returns.

The event study summarized in Exhibit B is based on regression analyses of the returns generated by Computer Associates' shares on a daily basis from July 21, 1997, through February 20, 2003.[8] The market model portion of the analysis is based on the NASD Computer Index (IXK)[9], the CBOE Technology Index (TXX)[10], and a subindex (SUBINDEX) created based on an equally weighted geometric index from the returns of IBM. MSFT, SUNW, ORCL, UIS, CDWC, CPWR, RATL and MERQ.[11] This combination provided the best fit in explaining the market and industry components of Computer Associates' returns over the study period. Collectively, the three indices could explain 29.9% of the daily variance in Computer Associates' stock price returns.[12]

A total of 143 events were identified in the analysis. After consideration of all relevant events, the analysis is able to explain a total of 73.8% of the variance over the study period. The most significant events that effected Computer Associates' share price were related to major shifts in expectations that relate to the improper accounting and disclosures of improper accounting at Computer Associates. These large events include:

> July 22, 1998: The share price fell 30.1% on this day relative to the market and industry indices. Computer Associates announced a major shortfall in expected revenues and a slowing of revenues growth. This shortfall was artificial in nature in that Computer Associates had pulled in and booked a substantial amount of revenues in the prior three quarters. By pulling revenue into these quarters, Computer Associates overstated its revenues in the third and fourth quarters of the fiscal year ended March 31, 1998. By overstating revenues and earnings, Computer Associates overstated its rate of growth and future earnings prospects and inflated its stock price. It was alleged in the class action complaint that one motivation for this inflation was a large and unprecedented stock bonus that was to be accrued and paid to Computer Associates' three top officers (Wong, Kumar and Zar) in May 1998. As a result of this aggressive pulling of revenue, Computer Associates ran out of the ability to continue to prematurely book revenues at an

model coefficients to be understated or inaccurate even if the omitted variables (omitted company-specific events) did not cause them to be biased. For this reason, beta estimates are preferably made using longer return windows until the R-squared improves or the estimation of the market model must be made in a regression with the company-specific events included as indicator or dummy variables. See Franses in *Time Series Models for Business and Economic Forecasting*, 1998, pp. 128-129.

[7] See the references and discussions in the two prior footnotes.

[8] The period selected included one year prior to the beginning of the Class Period in the first securities case and ended one year after the end of the Class Period in the second securities case.

[9] Computer Associates was a member of this index.

[10] Computer Associates was a member of this index.

[11] These companies were all identified as competitors and were found to be significant.

[12] This is considered an excellent fit.

ever increasing rate, was unable to sustain its growth momentum and, thus, forced to eventually lower expectations.

July 5, 2000: The share price fell 40.4% relative to the market and industry indices. Having run out of steam, Computer Associates continued to pull revenue in and slowly reinflated its share price. By the summer of 2000, the revenue growth fell off again and the share price collapsed. Computer Associates began to shift its accounting away from the old method and this contributed substantially to the shortfall.

April 30, May 1, and May 2, 2001: Computer Associates' share price fell on additional accounting concerns. The share price declines relative to the market and industry indices were, respectively, 9.5%, 5.8% and 4.6%, or a total of 18.6%.

February 6 and February 20-22, 2002: These events all relate to concerns regarding Computer Associates' reported earnings and ratings and then its accounting. The February 6, 2002, event related to analysts calling into question Computer Associates' stock and bond ratings and raising significant questions. As a result, Computer Associates' share price fell 12.4% and then partially recovered 4.3% relative to market and industry indices. On February 20, 21 and 22, 2002, Computer Associates' share price fell a total of 34.6% relative to the market and industry indices in increments of 17.9%, 6.2% and 15.1%, respectively. These events all related to newly revealed accounting issues and concerns regarding Computer Associates. The end of the class period in the second class action complaint was determined by these events and set to end on February 25, 2002.

April 15 and 17, 2002: News of the government investigations led to successive relative stock price declines of 7.2% and 5.7%, respectively, on these two days.

May 15, 2002: News of the formalization of the governmental investigation sent the share price down another 7.1% relative to the market and industry indices.

Estimation of Damages

A share of stock is said to be inflated if its share price is greater than its "true" value assuming full disclosure of the fraud alleged as of each date in time. For example, if a share price is trading at $50 but the value, had the truth been disclosed, is $20, then the inflation in the share price is $30 per share. Inflation per share is the amount a purchaser overpaid for shares purchased.

Equitable damages are measured by the difference between the inflation in the share price paid at the time of purchase minus the inflation in the shares price paid at the date of sale.[13]

[13] See, for example, *Green v. Occidental*, 541 F.2d 1335 (9th Circuit, 1976, Sneed Concurring Opinion).

It can be proven by example that the proper measure of economic loss is the inflation per share at the time of purchase minus the inflation per shares at the time of sale.[14]

It is essential that the inflation per share analysis be performed in a manner consistent with the event study analysis. Because stock prices are best modeled as a result of a diffusion process with periodic jumps,[15] events must be analyzed based on percentage movements and not absolute dollar changes and adjustments must be made for compounding over time. The percentage inflation methodology allows the inflation in the share price to be adjusted for changes in market, industry and non-fraud related factors so as to more accurately measure the inflation in the share price associated with each purchase and sale of shares over the damage period.[16]

Cornell and Morgan, "Using Finance Theory to Measure Damages in Fraud on the Market Cases," *UCLA Law Review*, June 1990, pp. 885-886 ("…the measure of damages for an investor is simply …, for plaintiffs who sold their securities before the [final] corrective disclosure, the difference between the price inflation at the time of purchase and the price inflation at the time of sale") and 897 (mentions the concept of investigating the facts as they existed at the time of the misrepresentation or omission and at the time of disclosure to arrive at an "equivalent disclosure" at time of purchase); Koslow, "Estimating Aggregate Damages in Class Action Litigation Under Rule 10b-5 for Purposes of Settlement," *Fordham Law Review*, April 1991, pp. 821-826 (discusses adjusting for comparable index and non-fraud related events to measure an "equivalent disclosure" at the time of purchase); Alexander, "The Value of Bad News in Securities Class Actions," *UCLA Law Review*, 1994, pp. 1431-1434 (allows for inflation as a percentage of the share price and changes in inflation per share over time as inflation interacts with market and industry forces); Barclay and Torchio, "A Comparison of Trading Models Used for Calculating Aggregate Damages in Securities Litigation," *Law and Contemporary Problems*, 2001, p. 106 ("In general, damages per share are calculated as the artificial inflation when the shares were purchased minus the artificial inflation when the shares were sold."); Finnerty and Pushner, "An Improved Two-Trader Model for Estimating Damages in Securities Fraud Class Actions," also published in *Stanford Journal of Law, Business and Finance*, 2002, pp. 23-24 (measures damages based on inflation at time of purchase minus inflation at time of sale and allows for "in-and-out" or selling damages).

[14] Cornell and Morgan, "Using Finance Theory to Measure Damages in Fraud on the Market Cases," *UCLA Law Review*, June 1990, pp. 885-886; Alexander, "The Value of Bad News in Securities Class Actions," *UCLA Law Review*, 1994, pp. 1431-1434; Barclay and Torchio, "A Comparison of Trading Models Used for Calculating Aggregate Damages in Securities Litigation," *Law and Contemporary Problems*, 2001, p. 106; Finnerty and Pushner, "An Improved Two-Trader Model for Estimating Damages in Securities Fraud Class Actions," also published in *Stanford Journal of Law, Business and Finance*, 2002, pp. 23-24; Marcia Kramer Mayer presentation on Sep. 30, 2004, modified Oct. 8, 2004, pp. 17-25 (provides examples of economic losses without direct corrective disclosures and demonstrates that price drop on corrective disclosure may not be the proper estimate of economic loss; Eisenhofer, Jarvis and Banko, "Securities Fraud, Stock Price Valuation, and Loss Causation," *Business Lawyer*, August 2004, pp. 1424-1428 (discusses use of event studies to measure economic losses) and 1441-1445 (discusses the ability of implicit disclosures and other events to reduce inflation over time and lead to loss causation).

[15] Alexander, *Market Models*, 2001, pp. 66-67, 286-287 and 320-322, 430-431 and 440-442 (discusses the use of the natural log transformation to capture the diffusion process and events to control for jumps in stock prices at specific points in time); Franses, *Time Series Models for Business and Economic Forecasting*, 1998, pp. 128-130 (discusses the need to control for sudden changes in stock prices); Tsay, *Analysis of Financial Time Series*, 2002, pp. 16 (shows returns based on daily log returns and percentage returns) and 244 (discusses a "jump diffusion model proposed by Kou (2000)" to model stock price movements).

[16] Finnerty and Pushner, "An Improved Two-Trader Model for Estimating Damages in Securities Fraud Class Actions," also published in *Stanford Journal of Law, Business and Finance*, 2002, pp. 8-11 (discusses adjusting

I begin with the selection of relevant events. Relevant events are events that relate directly to the allegations of fraud. These included earnings announcements, statements regarding growth expectations, disclosure of accounting concerns and disclosure of shareholder lawsuits and the government investigation.

The percentage inflation is estimating by working backwards in time from the last relevant event. The way to think about this is: "Had I known at the date of purchase the information known at the end of the damage period, then what would the stock price have been?" By working backwards and adjusting for each corrective event (each event that reduced the inflation in the share price) and each inflating event (each event that causes the share price to be more inflated), one is able to estimate and adjust for the effect of the fraud remaining in the share price. The basic math is as follows: Suppose the stock price falls 25% after a single corrective disclosure, then we assume that there is no inflation in the stock price after this disclosure and that the stock price has 25% inflation in it such that the true value of the stock prior to this disclosure is 75% (called the "percent good" in Exhibit B) and the difference between the stock price and the true value is 25% of the stock price.

The inflation per share analysis is summarized in Exhibit C in spreadsheet form. Inflation per share is determined using the "residual returns" method (also known as the backwardization method).[17] The residual returns method is commonly used to determine inflation per share in securities litigation. It assumes (consistent with my prior analyses and conclusions) that the relevant events at the end of the damage period should have occurred earlier in time and would have been impounded in the stock price of Computer Associates' at the beginning of the damage period but for the allegations of fraud. Relevant events are those events that either would not have occurred but for the allegations in the Complaint or that would have occurred (or equivalent disclosure[18] events would have occurred) at or before the beginning of the damage period but for the fraud.

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the corrective events over time for a "comparable-stock index that recognizes both industry and market-wide influences" and adjusting for "firm-specific factors that can be directly attributed to company announcements that are not related to the fraud" using the backwardization approach based on percentage returns, not absolute dollar changes).

[17] Cornell and Morgan, "Using Finance Theory to Measure Damages in Fraud on the Market Cases," *UCLA Law Review*, June 1990, pp. 899-900; Koslow, "Estimating Aggregate Damages in Class Action Litigation Under Rule 10b-5 for Purposes of Settlement," *Fordham Law Review*, April 1991, pp. 819-825; Alexander, "The Value of Bad News in Securities Class Actions," *UCLA Law Review*, 1994, pp. 1426-1427; Finnerty and Pushner, 2002, pp. 8-11 (discusses adjusting the corrective events over time for a "comparable-stock index that recognizes both industry and market-wide influences" and adjusting for "firm-specific factors that can be directly attributed to company announcements that are not related to the fraud" using the backwardization approach based on percentage returns, not absolute dollar changes)

[18] Cornell and Morgan, "Using Finance Theory to Measure Damages in Fraud on the Market Cases," *UCLA Law Review*, June 1990, pp. 894-897.

The inflation percentages set forth in Exhibit C begins on January 21, 1998. The beginning date for inflation damages is determined based on the findings in the first class action complaint period and the government's allegations. Under pressure to meet revenue growth and earnings expectations, Computer Associates pulled a substantial amount of revenue into its fiscal quarter ended December 31, 1997 (the "third fiscal quarter" for the fiscal year ended March 31, 1998). The results for the third fiscal quarter for fiscal 1998 were announced on January 21, 1998. Thus, I begin damages and inflation on the date of that announcement, as opposed to the beginning of the year, because that is the first date when Computer Associates made a statement to the market that was identified as false and/or misleading for reasons related to the government's investigation into Computer Associates' accounting practices.

The inflation percentages set forth in Exhibit C indicate that inflation ends with an announcement regarding the government investigation on May 15, 2002, such that purchases and sales of Computer Associates' shares after May 14, 2002 (the day before the last significant relevant corrective disclosure) are at prices no longer inflated. After May 15, 2002, there are no significant events where Computer Associates' share price declines (and does not recover soon thereafter) as a result of an earnings disappointment that would not have occurred but for the accounting issues or the news regarding the government investigation. The decline in Computer Associates' share price in the summer of 2002 (primarily on July 23, 2002) is associated with a reduction in the Company's 2003 sales forecast. I was unable to relate this event to any known correction for or continuation of prior accounting issues. Additionally, the decline in Computer Associates' share price in July 2002 is offset by a recovery in Computer Associates' share price later in 2002, particularly on October 22, 2002, such that the losses in July 2002 are not sustained for shareholders that held their shares for three months or more.

As one works backward in time the inflation in Computer Associates' share price is generally greater in both dollar and in percentage terms. In Exhibit D, I provide a chart of the price of Computer Associates' shares and compare that with the value line suggested in Exhibit C and the stock price predicted by a "Composite Index" based on the movements in market and industry indices. This chart demonstrates that the proposed value line for the share price of Computer Associates more closely matches an index of comparable companies throughout the damage period and removes the inflation in the share price.

Options

The inflation associated with the purchase and sale of options is more difficult to determine than the inflation associated with purchases and sales of Computer Associates' shares. Options are derivative securities in that their value is based on, or "derived from," the underlying security they represent a potential right to purchase (call option) or sell (put option).

The method for estimating inflation per share associated with options purchases requires the following information: (i) the current market interest rate for risk-free (US government) debt securities of approximately the same duration as the option; (ii) the current market's estimate of the volatility of Computer Associates' shares as determined by the public pricing of options; (iii) the date of the expiration of the option; (iv) the exercise price (the price at which one has the right to buy Computer Associates' shares if a call option or to sell those shares if a put option) of the option; and (v) the current market price for Computer Associates' shares. This information is used to first estimate the value of the option on the date of purchase and to compare the estimated value with the actual purchase or sale price of the option. The estimation of value is determined using the Black-Scholes option pricing formula.[19] Then the value of the option is revised by using the uninflated price of Computer Associates' shares by removing the inflation from the share price as determined in Exhibit C. The Black-Scholes estimate of value is provided using the uninflated share price instead of the inflated share price. Finally, the difference in values between the estimated option price using the actual share price of Computer Associates' on that day and the option price using corrected, uninflated share price on that day is considered and expressed in percentage terms. That percentage is used to estimate the inflation in the option price at the time of purchase or sale.

For all call options, the purchasers of such options between January 21, 1998, and May 14, 2002, paid too much and, thus, are entitled to claim damages associated with their purchases. In contrast, all sellers of call options between January 21, 1998, and May 14, 2002, benefited from the inflation in Computer Associates' share price and, thus, realized a benefit (negative damages) as a result. The table in Exhibit F illustrates that during much of the damages period, call options with exercise prices close to the current trading price of Computer Associates' shares were largely worthless if the truth had been known and, thus, close to 100% inflated.

For all put options, the purchasers of such options between January 21, 1998, and May 14, 2002, paid less than they should have and, therefore, benefited (negative damages) as a result, while the sellers of put options between January 21, 1998, and May 14, 2002, received too little consideration for their sales and, therefore, were damaged by the inflation in Computer Associates' share price. The table in Exhibit F demonstrates that the inflation associated with put options was negative throughout the damages period. A purchaser of a put option paid substantially less than the put option was actually worth and a seller of a put option received substantially less than that seller was entitled to receive during the damages period.

[19] The Black-Scholes formula is widely accepted. There will be small deviations (or errors) between the predicted price of an option using the Black-Scholes formula and the actual price of the option, but these will tend to net out in the method set forth above and not be significant enough to be of concern for allocation purposes.

The complexity of the options calculations will require some kind of look-up table or a formulaic calculation based on a schedule of volatility levels, interest rates and share prices to assume for each day during the damages period in processing claims. In order to file a claim for damages associated with options a claimant would need to provide the following information: (i) the date of sale or purchase; (ii) the type of option (put or call); (iii) the price paid for the option; (iv) the exercise price per Computer Associates' share provided by the option; and (v) the expiration date for the option. The value of the option would be calculated using the Black-Scholes pricing formula and the closing share price of Computer Associates on the transaction date and compared with the Black-Scholes pricing formula value using the uninflated (reduced) share price of Computer Associates on that same day. For call options, the inflation damages for a purchase would be the percentage reduction in the value of call options of the same type on that day times the consideration paid and the inflation benefit for a sale would be calculated in the same manner. For put options, the inflation damages are better measured as a percentage of the exercise price on each day of sale and the inflation benefit is measured as a percentage of the exercise price on each day of purchase.

To make it a bit simpler, I have provided in Exhibit F a measure of these inflation percentages for both call and put options for approximately six month options (given that most options are short-term in nature) for each subperiod during the damages period based on different approximate ratios of the current share price of Computer Associates to the exercise price.[20] This provides an approximate measure of the inflation percentages for call and put options. While the estimates in Exhibit F can provide some basis for allocating damages, the estimates, particularly for put options, can be off quite a bit for particular options at particular stages during the damage period.

Conclusions

In the context of plans of allocations, an award based on shares purchased without considering the amount of inflation per share at the time of purchase and/or without considering whether the inflation paid at the time of purchase was mitigated by the inflation in the share price at the time of sale would be deemed inequitable and would be unlikely to survive a challenge to the allocation. Some shareholders would file claims under such an allocation and receive a portion of the proceeds even though they realized no damages. Shareholders that realized substantial damages per share would receive the same award as those shareholders that realized minimal damages per share.

Therefore, I recommend a measure of inflation per share based on the percentage of the purchase price or sale price for each party that files a verifiable proof of claim with respect to that party's purchases. The inflation per share schedule is provided in Exhibit C.

[20] On average, volatility was 55% of the share price and the market interest rate was 4% per annum in these calculations.

The following examples will illustrate how damages would be calculated for an individual shareholder and how a fund of $225 million would be allocated to that shareholder. Suppose a shareholder purchases 1,000 shares on April 17, 2000, for $52.38 per share, or $52,380, then sells those shares on January 9, 2002, for $37.52 per share, or $37,520. The inflation per share percentage for the purchase on April 17, 2000, is 66.3% in Exhibit C. Taking 66.3% times the total purchase payment of $52,380 results in total inflation at the time of purchase of $34,727.94. The inflation per share percentage for the sale on January 9, 2002, is 51.4% in Exhibit C. Taking 51.4% times the total sales proceeds of $37,520 results in an inflation benefit at the time of sale of $19,285.28. The difference between the overpayment (or loss) at the time of purchase of $34,727.94 and the excess proceeds (or gain) at the time of sale of $19,285.28 is $15,442.66. That would be the individual shareholder's claim to damages given Exhibit C. Suppose the total amount of individual damage claims filed was calculated to be $10.5 billion exactly and the funds available for distribution are $225 million, then the individual would be entitled to $15,442.66 times $225 million divided by $10.5 billion, or $330.91. These calculations are set forth in Exhibit E.

In the options analysis, the calculations would be similar but a bit more complicated. Suppose a shareholder purchased a six month option to buy 100 shares of Computer Associates at $60 per share. The purchase price for the option would be $9.9047 per share, or approximately $990.47 (options to purchase 100 shares times $9.9047), given the closing price of $60.25 per share (estimated using the Black-Scholes option pricing model). Had the true value of Computer Associates been known to be $20.31, then the option would have been worth $0.0125 per share, or $1.25 (100 times $0.0125). Therefore, the purchaser of the option paid $9.8923 too much per share for the option, or $989.23 in inflation. Suppose, the same shareholder holds that option until June 21, 2000, and then sells the option for a price of $4.0206 per share, or $402.06. The true value of the option, using Black-Scholes and the value of Computer Associates' shares of $18.62 per share, would be only $0.0000. The shareholder suffered a loss of $5.8841 per share, or $588.41, on the investment. The inflation at the time of purchase would be $989.23 less the inflation at the time of sale of $402.06, resulting in a loss due to inflation of $5.8716 per share, or $587.16.

Using the lookup table in Exhibit F as an alternative, the ratio of the stock price to the exercise price at the time of purchase would be closest to 100%. The inflation as a percentage of the call price for subperiod 4, the period in which March 8, 2000, falls, would be 99.88%. Multiplying 99.88% times the purchase price for the call option of $990.47 yields inflation of $989.29, as compared with $989.23 under the more exact method. The stock price divided by the exercise price on the sale date of June 21, 2000, would be closest to 90% in Exhibit F and would fall in period 6. The inflation as a percentage of the price on that day in Exhibit F is 99.92%. Multiplying that times the sales price of $402.06 yields an inflation gain on sale of $401.74. The difference between the inflation loss at the time of purchase of $989.29 and the inflation gain at the time of sale of $401.74 is $587.54. The difference for the call options is, therefore, slight between the two methods in this example.

Suppose, instead, one looked at the sale of a six-month put option (to sell 100 shares of Computer Associates for $60 per share) on March 8, 2000, and the purchase of a put option (to cover the position) on June 21, 2000. The put option price on March 8, 2000, would be $848.95 and the put option price on June 21, 2000, would be $906.02. Using the Black-Scholes option pricing formula, the value of the put option on March 8 was actually $3,853.88 and the value of the put option on June 21 was actually $4,079.58. The investor sold the put for $3,004.92 less than the put option was actually worth on March 8, 2000, and, therefore, suffered a loss associated with that sale. The investor paid $3,173.56 less than the investor should have on June 21, 2000, and, therefore, realized a gain of $3,173.56 on the purchase of the put option on June 21. Since the loss was less than the gain, the investor realized no net loss.

In the alternative method set forth in Exhibit F, the inflation as a percentage of the exercise price on March 8, 2000, would be negative 45.9%. The exercise price of $60 per share times 100 shares times negative 45.9% yields inflation in the price of $2,754.00. Since the individual sold the option, the individual received too little consideration and the loss was $2,754.00. On June 21, 2000, the inflation as a percentage of the exercise price would be negative 48.4%. Multiplying negative 48.4% times 100 shares times $60 per share yields inflation estimate of negative $2,904.00. Since the individual bought the put option and saved $2,904 on the purchase price, the individual gained from the inflation $2,904.

Respectfully submitted this 22nd day of June 2005, at Dallas, Texas.

Scott D. Hakala, Ph.D., CFA

Exhibit A

Exhibit A
Scott D. Hakala, Ph.D., CFA

Employment History

- **1992 – Jan 1998, March 1998 to Present CBIZ Valuation Group, Inc. (formerly Business Valuation Services), Dallas, Texas**

  Director/Principal. As a financial economist and financial analyst, Dr. Hakala brings to the firm extensive practical knowledge of finance, economics and statistics. His expertise includes: corporate finance, restructuring and cost of capital; the valuation of securities and business interests (transactions, mergers, acquisitions, fairness opinions); the valuation of intangible assets (patents, trademarks); analysis of publicly traded securities (insider trading studies, trading analyses, event analyses, materiality, damages in securities litigation); economic loss analyses (commercial litigation); wage and compensation determination (reasonable compensation studies, lost personal income, wrongful termination); transfer pricing; derivative securities (options pricing and valuation); and antitrust and industry structure, strategic pricing, marketing and cost allocation analyses.

- **Jan 1998 – March 1998 Laser BioTherapy, Inc., Dallas, Texas**

  Interim President. Dr. Hakala served as the Chief Executive Officer of Laser BioTherapy, Inc. His decision-making authority involving issues of marketing, employment, negotiating with investors, pricing, product planning, financial planning and all other corporate decisions.

- **1988 - 1992 Dept. of Economics, Southern Methodist University, Dallas, Texas**

  Assistant Professor. Dr. Hakala taught graduate and undergraduate courses in macroeconomics, monetary/financial economics, financial institution regulation and international financial management. He supervised dissertations on international money, commodity options and forward markets, and foreign exchange rates. His research interests included monetary policy, the causes of fluctuations in employment and output, capital stock estimation, aggregate production theory, foreign currency movements (futures, options and forward contracts), inflation, interest rate movements and the term structure of interest rates, asset pricing and consumption.

- **1983 - 1988 Dept. of Economics, University of Minnesota, Minneapolis, Minnesota**

  Lecturer. Dr. Hakala designed course materials and taught large classes in macroeconomics and international economics. He served on hiring committees and evaluated other instructors.

Formal Education

- Doctor of Philosophy, Economics - 1989
  University of Minnesota, Minneapolis, Minnesota
  Graduate School Fellowship
  (Graduate/dissertation advisor Edward Prescott was awarded the Nobel Prize in Economics in 2004.)

- Bachelor of Arts, Economics - 1983
  Minor in Business Administration and Pre-Law Emphasis
  University of Minnesota, Duluth, Minnesota
  Graduated Summa Cum Laude
  Whiteside Scholarship, full tuition and expenses

Honors and Awards

- Distinguished Instructor, Department of Economics, University of Minnesota, 1987-1988
- Earhart Foundation Award, Department of Economics,, University of Minnesota, 1985
- Graduate School Fellowship, 1983 and 1984
- Cecil H. Meyers Outstanding Economics Student Award, 1982
- Perfect Scores on Quantitative Analysis and Verbal Analysis sections of Graduate Record Examination (GRE), 1982
- Alice Touhy Tweed Award, High School Valedictorian, 1979
- Lee Krough Award (outstanding character), American Legion's Minnesota Boy's State, 1978, elected Lt. Governor and invited to represent state at other events
- Centrum Award, 1979 (for outstanding character and contributions)

Professional Associations

- CFA Charter, The Institute of Chartered Financial Analysts, completed all tests and requirements for a CFA designation
- Member, American Economic Association
- Member, American Finance Association

Publications

- "Estimating and Applying Economic Value Added," Chapter 13E - *Financial Valuation: Businesses and Business Interests - 1998 Update.* Publisher: Warren, Gorham & Lamont
- "Valuation for Smaller Capitalization Companies" (with Dr. Mukesh Bajaj), Chapter 12A - *Financial Valuation: Businesses and Business Interests - 1998 Update.* Publisher: Warren, Gorham & Lamont.
- "Analysis and Valuation of Distressed Equity Securities" (with Mr. M. Travis Keath), Chapter 13F - *Financial Valuation: Businesses and Business Interests - 1999 Update.* Publisher: Warren, Gorham & Lamont.
- "Analysis and Valuation of Distressed Equity Securities" (with Mr. M. Travis Keath), *Valuation Strategies*, September/October 1999, pp. 24-34. Publisher: Warren, Gorham & Lamont.
- Contributing author in *The Art of M&A Integration: A Guide to Merging Resources, Processes and Responsibilities.* October 1997. Publisher: McGraw-Hill. Contributed on valuation of tangible and intangible assets (patents, trade secrets, customers, goodwill, employment agreements, non-competes, etc.), allocation of purchase price issues, accounting treatment of acquisitions, international valuation and transfer pricing and general valuation and due diligence issues. Assisted editor in commenting on and editing first half of text.
- Provided live and taped interviews pertaining to economic issues for television, including lengthy interviews for CNN (July 1990), WFAA-TV (July 1990; July 1991; March 1992), and radio (Internet radio on November 9, 1999, discussing Microsoft anti-trust issues).

Lectures Presented

Dr. Hakala is a frequent public speaker on valuation, economics, ethics, and monetary policy. Examples include:

- "Valuation of Options for Litigation Purposes" – New York University CLE Presentation-October 2000
- "Valuation Issues-Family Limited Partnerships" – Professional Financial Service, LP's Family Limited Partnership Alert and Update; Dallas/Fort Worth - February 2000
- "PPOs for Sale: the Valuation of Managed Care Entities" - Caesars Palace; Las Vegas, Nevada - September 1992
- "Equilibria in Continuous-Time Models of Money" - refereed paper presented to the Sixth World Congress of the Econometric Society; Barcelona, Spain - August 1990
- "The Use and Holding of Currency" - Feature Presentation - Western Economic Association Meeting; San Diego, California - July 1990
- "Values and Economics" - Dallas Philosophical Forum; Dallas, Texas - March 1990
- "Ethics and the Role of Government" - ARCO Oil and Gas Research Center; Plano, Texas - October 1989
- "Continuous-Time Models of Money: Policy Implications" - paper presented to the Division of Research and Statistics of the Board of Governors of the Federal Reserve; Washington, DC - January 1988

Expert Witness/Litigation Support

Dr. Hakala has undertaken various assignments involving litigation support and has testified as an expert witness. He has been qualified as an expert and has testified in both U.S. District Court and in U.S. Tax Court. The following is a list of testimony on record:

- *Michael Gloster and Victoria Gloster, t/a Gloster Marketing v. Relios, Inc., H. William Pollack, III, and Carolyn Pollack;* In the United States District Court, Eastern District of Pennsylvania (Cause No. 02-CV-7140); deposition testimony February 11, 2005; testified as to issues of valuation and profits involving claims of trademark and copyright infringement.
- *In re: Clarent Corporation Securities Litigation;* In the United States District Court, Northern District of California, San Francisco Division (Master File No. C-0103361CRB(JCS)); deposition testimony January 11, 2005; trial testimony January 31 and February 9, 2005; testified as to materiality, inflation per share and aggregate damages in a class action securities case involving allegations of accounting fraud against former officers of the company and the accounting firm for its audit.
- *In re: DQE, Inc. Securities Litigation;* In the United States District Court, Western District of Pennsylvania (Master File No. 01-1851); deposition testimony November 23, 2004; testified as to materiality, inflation per share and aggregate damages in a class action securities case.
- *In re: Worldcom, Inc. ERISA Securities Litigation;* In the United States District Court, Southern District of New York (Master File No. 02 Civ. 4816 (DLC)); deposition testimony November 15, 2004; testified as to discounts related to block size and information effects associated with the possible sale of shares of Worldcom and MCI tracking stock in the first half of the 2002.
- *Adele Brody, et al., on behalf of themselves and all others similarly situated, vs. Peter S. Hellman, et al.;* District Court, City and County of Denver, State of Colorado; deposition testimony September 3, 2004;

hearing testimony November 30, 2004; testified as to the ability to measure damages to a class of shareholders via a plan of allocation.

- *In re: Broadcom Corp. Securities Litigation;* In the United States District Court, Central District of California, Southern Division (No. SACV 01-275 GLT (MLGx)); deposition testimony August 27 and 29, September 10, December 1 and 2, 2004, and January 21, 2005; testified as to materiality, valuation of customer contracts, valuation, inflation per share and aggregate damages in a securities class action and damages in a related private action.

- *Burt L. Schmidt, Individually and d/b/a Diamond S Trucking vs. Navistar Financial Corporation;* State District Court, Hamilton County, Texas; deposition testimony July 28, 2004; trial testimony August 30, 2004; testified in rebuttal as to claims of lost profits associated with the repossession of tractor trucks by the defendant in 2001.

- *Basic Management Inc, et al., vs. United States of America, et al.;* In the United States District Court, District of Nevada (No. CV-S-02-0884-RCJ-(RJJ)); deposition testimony July 22 and 23, 2004; testified in rebuttal as to appropriate assumptions and methods (including discount rates and appreciation rates) for a real estate development company in Nevada.

- *Randy S. Myers, Individually and on Behalf of all others Similarly Situated, vs. Progressive Concepts, Inc. d/b/a Hawk Electronics*; 352nd Judicial District, Tarrant County, Texas (Cause No. 352-201156-03); deposition testimony July 2, 2004; testified as to the appropriate measure of damages involving allegations of improper billing involving cell phone services.

- *OnSite Technology LLC vs. Duratherm, Inc. et al.*; In the United States District Court for the Southern District of Texas (Civil Action No. H-02-2624); trial testimony June 10, 2004; testified as to lost profits and reasonable royalties as a result of allegations of patent infringement.

- *ATS Telecommunications Systems, Inc. and ATS Liquidating, Inc. f/k/a Advanced Telecommunications Systems, Inc., by and through its Plan Agent H. Malcolm Lovett, Jr. vs. Philip R. Lacerte and Four LC Trust vs. Stan M. Gorman, Sr., and D. Scott Pool;* 113th Judicial District, Harris County, Texas (Cause No. 2001-00997); deposition testimony May 25, 2004; testified as to reasonable and customary terms and consideration for the provision of performance guarantees, reasonable start-up and operating expenses, and issues of fraud and breach of fiduciary duty.

- *ISG State Operations, Inc. vs. National Heritage Insurance Company, Inc.*; 250th Judicial District, Travis County, Texas (Cause No. 95-11014); deposition testimony May 11, 2004; testified as to appropriate measures for calculation lost profits in a breach of contract claim involving data processing.

- *Xperex Corporation, et al. vs. Viasystems Technologies Corp., LLC*; Court of Chancery, New Castle County, State of Delaware (Civil No. 20582-NC); deposition testimony April 23, 2004; testified as to the valuation of intangible assets and business related to allegations of fraudulent conveyance and breach of fiduciary duty to creditors.

- *Richard Marcoux, on behalf of himself and all others similarly situated, v. Billy D. Prim, Andrew J. Filipowski, et al.*; County of Forsyth, State of North Carolina (No. 04 CvS 920); deposition testimony April 12, 2004; testified as to errors in a fairness opinion issued in a proposed acquisition of a public company.

- *Houston Saba, L.P. vs. Nick Hernandez and Boyd Page Inc. d/b/a Boyd Page & Associates*; 280th Judicial District, Harris County, Texas (Cause No. 2003-07457); deposition testimony March 31, 2004; testified as lost profits associated with disruption of a restaurant due to street repairs and construction.

- *Autoland of New Jersey, Inc., et al. v. Commissioner of Internal Revenue;* U.S. Tax Court (Docket number 12639-02); testified in trial February 19, 2004; testified as to issues related to the reasonable compensation of executives in the auto retail business.

- *Soils Control International, Inc. vs. Martin Marietta Magnesia Specialties, L.L.C. and Midwest Industrial Supply, Inc;* United States Court, District of Massachusetts (Civil Action No. A-03-CA-531 H); deposition testimony January 30, 2004; testified as to lost profits in a dispute relating to allegations of deceptive trade practices.

- *In re Raytheon Company Securities Litigation;* United States Court, District of Massachusetts (Civil Action No. 99-12142 (PBS)); deposition testimony January 27, 2004; testimony in hearings May 3 and 7, 2004; testified as to materiality, causation, inflation per share and aggregate damages.

- *In re: AT&T Corp Securities Litigation;* United States District Court of New Jersey (MDL No. 1399, Civil Action No. 01-1883 (GEB)); Consolidation Class Action on Behalf of the Purchasers of AT&T Wireless Tracking Stock Shares between April 27 and May 1, 2000; deposition testimony January 16, 2004; testified as to materiality, causation, inflation per share and aggregate damages.

- *Robert Rodgers vs. Johnson Health Tech. Co., Ltd., Epix, Inc. d/b/a Vision Fitness, et al..;* United States District Court for the Western District of Texas, Austin Division (Civil Action No. A 02 CA 731 SS); deposition testimony January 7, 2004; testified as to reasonable royalties and damages for alleged patent infringement.

- *In re. Xcelera.Com Securities Litigation.;* United States District Court, District of Massachusetts, Boston, Massachusetts (Civil Action No. 00- CV-11649(RWZ)); hearing testimony November 20 and 21, 2003; testified as to materiality, reliance and market efficiency in a hearing on class certification.

- *C. F. Jordan, L.P. v. Argosy Gaming Company, Laneco Construction Systems, and Louisiana Glass,* AAA Arbitration (Case Number 71 110 01059 01); deposition testimony November 18, 2003; testified in rebuttal to allegations of lost income from hotel construction and remediation activities.

- *ELIZABETH M. KURECKA, Individually and as Representative of the estate of Edward Kurecka, Deceased, MICHAEL KURECKA,TIM KURECKA, and MELANIE KURECKA POWELL v. DAVID H. AMMONS, M.D., GARY R. GODSIN, M.D., and MICHAEL PETTIBON, M.D.;* 342nd Judicial District, Tarrant County, Texas; deposition testimony September 2003; testified as to the loss of income to the survivors in a wrongful death case.

- *Betsy Gross v. David Halbert and AdvancePCS;* 352nd Judicial District, Tarrant County, Texas (Cause No. 352-196123-02); deposition testimony August 26, 2003; testified at trial November 10 and 11, 2004; testified as to the valuation of executive stock options.

- *Michael Aldridge, Individually and on Behalf of All Other Similarly Situated, vs. A. T. Cross Corporation; Bradford R. Boss; Russell A. Boss; et al.;* United States District Court, District of Rhode Island (C.A. No. 00-203 (ML)); deposition testimony August 19, 2003; testified as to materiality, causation and damages in a securities class action.

- *In Re Broadcom Corp. Securities Litigation;* United States District Court, Central District of California, Southern Division (Master File No. SACV 01-275 GLT (Eex)); deposition testimony July 29 and 30, 2003; August 27 and 29, 2004; testified as to market efficiency of Broadcom shares in the earlier depositions and as to materiality, valuation of customer contracts and economic losses related to class action securities fraud claims in the 2004 depositions.

- *J. Bryan Pickens vs. John T. Pickens, J. Michael Tiner, Michael K. Pickens, C. Robert Milner, Jr., Pickens Financial Group, L.L.C., Pickens Resource Corp., and Pickens, Ltd.;* 298th Judicial District, Dallas County, Texas (Cause No. 02-01105); deposition testimony July 11, 2003; testified as to the

overall financial performance of certain companies and the fairness (or benefits to the plaintiff) of certain transactions involving the defendant companies and affiliated trusts.

- *In re Arthur Franklin Tyler, Jr., Debtor; Arthur Franklin Tyler, Jr., v. Tywell Manufacturing Corporation*; U.S. Bankruptcy Court, Northern District of Texas, Dallas Division (Case No. 01-80343-SAF-13; Adversary No. 02-3530); trial testimony July 1, 2003; testified as to net asset value under various assumptions in an involuntary shareholder foreclosure/shareholder oppression dispute.

- *FFP Partners, L.P. v. Jack J. Ceccarelli, Restructure Petroleum Marketing Services, Inc. f/k/a E-Z Serve Petroleum Marketing Company and Environmental Corporation of America, Inc.;* American Arbitration Association (Case No. 71-Y-198-00167-02); hearing testimony May 19, 2003; testified as to the value of gas-only operations related to allegations of breach of contract, breach of fiduciary duty and theft of business opportunities.

- *RadioShack Corporation, and TE Electronics, L.P. vs. Fried, Frank, Harris, Shriver & Jacobson and Harvey Pitt*; United States District Court, Northern District of Texas, Ft. Worth Division (Civil Action No. 4:02-CV-0639-TV); deposition testimony May 9, 2003; testified as to causation and damages as a result of allegations of legal malpractice.

- *Printwrap, Inc. v. Printwrap Sales, Inc. and Maxine Ammon*; 134th Judicial District, Dallas County, Texas (Cause No. 02-5064-G); deposition testimony May 6, 2003; testified as to the valuation and economic losses of a purchase of a specialty printing business as a result of allegations of material misrepresentations on the part of the seller.

- *In re Theragenics Corp. Securities Litigation*; United States District Court, Northern District of Georgia, Atlanta Division (Civil Action No. 1:99-CV-141-TWT); deposition testimony April 2, 2003, and August 14, 2003; testified as to materiality, causation, inflation per share and damages as a result of allegations of securities fraud (violations of the Securities Exchange Act of 1934, Rule 10b-5).

- *Teleplus, Inc., v. Avantel, S.A.;* United States District Court, Western District of Texas, San Antonio Division (Civil No. SA-98-CA-0849 FB); deposition testimony March 26, 2003; trial testimony September 25, 26 and 29, 2003; testified as to the valuation of a reseller and marketer of long-distance telephone services (primarily for domestic and international service in Mexico).

- *Russell Grigsby vs. ProTrader Group Management, L.L.C., et al.;* American Arbitration Association (Cause No. 70-180-00648-02); deposition testimony March 7, 2003; arbitration hearing testimony October 17 and November 3, 2003; testified in a fraud and shareholder oppression case as to the fair value of a brokerage firm with specialization in day trading.

- *Donald P. Williams vs. Peter O. Holliday, III, MD, and Open MRI of Decatur;* Circuit Court of Morgan County, Alabama (Case Number: CV-00-974); testified at trial March 4, 2003; testified as to the value of loan guarantees and the value of a business operating an MRI in a shareholder oppression lawsuit.

- *Menard, Inc. v. Commissioner of Internal Revenue;* U.S. Tax Court; testified in trial February 27, 2003; testified as to the compensation of executives in comparable and guideline companies and the proper valuation of incentive compensation benefits.

- *Richard Strauss, Sovereign Texas Homes, ltd., et al. vs. Wallace Sanders & Company, et al.;* 191st Judicial District, Dallas County, Texas (Cause No. 02-2562-J); deposition testimony February 14 and 20, 2003; testified as to materiality, causation, and damages as a result of allegations of improper accounting.

- *Paul Dzera, Philip J. Gund and Stephen Marotta v. Zolfo Cooper, L.L.C.;* American Arbitration Association (Arbitration no. 18Y180143301), Newark, New Jersey; hearing testimony February 11, 2003; testified as to measures of economic loss associated with claims brought by defendant.

- *In re VISIONAMERICA, INC. SECURITIES LITIGATION;* United States District Court, Middle District of Tennessee, Nashville Division (Master File No. 3-00-0279); deposition testimony December 12, 2002; testified as to materiality, causation, inflation per share and damages as a result of allegations of securities fraud involving accounting misstatements (violations of the Securities Exchange Act of 1934, Rule 10b-5).

- *In re National Golf Properties, Inc. Shareholder Litigation; (Masseo Investment Partners, Ltd., Anne Marie Rouleau, Thomas Feiman, IRA and Robert Lewis, On Behalf of Themselves and All Others Similarly Situated, vs. James M. Stanich, et al.;* Superior Court of the State of California, County of Los Angeles (Lead Case No. BC268215); deposition testimony November 22, 2002; testified as to fairness and problems with a fairness opinion involving a proposed acquisition of the public REIT, including process, disclosure and allocations of proceeds problems.

- *Ralph R. Unstead, Jr., On behalf of Himself and All Other Similarly Situated, v. Intelect Communications, Inc., et al.*; U.S. District Court for the Northern District of Texas, Dallas Division (No. 3:99-CV-2604-M); deposition testimony October 31, 2002; testified as to materiality, causation and damages in a class action securities case.

- *Physicians Resource Group, Inc. and EyeCorp, Inc.., vs. Dr. David Meyer, et al..*; U.S. Bankruptcy Court, Northern District of Texas, Dallas Division; deposition testimony October 22, 2002; trial testimony February 7, 2002; testified as to issues of solvency and reasonably equivalent damages as a result of certain transactions between the defendants and the plaintiffs prior to bankruptcy.

- *Maximicer, L.L.C., vs. PepsiCo, Inc.*; U.S. District Court for the Eastern District of Texas, Marshall Division (No. 2-01-CV-132(tjw)); deposition testimony October 21, 2002; trial testimony December 10, 2002; testified as to damages arising from claims of commercial defamation and other causes.

- *HALCYON INVESTMENTS INC., f/k/a B.A.S.S.,Inc., et al.. vs B.A.S.S., LLC, f/k/a LIVEWELL ACQUISITION,LLC, B.A.S.S. (IP)., et al.*; AAA Arbitration (File No. 30 E 181 00434 02); deposition testimony October 10, 2002; testified as to due diligence, disclosures and economic damages estimates involving an agreement to sell a business between the parties (subject to confidentiality agreement).

- *Jerry Krim, et al. v. pcOrder.com, Inc., et al.*; U.S. District Court for the Western District of Texas, Austin Division (Master File No. A:00-CA-776-SS); hearing testimony September 20, 2002; testified in a class certification hearing on the trading of shares and source of shares purchased by proposed lead plaintiffs.

- *APA EXCELSIOR III L.P., APA EXCELSIOR III OFFSHORE, L.P.,APA/FOSTIN PENNSYLVANIA VENTURE CAPITAL FUND, CIN VENTURE NOMINEES LIMITED, STUART A. EPSTEIN and DAVID EPSTEIN, v. PREMIERE TECHNOLOGIES, INC.,BOLAND T. JONES, PATRICK G.JONES, GEORGE W. BAKER, SR., and RAYMOND H. PIRTLE, JR;* U.S. District Court for the Northern District of Georgia (Civil Action No. 1:99-CV-1377-JOF); deposition testimony September 4, 2002; testified as to the materiality of certain representations and damages in a securities case.

- *Microtune, L.P. v. Broadcom Corporation*; U.S. District Court for the Eastern District of Texas, Sherman Division (Civil Action No. 4:01-CV-023); deposition testimony August 29, 2002; testified as to the reasonable royalty in a patent infringement case.

- *John F. Havens, On Behalf of Himself and All Others Similarly Situated, vs. James L. Pate, et al.; and Howard Lasker, On Behalf of Himself and All Others Similarly Situated, vs. James L. Pate, et al.*, 295th Judicial District, Harris County, Texas (Cause No. 2002-16085); deposition testimony July 15, 2002; hearing testimony July 18, 2002; testified as to the materiality of certain information omitted from a proxy to Pennzoil-Quaker State shareholders, issues with respect to the fairness opinion analysis by Pennzoil's financial advisor, the determination of fairness and issues with respect to mergers and acquisitions.

- *Lawrence D. Poliner, M.D. v. Texas Health Systems, et al.;* U.S. District Court, Northern District of Texas, Dallas Division (Civil Action No. 3:00CV1007-P); deposition testimony May 20, 2002; testified as to certain anti-competitive issues involving a specialist medical practice.

- *In re: Chartwell Health Care, Inc.; John H. Litzler, Chapter 7 Trustee, vs. Irving D. Boyes, et al.;* U.S. Bankruptcy Court, Northern District of Texas, Dallas Division (Case No. 398-38546-SAF-7); deposition testimony April 25, 2002; testified as to solvency and economic losses of a nursing home operator.

- *Leonard Sauls,Jr. v. The Estate of William Lee Hatch, Jr., Deceased, et al.;* In the Probate Court Number One, Travis County, Texas (Cause No. 75278-A); deposition testimony March 22, 2002; testified as to the measurement of lost future earning capacity, case settled before issuance of deposition transcript.

- *Leland Stenovich, et al., vs. Spencer F. Eccles, et al.;* Third Judicial District Court, Salt Lake County, State of Utah (Class Action, Case No. 000907870); deposition testimony February 5 and 6, 2002; testified as to standards of practice, fairness and adequacy of consideration in a class action lawsuit relating to the acquisition of First Security Corporation by Wells Fargo.

- *In re Computer Associates Class Action Securities Litigation;* U.S. District Court for the Eastern District of New York (Master File No. 98-CV-4839); deposition testimony January 23 and 24, 2002; testified as to materiality, causation and damages in a securities fraud lawsuit.

- *Pamela Graham Reeves vs. VIJ, Inc. d/b/a National Utilities Co./NUCO and Greer Industries, Inc.;* U.S. District Court for the Northern District of Texas-Fort Worth Division (Case No. 400=CV-1671-BE); trial testimony January 9, 2002; testified as to market wages, current job market and likelihood of employment for an individual alleged to have been wrongfully terminated.

- *Patricia E. Vincent and James R. Vincent v. Bank of America Texas, N.A..;* In the 68th Judicial District Court, Dallas County, Texas (Cause No. DV99-00745); testimony in hearing in December 2000 and trial testimony December 18, 2001; testified as to the proper calculation of interest on a home mortgage and common standards and practices for calculating mortgage interest.

- *Joan C. Howard and Charles A. Anderson, on behalf of themselves and all others similarly situated. v. Everex Systems, Inc., and Steven L.W. Hui, et al..;* U.S. District Court for the Northern District of California (Case No. C 92 3742 CAL); deposition testimony November 19 and 20 and December 17, 2001; testified as to materiality, causation and damages in a securities fraud lawsuit.

- *Reinsurance International Services Company, L.L.C. v. Lambert Fenchurch Group Limited, et al.;* In the 98th Judicial District Court, Travis County Texas (Civil Action No. 99-00745); deposition testimony September 20, 2001; testified as to lost profits and lost business value experienced by a reinsurance broker relating to allegations of misrepresentations and breach of duty.

- *Robert Alpert, James Ventures, L.P., Markus Investments, Inc. and James Investments, Inc. vs. Innovative Valve Technologies, Inc., et al..;* U.S. District Court for the Southern District of Texas, Houston Division (Civil Action No. H-01-076); deposition testimony September 19, 2001; testified as to materiality, causation and damages in a securities fraud lawsuit.

- *Premier Lifestyles International Corporation vs. Electronic Clearing House, Inc.; XpresscheX, Inc., et al.;* Superior Court for the State of California, County of Los Angeles (Case No. BC230691); deposition testimony September 17 and 27, 2001; trial testimony November 27 and 28, 2001; testified as to lost business opportunities and damages arising from various causes of action.

- *In re Phycor Corporation Securities Litigation;* U.S. District Court for the Middle District of Tennessee, Nashville Division (Civil Action No. 3-98-0834); deposition testimony August 9 and November 6, 2001; testified as to materiality, causation and damages in a securities class action lawsuit.

- *Ben Higbee and Bridgestone Healthcare Management, Inc. .vs. Bridgestone Healthcare Management, Inc.,...and David E. Sones;* 101st Judicial District, Dallas County, Texas (Cause No. 00-7365-3); deposition testimony June 21, 2001; testified as to preliminary findings as to fairness of certain transactions involving a workers' compensation and rehabilitation business.

- *Auto Wax Co., Inc. v. Mark V Products, Inc...;* U.S. District Court for the Northern District of Texas, Dallas Division (Civil Action No. 3-99 CV 0982-T); deposition testimony April 25, 2001; trial testimony June 29, 2001; testified as to the reasonable royalty and lost profits in a patent infringement and trademark infringement case.

- *Robert K. Bell, et al. v. Fore Systems, Inc., et al..;* U.S. District Court for the Western District of Pennsylvania, (Civil Action No. 97-1265); deposition testimony February 1, 2 and 14, 2001, as to the materiality of various alleged accounting misrepresentations and as to damages in a class action shareholder lawsuit.

- *Scott Cunningham and Elizabeth Cunningham v. Gutierrez, Mitchell & Colmenero, L.L.P., et al.;* 201st Judicial District, Travis County, Texas (Cause No. GN0-00849); deposition testimony January 12, 2001; trial testimony March 7, 2001; testified as to the economic loss and value to the owners of a temporary services business.

- *Damron Auto Parts, Inc. v. Commissioner of Internal Revenue;* U.S. Tax Court (Docket No. 5661-00); testified in trial January 9, 2001; testified as to the maximum compensation payable to an officer of a company primarily engaged in auto salvage operations.

- *John Armstrong and Dan Armstrong vs. American Home Shield Corp.;* U.S. District Court for the Northern District of Texas, Fort Worth Division (Civil Action No. 4:99-CV-169-Y); deposition testimony December 18, 2000; testified as calculations of incentives relating to an acquisition and subsequent employment agreements.

- *Frank Rogers, on Behalf of Himself and All Others Similarly Situated, vs. Sunrise Medical, Inc., et al.;* Superior Court of the State of California, County of San Diego (Case No. GIC 756421); testified in deposition November 30, 2000; testified as to the professional standards; adequacy and reasonableness of analyses and due diligence associated with fairness opinions, materiality of certain omissions and allegedly misleading statements associated with securities filings and a tender offer; and appropriate measures of fairness in a private leveraged buyout with management participation.

- *Donald A. Barnett, et al., vs. Glenborough Pension Investors, et al. and William Paden, et al., vs. Glenborough Pension Investors, et al.;* Superior Court of the State of California, County of San Mateo (Case No. 392541); testified in deposition November 16 and 17, 2000; testified as to the reasonable basis and appropriateness of a fairness opinion issued by a financial advisor; the materiality of representations by the defendants and the appropriate measures of damages suffered by the class of limited partners as a result of such statements and representations; and as a result of alleged breaches of fiduciary duty.

- *EPI Environmental Products, Inc., v. In-Line Plastics, L.C., et al.;* U.S. District Court for the Southern District of Texas, Houston Division (Civil Action No. H-98-4209); deposition testimony October 10, 2000; testified as to the reasonable royalty and lost profits resulting from a theft of trade secrets and patent infringement claims.

- *William Eric Graham, et al., on Behalf of Themselves and All Others Similarly Situated, vs. Taylor Capital Group, Inc. f/k/a Cole Taylor Financial Group, Inc., et al.;* U.S. District Court for the Northern District of Illinois, Eastern Division (Civil Action No. 98-C-0779); deposition testimony September 25 and 26, 2000, as to the materiality of various representations and damages in a class action shareholder lawsuit; deposition testimony December 11, 2000, on the standards of practice for fairness opinions and appropriateness relating to two fairness opinions.

Exhibit B

Exhibit B: Event Study Summary

COMPUTER ASSOCIATES

Regression analysis for the period from July 21, 1997, to February 20, 2003

Regression Window	1 Day Effect	T-statistic	Description	Curative Events	Percent Inflation	Percent Good
Market & Industry Regressions						
Coefficient						
Centered R**2	29.85%		Percent of Variance explained by regression			
SEE	3.61%		Standard error of residual (portion of movement unexplained by regression)			
Constant	-0.10%	-0.03				
IXK	4.31%	1.20	NASD Computer Index			
TXX	26.32%	7.30	CBOE Technology Index			
SUBINDX	57.24%	15.87	Equal weight geometric index consisting of IBM MSFT SUNW ORCL UIS CDWC CPWR RATL MERQ			
Market, Event and Industry Regressions						
Centered R**2	73.81%		Percent of Variance explained by regression			
SEE	2.32%		Standard error of residual (portion of movement unexplained by regression)			
Constant	-0.13%	-0.06				
IXK	17.55%	7.55	NASD Computer Index			
TXX	13.07%	5.63	CBOE Technology Index			
SUBINDX	44.77%	19.28	Equal weight geometric index consisting of IBM MSFT SUNW ORCL UIS CDWC CPWR RATL MERQ			
1	07/23/1997	7.71%	3.32 1Q earnings ann., pos. surprise	0		
2	09/22/1997	6.52%	2.81 CA and IBM inc. comp, new Java product	0		
3	10/22/1997		2Q earnings ann., pos. analysts	0		
4	11/03/1997	3.43%	1.48 CA to buy tech. firm	0		
5	12/01/1997	3.09%	1.33 Overwhelming success of unicenter, 3:2 stock split	0		
6	12/15/1997	3.72%	1.60 Opp. rpt. CA mgmt says unicenter sales robust	0		
7	01/21/1998	-9.16%	-3.94 3Q earnings, solid	0		
8	02/11/1998	-12.26%	-5.28 CA Bid for CSC, Wang interview	0	74.37%	25.63%
9	02/17/1998	-3.75%	-1.62 CA inc. bid for CSC	0	74.37%	25.63%
10	03/05/1998	5.88%	2.53 CA to cease bid for CSC, leak prior day	0	74.37%	25.63%
11	04/22/1998	5.38%	2.32 Preann. 4Q "business stronger than ever"	0	74.37%	25.63%
12	05/05/1998	4.48%	1.93 Pos. news at WW user conf.	0	74.37%	25.63%
13	05/11/1998	-3.39%	-1.46 CA chg. channel strat., Wang denies CSC bid wrongdoing	0	74.37%	25.63%
14	05/20/1998	-2.70%	-1.16 Reaction to 4Q earn. ann., leakage in prior two days	0	74.37%	25.63%
15	06/10/1998	3.93%	1.69 Two analyst reports, earnings on target and core holding	0	74.37%	25.63%
16	07/22/1998	-30.14%	-12.98 Warnings that CA will not meet expectations, some leak prior day	1	63.31%	36.69%
17	07/24/1998	-3.25%	-1.40 CA Lawsuits and further news re. slow sales, exec. bonuses	1	62.08%	37.92%
18	07/28/1998	-4.29%	-1.85 Continued fallout and news 7/27-7/29	0	62.08%	37.92%
19	08/03/1998	-6.73%	-2.90 Neg. Prudential anal. rpt., no catalyst, uncertainty	0	62.08%	37.92%

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Regression analysis for the period from July 21, 1997, to February 20, 2003

Regression Window		1 Day Effect	T-statistic	Description	Curative Events	Percent Inflation	Percent Good
20	08/05/1998	5.65%	2.43	CA acquired Realogic, pos. news	0	62.08%	37.92%
21	08/06/1998	12.50%	5.38	CA optimism about service expansion, Wang comments	1	66.29%	33.71%
22	08/12/1998	2.90%	1.25	Wang "fundamentals are strong", stock buyback plans	0	66.29%	33.71%
23	08/13/1998	-3.08%	-1.33	Wang and analysts: cautious talk	0	66.29%	33.71%
24	08/25/1998	-3.38%	-1.45	Opp. rpt. reduced EPS est.	0	66.29%	33.71%
25	08/31/1998	-3.69%	-1.59	CA joins Ingram Micro's VentureTech Network Program; Business Wire; CA offers Platinum, Tivoli/TACF users "dollar for dollar" credit towards Unicenter TNG security upgrade; Business Wire	0	66.29%	33.71%
26	09/01/1998	6.69%	2.88	Rainbow Technologies announces technology partnership with CA to provide additional Windows NT software management; Business Wire; CA opens Latin American Center for the Development of Unicenter TNG Agents; Business Wire;	0	66.29%	33.71%
27	09/18/1998	-8.52%	-3.67	CA seeking non-comp, non-trad. for unicenter	0	66.29%	33.71%
28	09/25/1998	4.32%	1.86	CA new partnership	0	66.29%	33.71%
29	10/06/1998	4.29%	1.85	CA acquires co., introduces product	0	66.29%	33.71%
30	10/08/1998	-3.63%	-1.56	Criticism of pricing and licensing of unicenter	0	66.29%	33.71%
31	10/19/1998	3.28%	1.41	New Linux prod, Wang pos. re. earnings	0	66.29%	33.71%
32	10/21/1998	3.09%	1.33	2Q earnings ann., positive results	0	66.29%	33.71%
33	11/09/1998	4.62%	1.99	CA pos. product announcements	0	66.29%	33.71%
34	11/23/1998	5.63%	2.42	CA to extend licenses to resellers	0	66.29%	33.71%
35	01/06/1999	6.92%	2.98	Analyst denies negative rumors	0	66.29%	33.71%
36	01/20/1999	2.39%	1.03	1Q earnings ann.	0	66.29%	33.71%
37	02/02/1999	4.99%	2.15	Wang interview, positive	0	66.29%	33.71%
38	02/05/1999	-4.22%	-1.82	Acquisition on CMSI, leakage and news	0	66.29%	33.71%
39	03/10/1999	-12.96%	-5.58	Analyst concerns re. falling demand for CA	0	66.29%	33.71%
40	03/29/1999	6.37%	2.74	CA to buy Platinum tech., profit improvement exp.	0	66.29%	33.71%
41	04/22/1999	4.88%	2.10	CA Joint Venture, JP Morgan positive rpt.	0	66.29%	33.71%
42	04/29/1999	8.21%	3.53	Pre-ann. strong earnings	0	66.29%	33.71%
43	05/14/1999	-5.53%	-2.38	Platinum earnings down due to CA merger	0	66.29%	33.71%
44	05/19/1999	4.96%	2.14	CA extends Platinum TO, pos. analysts	0	66.29%	33.71%
45	05/28/1999	5.92%	2.55	4Q earnings positive	0	66.29%	33.71%
46	06/10/1999	-7.58%	-3.26	Analyst conf, downgrade by analyst	0	66.29%	33.71%
47	06/29/1999	4.59%	1.98	EU approval for Platinum acquisition	0	66.29%	33.71%
48	07/02/1999	-2.91%	-1.25	E&Y replaced as auditor	0	66.29%	33.71%
49	07/06/1999	4.40%	1.89	Positive analyst reports	0	66.29%	33.71%
50	07/21/1999	-2.87%	-1.24	1Q earnings ann.	0	66.29%	33.71%
51	08/31/1999	10.62%	4.57	Cptr Asc Int: Acquires Softline Systems	0	66.29%	33.71%
52	09/01/1999	-5.77%	-2.48	SSW US: Sterling Software Completes Acquisition of Information	0	66.29%	33.71%
53	09/10/1999	8.03%	3.46	Shares of CA rose nearly 10% amid speculation that a recovery in the business software market was at hand as companies wind down their focus on Year 2000 computer fixes; Reuters News	0	66.29%	33.71%
54	10/20/1999	4.50%	1.94	Computer Assoc Raised to Long-Term `Buy' at Hambrecht & Quist	0	66.29%	33.71%
55	10/21/1999	-7.93%	-3.41	BMC Software, Compuware, Others Fall After IBM Warns of Y2K	0	66.29%	33.71%
56	11/19/1999	6.45%	2.78	Computer Assoc Intl Inc. Rated New `Buy' at Warburg Dillon Read	0	66.29%	33.71%
57	12/30/1999	6.42%	2.76	Computer Associates Advises of New Y2K Computer Virus	0	66.29%	33.71%

Exhibit B: Event Study Summary

COMPUTER ASSOCIATES

Regression analysis for the period from July 21, 1997, to February 20, 2003

Regression Window		1 Day Effect	T-statistic	Description	Curative Events	Percent Inflation	Percent Good
58	01/13/2000	-7.88%	-3.39	Computer Associates Discovers a New Worm Called 'Plage2000'	0	66.29%	33.71%
59	01/20/2000	6.67%	2.87	U.K. Foreign and Government Commonwealth Offices SelectComputer Associates ARCserveIT for Global Storage Management	0	66.29%	33.71%
60	03/09/2000	7.09%	3.05	Computer Associates First to Identify New 'MELISSA.AO' Worm	0	66.29%	33.71%
61	04/03/2000	4.98%	2.15	Computer Associates Tender Offer for Sterling Closes with More Than 90 Percent Acceptance	0	66.29%	33.71%
62	04/26/2000	8.37%	3.61	Digex Deploys Computer Associates Unicenter TNG to Deliver High Performance Web-Hosting Services to ASP's and eBusiness Clients	0	66.29%	33.71%
63	05/08/2000	-9.15%	-3.94	Computer Associates Falls After Quarterly Report Postponed	0	66.29%	33.71%
64	05/11/2000	12.97%	5.59	Computer Associates Expects Fourth Quarter Results To Be In Line With Analyst Expectations	1	70.16%	29.84%
65	05/15/2000	3.66%	1.58	CA to provide software for Sinclair Oil	0	70.16%	29.84%
66	05/16/2000	2.49%	1.07	CA Q4 earnings release. Goldman Sachs raises CA to "market outperform"	0	70.16%	29.84%
67	06/09/2000	6.95%	2.99	Computer Associates Minimizes 'Serbian' Trojan Horse Threat	0	70.16%	29.84%
68	06/12/2000	-12.87%	-5.54	Stock falls after analyst meeting - comments flat on Q1	1	65.76%	34.24%
69	06/13/2000	4.09%	1.76	CA expects gain from lawsuit settlement	0	65.76%	34.24%
70	06/15/2000			CA mulling tracking stock, spin-offs	0	65.76%	34.24%
71	06/26/2000	3.42%	1.47	Court approves CA's stock plan settlement	0	65.76%	34.24%
72	07/05/2000	-40.41%	-17.40	Computer Associates shares plunge on profit warning	1	42.54%	57.46%
73	07/19/2000	-2.83%	-1.22	CA ships new version of COOL:Joe; CMP Techweb; CA names Ken Fitzpatrick general manager, global marketing; M2 Presswire; CA and Poland's Softbank, SA announce creation of joint venture; M2 Presswire; CA's Unicenter TNG to manage Norwegian Social Security IT infrastructure; PR Newswire	0	42.54%	57.46%
74	07/20/2000	-11.70%	-5.04	CA provides proactive protection for new Microsoft Outlook attack; M2 Presswire; CA's Unicenter TNG supports Canadian municipality's IT environment for enhanced productivity; PR Newswire; CA reports first quarter financial results of earnings of $0.14 per share after the bell; PR Newswire; CA shares halted in after hours trading; Reuters News: Alot of speculation on message boards about earnings numbers for CA; Message board says Bloomberg report CA had positive large block money flow	0	42.54%	57.46%
75	07/21/2000	11.87%	5.11	Computer Associates Reports First Quarter Financial Results; PR Newswire; ABN AMRO analyst trims earnings estimates for CA, but keeps buy rating; Reuters News; Bear Stearns cuts CA to neutral; Reuters News	1	48.64%	51.36%
76	08/04/2000	11.54%	4.97	Positive announcement anticipated ??? (released after hours - NB on Monday (not earnings related) Also read CMP Techweb (Aug 7) Dow Jones News Service, rallied 12% after-hours	0	48.64%	51.36%
77	08/21/2000	5.15%	2.22	CA launches online security product	0	48.64%	51.36%
78	08/28/2000	7.03%	3.03	Message board had rumors of tracking stock or spin-off of companies within CA, also rumors of an upgrade	0	48.64%	51.36%
79	08/29/2000	4.48%	1.93	CA's lift tied to optimism over IBM; Newsday; CA advises hand-held computer users of trojan horse virus for Palm OS platform; PR Newswire	0	48.64%	51.36%
80	09/28/2000	4.27%	1.84	CA in e-commerce deal with Taiwan China Heir	0	48.64%	51.36%
81	10/04/2000	13.16%	5.66	Computer Associates Shares Rise on Positive Profit Forecast	1	54.61%	45.39%
82	10/24/2000	5.22%	2.25	Earnings anticipation	0	54.61%	45.39%

Exhibit B: Event Study Summary

COMPUTER ASSOCIATES

Regression analysis for the period from July 21, 1997, to February 20, 2003

Regression Window		1 Day Effect	T-statistic	Description	Curative Events	Percent Inflation	Percent Good
83	10/25/2000	10.72%	4.62	ACCPAC Becomes Certified IBM ServerProven(TM); Enrolls in IBM PartnerWorld For Developers	0	54.61%	45.39%
84	10/26/2000	6.50%	2.80	Computer Associates Intl Reiterated `Buy' at ABN Amro	0	54.61%	45.39%
85	12/05/2000			CA and JIEC Announce Partnership to Market CA's COOL:Gen for ebusiness In Japan	0	54.61%	45.39%
86	12/20/2000	-4.83%	-2.08	IMARK Develops Portal For $315 Billion Trucking Industry Employing Computer Associates Jasmine(ii) Technology	0	54.61%	45.39%
87	12/21/2000	-4.62%	-1.99	Morgan Stanley Dean Witter downgrades CA from "outperform" to "neutral"	0	54.61%	45.39%
88	01/03/2001	3.13%	1.35	Computer Associates Unveils New Corporate Brand Identity; New Logo Reflects Company's Strategic Focus and eBusiness Leadership	0	54.61%	45.39%
89	01/04/2001	22.09%	9.51	Computer Associates Raised to 'Accumulate' at Prudential; CA rose on news that BMC anticipates better than expected earnings for its Q3	0	54.61%	45.39%
90	01/09/2001	5.74%	2.47	County of Rockland New York Selects Computer Associates Unicenter TNG To Govern Expanding Technology Infrastructure	0	54.61%	45.39%
91	01/18/2001	15.18%	6.54	CA soars on positive IBM earnings report and about demand for mainframes, SG Gowen upgrades CA	0	54.61%	45.39%
92	01/22/2001	-2.79%	-1.20	Earnings anticipation	0	54.61%	45.39%
93	01/23/2001	3.64%	1.57	CA releases Q3 earnings release - tops expectations, but posts large loss	0	54.61%	45.39%
94	01/30/2001	6.67%	2.87	Prudential Securities upgrades CA from "accumulate" to "strong buy"	0	54.61%	45.39%
95	03/02/2001			Dain Rauscher Wessels downgrades CA from "buy" to "neutral"	0	54.61%	45.39%
96	03/06/2001	-5.85%	-2.52	Computer Associates Warns of NakedWife Trojan	0	54.61%	45.39%
97	03/12/2001	3.89%	1.68	CA announces that Con-Way Transportation Services, Inc. is using CA's COOL:Gen to design, deploy and maintain ecommerce and supply chain solutions; M2 Presswire; CA announces the release of Ingres II 2.5; M2 Presswire	0	54.61%	45.39%
98	03/13/2001	-5.03%	-2.17	CA introduces ARCserve 2000 protection suites for ebusiness relying on Oracle databases, Microsoft Exchange or Lotus Notes; M2 Presswire; CA announces that Roche Italy has selected Unicenter TNG; M2 Presswire	0	54.61%	45.39%
99	04/17/2001	14.86%	6.40	Computer Assoc Reiterated `Strong Buy' at Prudential	1	60.48%	39.52%
100	04/30/2001	-9.45%	-4.07	Computer Associates Falls as Report Raises Accounting Concerns	1	56.36%	43.64%
101	05/01/2001	-5.85%	-2.52	CA shares continue to drift downward due to negative comments concerning its accounting practices	1	53.64%	46.36%
102	05/02/2001	-4.57%	-1.97	CA shares continue to drift downward due to negative comments concerning its accounting practices	1	51.42%	48.58%
103	05/09/2001	3.57%	1.54	CA in pact with Qualcomm and Microsoft	0	51.42%	48.58%
104	05/22/2001	5.33%	2.29	Earnings anticipation	0	51.42%	48.58%
105	05/23/2001	-3.22%	-1.38	CA releases Q4 earnings report - meets analysts' estimates	0	51.42%	48.58%
106	06/05/2001	3.44%	1.48	Computer Assoc Intl Reiterated `Buy' at Prudential	0	51.42%	48.58%
107	06/22/2001	-4.25%	-1.83	Texas investors announces bid to take over CA	0	51.42%	48.58%
108	06/29/2001	6.91%	2.98	Computer Associates Announces Strategic Partnership With Neusoft Group Ltd.	0	51.42%	48.58%
109	10/01/2001	-3.18%	-1.37	Justice Dept sues CA and Platinum Tech for alleged antitrust violations	0	51.42%	48.58%
110	10/12/2001	-2.57%	-1.11	CA confirms that it will cut 5% of workforce and take $20 million charge in Q3	0	51.42%	48.58%
111	10/19/2001	5.97%	2.57	Computer Associates EPS Estimates Raised at Dresdner Kleinwort	0	51.42%	48.58%
112	11/02/2001	-3.51%	-1.51	Morgan Stanley downgrades CA from "outperform" to "neutral"	0	51.42%	48.58%

Exhibit B: Event Study Summary

COMPUTER ASSOCIATES

Regression analysis for the period from July 21, 1997, to February 20, 2003

Regression Window		1 Day Effect	T-statistic	Description	Curative Events	Percent Inflation	Percent Good
113	11/07/2001	-4.87%	-2.10	Deutsche Banc Alex Brown starts coverage of CA with "market perform"- believes positive Cash Flow of Ops is "fool's gold"	0	51.42%	48.58%
114	11/29/2001	4.61%	1.99	CA Announces IBM's Use of AllFusion Erwin Data Modeler to Validate Data Modeling Techniques for Linux Environments on The eServer Z900 and S/390: Study Finds AllFusion Erwin to be Effective	0	51.42%	48.58%
115	01/23/2002	6.33%	2.73	Computer Associates EPS Estimates Raised at ABN Amro	0	51.42%	48.58%
116	01/29/2002	-5.94%	-2.56	Corporate Bond Alert: Computer Associates, Solectron to Sell	0	51.42%	48.58%
117	02/06/2002	-12.43%	-5.35	Computer Associates Stock, Bonds Fall on Debt Review	1	44.53%	55.47%
118	02/07/2002	4.31%	1.85	Analysts release reports supporting CA , questioning Moody's concerns	1	46.82%	53.18%
119	02/20/2002	-17.89%	-7.70	Computer Associates Shares Fall on Accounting Reports	1	35.23%	64.77%
120	02/21/2002	-6.19%	-2.67	News of possible gov't inquiry; Computer Associates Taps CSFB Credit Line as Debt Costs Rise	1	30.96%	69.04%
121	02/22/2002	-15.13%	-6.51	Salomon's Teagarden Cuts Computer Associates: Call of the Day	1	18.65%	81.35%
122	02/26/2002	10.02%	4.32	Top Indian Engineering Firm Selects CA's Unicenter to Optimize Availability Of One of the Country's Largest Private Networks	0	18.65%	81.35%
123	03/06/2002	7.99%	3.44	Top Chinese Newspaper Group Reports Greater IT Operations Efficiency With Computer Associates Unicenter; Also, S-4 Filings, Insiders bought shares in February (from WSA)	0	18.65%	81.35%
124	03/13/2002	-4.63%	-1.99	Computer Associates Announces Proposed Private Offering of Convertible Senior Notes and Simultaneous Call Spread Repurchase Option	0	18.65%	81.35%
125	04/08/2002	4.11%	1.77	CA sees smaller loss than forecast	0	18.65%	81.35%
126	04/15/2002	-7.20%	-3.10	Computer Associates Cut to 'Hold' at Prudential; Also, Computer Associates Probed Over Sterling, Paper Says	1	12.34%	87.66%
127	04/17/2002	-5.67%	-2.44	CA stock down on new government inquiry	1	7.07%	92.93%
128	05/15/2002	-7.07%	-3.05	SEC Formalizes Inquiry Into Computer Associates, Company Says	1	0.00%	100.00%
129	07/18/2002	-5.18%	-2.23	Computer Associates Director Wyman Is Targeted by Wyly Slate: Bloomberg; Ranger Governance Ltd. Seeks to unseat Thomas H. Wyman; Wall Street Journal; CA names four directors as it prepares for proxy battle next month; Wall Street Journal Europe; CA announces that Almirall Prodesfarma has deployed an executive dashboard built with CA's CleverPath Forest and Trees; PR Newswire; CA becomes first antivirus solution to gain Windows Certification; Al-Bawaba News	0	0.00%	100.00%
130	07/23/2002	-17.78%	-7.66	Computer Associates Tumbles on 2003 Sales Forecast	0	0.00%	100.00%
131	07/30/2002	11.49%	4.95	Siemens Business Services In Denmark Leverages CA's CleverPath Solutions To Build High-Value Enterprise Knowledge Portal	0	0.00%	100.00%
132	08/06/2002	3.73%	1.61	BDO Dunwoody Selects ACCPAC Business Analysis Suite	0	0.00%	100.00%
133	08/22/2002	9.98%	4.30	Acer improves decision-making and slashes costs with CA's AllFusion and Advantage Tools; M2 Presswire	0	0.00%	100.00%
134	09/10/2002	5.37%	2.31	Top Israeli Telecom Firm Taps CA's Unicenter For Data Center and Hosting Management	0	0.00%	100.00%
135	09/17/2002	-4.05%	-1.75	CA's financial and accounting business management software unit Accpac International, Inc. withdraws $52 million IPO; Reuters News	0	0.00%	100.00%
136	09/25/2002	4.60%	1.98	Computer Associates Says Independent Audit Finds No Violations	0	0.00%	100.00%

Exhibit B: Event Study Summary

COMPUTER ASSOCIATES

Regression analysis for the period from July 21, 1997, to February 20, 2003

Regression Window		1 Day Effect	T-statistic	Description	Curative Events	Percent Inflation	Percent Good
137	10/11/2002	4.77%	2.05	CA unveils the Global Holistic eTrust security strategy in Hong Kong; PR Newswire Asia; Tech stocks rise after IBM upgrade, amid short covering; Dow Jones News Service	0	0.00%	100.00%
138	10/17/2002	4.75%	2.04	Computer Associates Names William S. Stavropoulos New Director; Addition of Dow Chairman Increases Board's Independent Membership	0	0.00%	100.00%
139	10/22/2002	-5.07%	-2.18	CA reports net loss of $52 million or $0.09 per share, revenues of $772 million; Reuters News; CA affirms 2003 forecast; Dow Jones Business News;	0	0.00%	100.00%
140	10/23/2002	19.55%	8.42	Computer Associates Raised to `Buy' at Parker Hunter; Bloomberg; Ca converts employee stock fund to real time trading; PR Newswire	0	0.00%	100.00%
141	12/02/2002	6.76%	2.91	(December 1, 2002) CA lowers arcserve pricing; InfoStor; CA introduces Advantage Gen for Enterprise Servers release 6.5; Mainframe Computing; CA enters web access management arena; Computer Reseller News	0	0.00%	100.00%
142	12/06/2002	-7.40%	-3.19	Computer Associates Sells $400 Mln 1.625% 7-Year Senior Notes	0	0.00%	100.00%
143	01/22/2003	-9.85%	-4.24	Computer Associates Reduces 4th-Qtr Revenue Forecast; Bloomberg; CA net loss narrows to $44 million or $0.08 per share, revenues rise to $778 million; Reuters News; CA subpoenaed by federal investigators; Wall Street Journal; CA CEO Kumar says no marked rise in IT spending seen from North American companies; Dow Jones News Service; CA announces deployment of Visator's Media Intelligence Information Technology in Denmark; Business Wire	0	0.00%	100.00%

Exhibit C

Exhibit C
Inflation As a Percentage of the Purchase or Sale Price

Period	Beginning	Ending	Percent Inflated	Description of Key Event
1	01/21/98	07/21/98	74.4%	Third Quarter 1998 Earnings Announcement
2	07/22/98	07/23/98	63.3%	Warnings that CA will not meet expectations, some leak prior day
3	07/24/98	08/05/98	62.1%	CA Lawsuits and further news re. slow sales, exec. bonuses
4	08/06/98	05/10/00	66.3%	CA optimism about service expansion, Wang comments
5	05/11/00	06/11/00	70.2%	Computer Associates Expects Fourth Quarter Results To Be In Line With Analyst Expectations
6	06/12/00	07/04/00	65.8%	Stock falls after analyst meeting - comments flat on Q1
7	07/05/00	07/20/00	42.5%	Computer Associates shares plunge on profit warning
8	07/21/00	10/03/00	48.6%	Computer Associates Reports First Quarter Financial Results; PR Newswire; ABN AMRO analyst trims earnings estimates for CA, but keeps buy rating; Reuters News; Bear Stearns cuts CA to neutral; Reuters News
9	10/04/00	04/16/01	54.6%	Computer Associates Shares Rise on Positive Profit Forecast
10	04/17/01	04/29/01	60.5%	Computer Assoc Reiterated `Strong Buy' at Prudential
11	04/30/01	04/30/01	56.4%	Computer Associates Falls as Report Raises Accounting Concerns
12	05/01/01	05/01/01	53.6%	CA shares continue to drift downward due to negative comments concerning its accounting practices
13	05/02/01	02/05/02	51.4%	CA shares continue to drift downward due to negative comments concerning its accounting practices
14	02/06/02	02/06/02	44.5%	Computer Associates Stock, Bonds Fall on Debt Review
15	02/07/02	02/19/02	46.8%	Analysts release reports supporting CA , questioning Moody's concerns
16	02/20/02	02/20/02	35.2%	Computer Associates Shares Fall on Accounting Reports
17	02/21/02	02/21/02	31.0%	News of possible gov't inquiry; Computer Associates Taps CSFB Credit Line as Debt Costs Rise
18	02/22/02	04/14/02	18.7%	Salomon's Teagarden Cuts Computer Associates: Call of the Day
19	04/15/02	04/16/02	12.3%	Computer Associates Cut to `Hold' at Prudential; Also, Computer
20	04/17/02	05/14/02	7.1%	Associates Probed Over Sterling, Paper Says CA stock down on new government inquiry
21	05/15/02		0.0%	SEC Formalizes Inquiry Into Computer Associates, Company Says

Exhibit D

Exhibit D: COMPUTER ASSOCIATES INTL Price v. Value Line and Composite Index

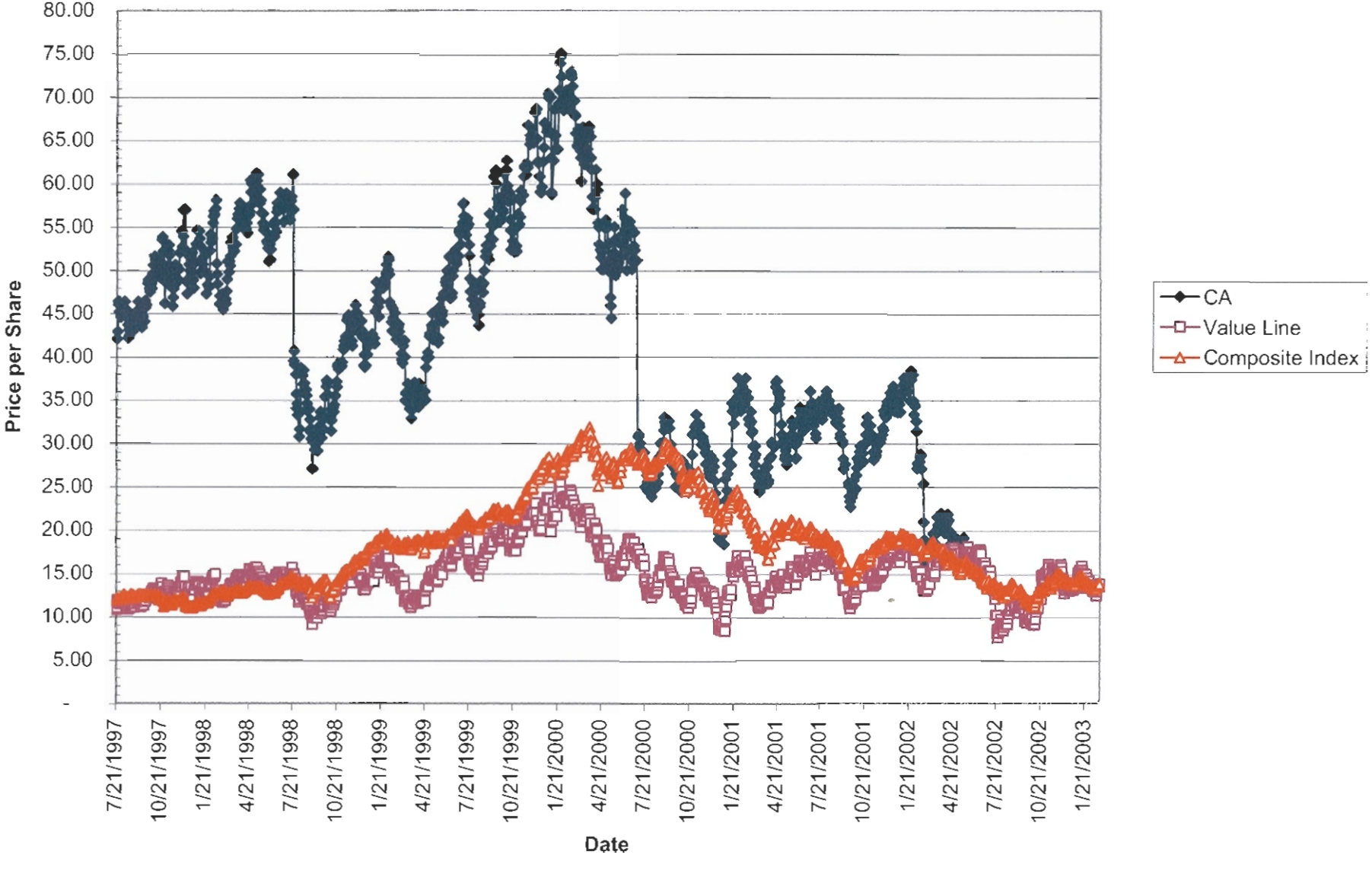


Exhibit E

Exhibit E
Example of the Processing of an Individual Claim

	Percent Inflation	Price per Share	Inflation per Share	Shares	Total Inflation
Purchase Consideration April 17, 2000	66.3%	$ 52.38	$ 34.73	1,000	$ 34,727.94
Sale Consideration January 9, 2002	51.4%	$ 37.52	$ 19.29	1,000	less $ 19,285.28
Differences		**$ 14.86**	**$ 15.44**		equals damage claim **$ 15,442.66**

Funds Available	$225,000,000
	divided by
Total Damage Claims	$ 10,500,000,000
	equals
Distribution as a Percent of Claims	2.14286%

times
Distribution Percentage 2.14286%
equals
Distribution Amount **$ 330.91**

Exhibit F

Exhibit F

Option Price Inflation Table

	Period	1	2	3	4	5	6	7
	Beginning Date	01/21/98	07/22/98	07/24/98	08/06/98	05/11/00	06/12/00	07/05/00
	Ending Date	07/21/98	07/23/98	08/05/98	05/10/00	06/11/00	07/04/00	07/20/00
	Percentage Share Price Inflation	74.4%	63.3%	62.1%	66.3%	70.2%	65.8%	42.5%
	Current Stock Price / Exercise Price	Inflation as a Percentage of the Call Option Price						
Calls	250%	98.61%	92.32%	91.26%	94.61%	96.93%	94.23%	67.43%
Calls	245%	98.72%	92.69%	91.65%	94.90%	97.12%	94.53%	68.04%
Calls	240%	98.82%	93.05%	92.04%	95.19%	97.31%	94.84%	68.67%
Calls	235%	98.92%	93.41%	92.43%	95.47%	97.50%	95.13%	69.32%
Calls	230%	99.01%	93.76%	92.82%	95.75%	97.68%	95.42%	69.99%
Calls	225%	99.10%	94.11%	93.20%	96.02%	97.86%	95.71%	70.68%
Calls	220%	99.19%	94.46%	93.59%	96.29%	98.03%	95.99%	71.40%
Calls	215%	99.27%	94.81%	93.96%	96.55%	98.19%	96.27%	72.14%
Calls	210%	99.34%	95.14%	94.34%	96.80%	98.34%	96.53%	72.90%
Calls	205%	99.41%	95.47%	94.70%	97.04%	98.49%	96.79%	73.69%
Calls	200%	99.48%	95.80%	95.06%	97.28%	98.63%	97.05%	74.49%
Calls	195%	99.54%	96.11%	95.42%	97.51%	98.77%	97.29%	75.32%
Calls	190%	99.59%	96.42%	95.76%	97.73%	98.89%	97.52%	76.17%
Calls	185%	99.64%	96.71%	96.10%	97.94%	99.01%	97.75%	77.04%
Calls	180%	99.69%	97.00%	96.42%	98.14%	99.12%	97.96%	77.94%
Calls	175%	99.73%	97.27%	96.73%	98.33%	99.23%	98.17%	78.85%
Calls	170%	99.77%	97.54%	97.03%	98.51%	99.32%	98.36%	79.77%
Calls	165%	99.81%	97.79%	97.32%	98.68%	99.41%	98.54%	80.72%
Calls	160%	99.84%	98.02%	97.59%	98.83%	99.49%	98.71%	81.68%
Calls	155%	99.86%	98.24%	97.85%	98.98%	99.56%	98.87%	82.65%
Calls	150%	99.89%	98.45%	98.10%	99.11%	99.63%	99.01%	83.63%
Calls	145%	99.91%	98.65%	98.33%	99.23%	99.69%	99.15%	84.61%
Calls	140%	99.92%	98.82%	98.54%	99.35%	99.74%	99.27%	85.60%
Calls	135%	99.94%	98.99%	98.73%	99.45%	99.78%	99.38%	86.59%
Calls	130%	99.95%	99.14%	98.91%	99.54%	99.82%	99.48%	87.57%
Calls	125%	99.96%	99.27%	99.08%	99.62%	99.86%	99.57%	88.54%
Calls	120%	99.97%	99.39%	99.22%	99.68%	99.89%	99.64%	89.51%
Calls	115%	99.98%	99.50%	99.35%	99.75%	99.91%	99.71%	90.45%
Calls	110%	99.98%	99.59%	99.47%	99.80%	99.93%	99.77%	91.37%
Calls	105%	99.99%	99.67%	99.57%	99.84%	99.95%	99.82%	92.26%
Calls	100%	99.99%	99.74%	99.66%	99.88%	99.96%	99.86%	93.12%
Calls	95%	99.99%	99.80%	99.73%	99.91%	99.97%	99.89%	93.95%
Calls	90%	100.00%	99.85%	99.79%	99.93%	99.98%	99.92%	94.73%
Calls	85%	100.00%	99.89%	99.84%	99.95%	99.99%	99.94%	95.46%
Calls	80%	100.00%	99.92%	99.88%	99.96%	99.99%	99.96%	96.14%
Calls	75%	100.00%	99.94%	99.92%	99.98%	99.99%	99.97%	96.77%
Calls	70%	100.00%	99.96%	99.94%	99.98%	100.00%	99.98%	97.34%
Calls	65%	100.00%	99.97%	99.96%	99.99%	100.00%	99.99%	97.85%
Calls	60%	100.00%	99.98%	99.97%	99.99%	100.00%	99.99%	98.31%
Calls	55%	100.00%	99.99%	99.98%	100.00%	100.00%	100.00%	98.70%
Calls	50%	100.00%	99.99%	99.99%	100.00%	100.00%	100.00%	99.03%
Calls	45%	100.00%	100.00%	99.99%	100.00%	100.00%	100.00%	99.30%
Calls	40%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	99.52%
Calls	35%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	99.69%
Calls	30%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	99.81%
Calls	25%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	99.90%
Calls	20%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	99.95%
Calls	15%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	99.98%
Calls	10%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Calls	5%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Exhibit F

Option Price Inflation Table

	Period	8	9	10	11	12	13	14	15
	Beginning Date	07/21/00	10/04/00	04/17/01	04/30/01	05/01/01	05/02/01	02/06/02	02/07/02
	Ending Date	10/03/00	04/16/01	04/29/01	04/30/01	05/01/01	02/05/02	02/06/02	02/19/02
	Percentage Share Price Inflation	48.6%	54.6%	60.5%	56.4%	53.6%	51.4%	44.5%	46.8%
	Current Stock Price / Exercise Price								
Calls	250%	75.94%	83.47%	89.78%	85.48%	82.32%	79.57%	70.29%	73.48%
Calls	245%	76.54%	84.00%	90.20%	85.98%	82.87%	80.14%	70.89%	74.08%
Calls	240%	77.14%	84.54%	90.63%	86.49%	83.42%	80.73%	71.52%	74.70%
Calls	235%	77.77%	85.09%	91.06%	87.01%	83.99%	81.32%	72.17%	75.34%
Calls	230%	78.41%	85.65%	91.49%	87.53%	84.56%	81.93%	72.83%	75.99%
Calls	225%	79.06%	86.21%	91.91%	88.06%	85.14%	82.55%	73.52%	76.66%
Calls	220%	79.73%	86.78%	92.34%	88.59%	85.73%	83.17%	74.23%	77.35%
Calls	215%	80.41%	87.35%	92.76%	89.12%	86.32%	83.81%	74.95%	78.06%
Calls	210%	81.11%	87.93%	93.18%	89.65%	86.92%	84.46%	75.70%	78.78%
Calls	205%	81.82%	88.51%	93.60%	90.18%	87.52%	85.11%	76.47%	79.52%
Calls	200%	82.54%	89.09%	94.01%	90.72%	88.13%	85.77%	77.25%	80.27%
Calls	195%	83.27%	89.67%	94.41%	91.25%	88.74%	86.44%	78.06%	81.04%
Calls	190%	84.01%	90.25%	94.80%	91.77%	89.35%	87.12%	78.88%	81.82%
Calls	185%	84.76%	90.83%	95.19%	92.30%	89.96%	87.79%	79.72%	82.61%
Calls	180%	85.52%	91.40%	95.57%	92.81%	90.56%	88.47%	80.58%	83.42%
Calls	175%	86.28%	91.97%	95.93%	93.32%	91.17%	89.14%	81.44%	84.23%
Calls	170%	87.05%	92.53%	96.28%	93.82%	91.76%	89.82%	82.33%	85.05%
Calls	165%	87.82%	93.09%	96.62%	94.31%	92.35%	90.49%	83.22%	85.88%
Calls	160%	88.58%	93.63%	96.95%	94.78%	92.93%	91.15%	84.12%	86.71%
Calls	155%	89.35%	94.16%	97.26%	95.24%	93.50%	91.81%	85.03%	87.54%
Calls	150%	90.10%	94.67%	97.56%	95.69%	94.05%	92.45%	85.94%	88.36%
Calls	145%	90.85%	95.17%	97.83%	96.11%	94.59%	93.08%	86.85%	89.19%
Calls	140%	91.58%	95.64%	98.09%	96.52%	95.10%	93.69%	87.76%	90.00%
Calls	135%	92.30%	96.10%	98.34%	96.91%	95.60%	94.29%	88.67%	90.80%
Calls	130%	93.00%	96.53%	98.56%	97.27%	96.07%	94.86%	89.56%	91.59%
Calls	125%	93.68%	96.94%	98.77%	97.61%	96.52%	95.41%	90.44%	92.36%
Calls	120%	94.34%	97.33%	98.95%	97.93%	96.95%	95.93%	91.30%	93.10%
Calls	115%	94.97%	97.69%	99.12%	98.22%	97.35%	96.42%	92.14%	93.82%
Calls	110%	95.56%	98.02%	99.27%	98.49%	97.71%	96.88%	92.95%	94.51%
Calls	105%	96.12%	98.32%	99.40%	98.73%	98.05%	97.32%	93.73%	95.16%
Calls	100%	96.65%	98.59%	99.52%	98.95%	98.36%	97.71%	94.48%	95.78%
Calls	95%	97.14%	98.84%	99.62%	99.14%	98.64%	98.07%	95.18%	96.36%
Calls	90%	97.58%	99.05%	99.70%	99.31%	98.88%	98.40%	95.84%	96.90%
Calls	85%	97.99%	99.24%	99.77%	99.46%	99.10%	98.69%	96.46%	97.39%
Calls	80%	98.35%	99.41%	99.83%	99.58%	99.29%	98.95%	97.03%	97.84%
Calls	75%	98.68%	99.54%	99.88%	99.68%	99.45%	99.17%	97.54%	98.24%
Calls	70%	98.96%	99.66%	99.91%	99.76%	99.58%	99.36%	98.00%	98.59%
Calls	65%	99.20%	99.75%	99.94%	99.83%	99.69%	99.52%	98.41%	98.90%
Calls	60%	99.40%	99.82%	99.96%	99.88%	99.78%	99.65%	98.77%	99.16%
Calls	55%	99.56%	99.88%	99.97%	99.92%	99.85%	99.75%	99.07%	99.38%
Calls	50%	99.69%	99.92%	99.98%	99.95%	99.90%	99.83%	99.32%	99.56%
Calls	45%	99.79%	99.95%	99.99%	99.97%	99.94%	99.89%	99.52%	99.70%
Calls	40%	99.87%	99.97%	100.00%	99.98%	99.96%	99.93%	99.68%	99.80%
Calls	35%	99.92%	99.98%	100.00%	99.99%	99.98%	99.96%	99.80%	99.88%
Calls	30%	99.96%	99.99%	100.00%	100.00%	99.99%	99.98%	99.88%	99.93%
Calls	25%	99.98%	100.00%	100.00%	100.00%	100.00%	99.99%	99.94%	99.97%
Calls	20%	99.99%	100.00%	100.00%	100.00%	100.00%	100.00%	99.97%	99.99%
Calls	15%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	99.99%	100.00%
Calls	10%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Calls	5%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Exhibit F

Option Price Inflation Table

	Period	16	17	18	19	20	21
	Beginning Date	02/20/02	02/21/02	02/22/02	04/15/02	04/17/02	05/15/02
	Ending Date	02/20/02	02/21/02	04/14/02	04/16/02	05/14/02	
	Percentage Share Price Inflation	35.2%	31.0%	18.7%	12.3%	7.1%	0.0%
	Current Stock Price / Exercise Price						
Calls	250%	56.53%	49.92%	30.34%	20.13%	11.55%	0.00%
Calls	245%	57.11%	50.45%	30.69%	20.37%	11.70%	0.00%
Calls	240%	57.70%	51.00%	31.07%	20.62%	11.84%	0.00%
Calls	235%	58.32%	51.58%	31.46%	20.89%	12.00%	0.00%
Calls	230%	58.97%	52.19%	31.87%	21.17%	12.17%	0.00%
Calls	225%	59.65%	52.83%	32.31%	21.47%	12.34%	0.00%
Calls	220%	60.35%	53.49%	32.77%	21.79%	12.53%	0.00%
Calls	215%	61.08%	54.18%	33.25%	22.13%	12.73%	0.00%
Calls	210%	61.84%	54.91%	33.77%	22.49%	12.95%	0.00%
Calls	205%	62.63%	55.67%	34.31%	22.87%	13.17%	0.00%
Calls	200%	63.46%	56.47%	34.89%	23.27%	13.41%	0.00%
Calls	195%	64.32%	57.30%	35.50%	23.70%	13.67%	0.00%
Calls	190%	65.21%	58.17%	36.14%	24.16%	13.95%	0.00%
Calls	185%	66.13%	59.07%	36.82%	24.65%	14.24%	0.00%
Calls	180%	67.09%	60.02%	37.55%	25.17%	14.56%	0.00%
Calls	175%	68.08%	61.01%	38.31%	25.73%	14.89%	0.00%
Calls	170%	69.11%	62.03%	39.13%	26.32%	15.25%	0.00%
Calls	165%	70.17%	63.10%	39.99%	26.95%	15.64%	0.00%
Calls	160%	71.26%	64.22%	40.90%	27.62%	16.06%	0.00%
Calls	155%	72.39%	65.37%	41.87%	28.34%	16.51%	0.00%
Calls	150%	73.54%	66.57%	42.89%	29.11%	16.99%	0.00%
Calls	145%	74.73%	67.81%	43.97%	29.93%	17.50%	0.00%
Calls	140%	75.94%	69.09%	45.12%	30.81%	18.06%	0.00%
Calls	135%	77.18%	70.41%	46.33%	31.75%	18.66%	0.00%
Calls	130%	78.44%	71.77%	47.61%	32.75%	19.30%	0.00%
Calls	125%	79.72%	73.17%	48.96%	33.82%	20.00%	0.00%
Calls	120%	81.01%	74.59%	50.38%	34.96%	20.75%	0.00%
Calls	115%	82.31%	76.05%	51.88%	36.17%	21.55%	0.00%
Calls	110%	83.61%	77.53%	53.46%	37.47%	22.42%	0.00%
Calls	105%	84.91%	79.03%	55.11%	38.86%	23.36%	0.00%
Calls	100%	86.20%	80.54%	56.85%	40.34%	24.37%	0.00%
Calls	95%	87.47%	82.05%	58.66%	41.91%	25.46%	0.00%
Calls	90%	88.72%	83.57%	60.55%	43.58%	26.64%	0.00%
Calls	85%	89.94%	85.07%	62.53%	45.36%	27.92%	0.00%
Calls	80%	91.12%	86.56%	64.58%	47.25%	29.29%	0.00%
Calls	75%	92.25%	88.02%	66.70%	49.25%	30.78%	0.00%
Calls	70%	93.33%	89.44%	68.89%	51.38%	32.39%	0.00%
Calls	65%	94.35%	90.81%	71.15%	53.63%	34.13%	0.00%
Calls	60%	95.29%	92.13%	73.47%	56.01%	36.02%	0.00%
Calls	55%	96.15%	93.37%	75.84%	58.53%	38.07%	0.00%
Calls	50%	96.94%	94.53%	78.26%	61.20%	40.30%	0.00%
Calls	45%	97.63%	95.60%	80.70%	64.02%	42.74%	0.00%
Calls	40%	98.23%	96.57%	83.16%	67.00%	45.42%	0.00%
Calls	35%	98.74%	97.42%	85.63%	70.15%	48.37%	0.00%
Calls	30%	99.15%	98.16%	88.07%	73.48%	51.65%	0.00%
Calls	25%	99.47%	98.78%	90.47%	77.01%	55.34%	0.00%
Calls	20%	99.71%	99.26%	92.80%	80.77%	59.55%	0.00%
Calls	15%	99.87%	99.62%	95.01%	84.78%	64.48%	0.00%
Calls	10%	99.96%	99.85%	97.05%	89.11%	70.53%	0.00%
Calls	5%	100.00%	100.00%	81.50%	77.98%	66.24%	0.00%

Exhibit F
Option Price Inflation Table

	Period	1	2	3	4	5	6	7
	Beginning Date	01/21/98	07/22/98	07/24/98	08/06/98	05/11/00	06/12/00	07/05/00
	Ending Date	07/21/98	07/23/98	08/05/98	05/10/00	06/11/00	07/04/00	07/20/00
	Percentage Share Price Inflation	74.4%	63.3%	62.1%	66.3%	70.2%	65.8%	42.5%
	Current Stock Price /							
Puts	Exercise Price	Inflation as a Percentage of the Exercise Price						
Puts	250%	-35.9%	-17.8%	-16.4%	-21.8%	-28.0%	-21.1%	-3.8%
Puts	245%	-37.0%	-18.7%	-17.3%	-22.8%	-29.0%	-22.0%	-4.1%
Puts	240%	-38.0%	-19.7%	-18.1%	-23.8%	-30.1%	-23.0%	-4.5%
Puts	235%	-39.1%	-20.6%	-19.1%	-24.8%	-31.1%	-24.0%	-4.9%
Puts	230%	-40.1%	-21.6%	-20.0%	-25.9%	-32.2%	-25.1%	-5.3%
Puts	225%	-41.2%	-22.7%	-21.1%	-27.0%	-33.3%	-26.1%	-5.7%
Puts	220%	-42.3%	-23.7%	-22.1%	-28.1%	-34.4%	-27.2%	-6.2%
Puts	215%	-43.4%	-24.8%	-23.2%	-29.2%	-35.6%	-28.4%	-6.8%
Puts	210%	-44.4%	-25.9%	-24.3%	-30.4%	-36.7%	-29.5%	-7.3%
Puts	205%	-45.5%	-27.1%	-25.4%	-31.5%	-37.9%	-30.7%	-8.0%
Puts	200%	-46.6%	-28.3%	-26.6%	-32.7%	-39.1%	-31.9%	-8.6%
Puts	195%	-47.7%	-29.5%	-27.8%	-33.9%	-40.3%	-33.1%	-9.3%
Puts	190%	-48.8%	-30.7%	-29.0%	-35.2%	-41.4%	-34.3%	-10.1%
Puts	185%	-49.8%	-32.0%	-30.2%	-36.4%	-42.6%	-35.6%	-10.9%
Puts	180%	-50.9%	-33.2%	-31.5%	-37.6%	-43.8%	-36.8%	-11.7%
Puts	175%	-51.9%	-34.5%	-32.8%	-38.9%	-44.9%	-38.1%	-12.6%
Puts	170%	-52.9%	-35.7%	-34.0%	-40.1%	-46.1%	-39.3%	-13.5%
Puts	165%	-53.8%	-37.0%	-35.3%	-41.3%	-47.2%	-40.5%	-14.5%
Puts	160%	-54.8%	-38.2%	-36.5%	-42.5%	-48.3%	-41.7%	-15.5%
Puts	155%	-55.6%	-39.5%	-37.8%	-43.6%	-49.3%	-42.9%	-16.6%
Puts	150%	-56.4%	-40.6%	-39.0%	-44.7%	-50.3%	-44.0%	-17.7%
Puts	145%	-57.2%	-41.8%	-40.1%	-45.8%	-51.2%	-45.1%	-18.8%
Puts	140%	-57.8%	-42.8%	-41.3%	-46.8%	-52.0%	-46.1%	-19.9%
Puts	135%	-58.4%	-43.8%	-42.3%	-47.7%	-52.8%	-47.0%	-21.0%
Puts	130%	-58.8%	-44.7%	-43.2%	-48.5%	-53.4%	-47.8%	-22.1%
Puts	125%	-59.1%	-45.5%	-44.1%	-49.1%	-53.9%	-48.5%	-23.2%
Puts	120%	-59.3%	-46.2%	-44.8%	-49.7%	-54.3%	-49.1%	-24.2%
Puts	115%	-59.3%	-46.7%	-45.3%	-50.1%	-54.5%	-49.5%	-25.2%
Puts	110%	-59.1%	-47.0%	-45.7%	-50.3%	-54.5%	-49.7%	-26.1%
Puts	105%	-58.7%	-47.2%	-45.9%	-50.3%	-54.3%	-49.7%	-26.8%
Puts	100%	-58.1%	-47.1%	-45.9%	-50.1%	-53.9%	-49.5%	-27.4%
Puts	95%	-57.2%	-46.8%	-45.6%	-49.6%	-53.3%	-49.1%	-27.8%
Puts	90%	-56.1%	-46.2%	-45.1%	-48.9%	-52.3%	-48.4%	-28.0%
Puts	85%	-54.7%	-45.3%	-44.3%	-47.8%	-51.1%	-47.4%	-28.0%
Puts	80%	-53.0%	-44.1%	-43.2%	-46.5%	-49.6%	-46.1%	-27.8%
Puts	75%	-51.0%	-42.7%	-41.8%	-44.9%	-47.8%	-44.5%	-27.3%
Puts	70%	-48.7%	-40.9%	-40.1%	-43.0%	-45.7%	-42.6%	-26.5%
Puts	65%	-46.0%	-38.9%	-38.1%	-40.8%	-43.3%	-40.5%	-25.4%
Puts	60%	-43.2%	-36.5%	-35.8%	-38.3%	-40.6%	-38.0%	-24.1%
Puts	55%	-40.1%	-34.0%	-33.3%	-35.6%	-37.7%	-35.3%	-22.6%
Puts	50%	-36.7%	-31.2%	-30.6%	-32.7%	-34.6%	-32.4%	-20.8%
Puts	45%	-33.3%	-28.3%	-27.7%	-29.6%	-31.4%	-29.4%	-18.9%
Puts	40%	-29.7%	-25.2%	-24.7%	-26.4%	-28.0%	-26.2%	-16.9%
Puts	35%	-26.0%	-22.1%	-21.7%	-23.2%	-24.5%	-23.0%	-14.9%
Puts	30%	-22.3%	-19.0%	-18.6%	-19.9%	-21.0%	-19.7%	-12.8%
Puts	25%	-18.6%	-15.8%	-15.5%	-16.6%	-17.5%	-16.4%	-10.6%
Puts	20%	-14.9%	-12.7%	-12.4%	-13.3%	-14.0%	-13.2%	-8.5%
Puts	15%	-11.2%	-9.5%	-9.3%	-9.9%	-10.5%	-9.9%	-6.4%
Puts	10%	-7.4%	-6.3%	-6.2%	-6.6%	-7.0%	-6.6%	-4.3%
Puts	5%	-3.7%	-3.2%	-3.1%	-3.3%	-3.5%	-3.3%	-2.1%

Exhibit F

Option Price Inflation Table

	Period	8	9	10	11	12	13	14	15
	Beginning Date	07/21/00	10/04/00	04/17/01	04/30/01	05/01/01	05/02/01	02/06/02	02/07/02
	Ending Date	10/03/00	04/16/01	04/29/01	04/30/01	05/01/01	02/05/02	02/06/02	02/19/02
	Percentage Share Price Inflation	48.6%	54.6%	60.5%	56.4%	53.6%	51.4%	44.5%	46.8%
	Current Stock Price /								
Puts	Exercise Price								
Puts	250%	-6.1%	-9.6%	-14.6%	-10.9%	-8.9%	-7.5%	-4.4%	-5.3%
Puts	245%	-6.6%	-10.2%	-15.5%	-11.6%	-9.5%	-8.1%	-4.8%	-5.7%
Puts	240%	-7.1%	-10.9%	-16.3%	-12.3%	-10.2%	-8.7%	-5.2%	-6.2%
Puts	235%	-7.6%	-11.6%	-17.2%	-13.1%	-10.8%	-9.3%	-5.6%	-6.7%
Puts	230%	-8.2%	-12.3%	-18.1%	-13.9%	-11.6%	-9.9%	-6.1%	-7.2%
Puts	225%	-8.8%	-13.1%	-19.1%	-14.7%	-12.3%	-10.6%	-6.6%	-7.8%
Puts	220%	-9.5%	-14.0%	-20.1%	-15.6%	-13.1%	-11.4%	-7.2%	-8.4%
Puts	215%	-10.2%	-14.9%	-21.1%	-16.5%	-14.0%	-12.2%	-7.7%	-9.0%
Puts	210%	-10.9%	-15.8%	-22.2%	-17.5%	-14.9%	-13.0%	-8.4%	-9.7%
Puts	205%	-11.7%	-16.8%	-23.3%	-18.5%	-15.8%	-13.9%	-9.0%	-10.5%
Puts	200%	-12.5%	-17.8%	-24.5%	-19.6%	-16.8%	-14.8%	-9.8%	-11.2%
Puts	195%	-13.4%	-18.8%	-25.6%	-20.7%	-17.9%	-15.8%	-10.5%	-12.1%
Puts	190%	-14.4%	-19.9%	-26.8%	-21.8%	-18.9%	-16.8%	-11.3%	-12.9%
Puts	185%	-15.3%	-21.0%	-28.1%	-23.0%	-20.0%	-17.8%	-12.2%	-13.9%
Puts	180%	-16.4%	-22.2%	-29.3%	-24.2%	-21.2%	-18.9%	-13.1%	-14.8%
Puts	175%	-17.4%	-23.4%	-30.6%	-25.4%	-22.4%	-20.1%	-14.0%	-15.9%
Puts	170%	-18.5%	-24.6%	-31.9%	-26.7%	-23.6%	-21.2%	-15.0%	-16.9%
Puts	165%	-19.7%	-25.9%	-33.1%	-27.9%	-24.8%	-22.4%	-16.1%	-18.0%
Puts	160%	-20.8%	-27.1%	-34.4%	-29.2%	-26.0%	-23.6%	-17.1%	-19.1%
Puts	155%	-22.0%	-28.4%	-35.7%	-30.5%	-27.3%	-24.9%	-18.2%	-20.3%
Puts	150%	-23.2%	-29.7%	-36.9%	-31.7%	-28.6%	-26.1%	-19.4%	-21.5%
Puts	145%	-24.4%	-30.9%	-38.1%	-33.0%	-29.8%	-27.4%	-20.5%	-22.7%
Puts	140%	-25.7%	-32.1%	-39.2%	-34.2%	-31.0%	-28.6%	-21.7%	-23.8%
Puts	135%	-26.8%	-33.3%	-40.3%	-35.3%	-32.2%	-29.8%	-22.8%	-25.0%
Puts	130%	-28.0%	-34.4%	-41.3%	-36.4%	-33.3%	-30.9%	-24.0%	-26.2%
Puts	125%	-29.1%	-35.4%	-42.2%	-37.4%	-34.4%	-32.0%	-25.0%	-27.3%
Puts	120%	-30.1%	-36.4%	-42.9%	-38.3%	-35.3%	-33.0%	-26.1%	-28.3%
Puts	115%	-31.0%	-37.2%	-43.5%	-39.0%	-36.2%	-33.8%	-27.0%	-29.2%
Puts	110%	-31.8%	-37.8%	-44.0%	-39.6%	-36.8%	-34.6%	-27.9%	-30.1%
Puts	105%	-32.5%	-38.3%	-44.3%	-40.1%	-37.3%	-35.2%	-28.6%	-30.7%
Puts	100%	-32.9%	-38.6%	-44.3%	-40.3%	-37.7%	-35.5%	-29.2%	-31.2%
Puts	95%	-33.2%	-38.6%	-44.1%	-40.3%	-37.7%	-35.7%	-29.5%	-31.6%
Puts	90%	-33.2%	-38.4%	-43.7%	-40.0%	-37.6%	-35.6%	-29.7%	-31.7%
Puts	85%	-33.0%	-38.0%	-42.9%	-39.4%	-37.2%	-35.3%	-29.6%	-31.5%
Puts	80%	-32.5%	-37.2%	-41.9%	-38.6%	-36.5%	-34.7%	-29.3%	-31.1%
Puts	75%	-31.7%	-36.2%	-40.6%	-37.5%	-35.5%	-33.8%	-28.7%	-30.4%
Puts	70%	-30.7%	-34.8%	-38.9%	-36.1%	-34.2%	-32.6%	-27.8%	-29.4%
Puts	65%	-29.3%	-33.2%	-37.0%	-34.3%	-32.6%	-31.1%	-26.7%	-28.2%
Puts	60%	-27.7%	-31.3%	-34.8%	-32.4%	-30.7%	-29.4%	-25.3%	-26.7%
Puts	55%	-25.9%	-29.2%	-32.4%	-30.1%	-28.7%	-27.4%	-23.6%	-24.9%
Puts	50%	-23.9%	-26.9%	-29.8%	-27.7%	-26.4%	-25.3%	-21.8%	-23.0%
Puts	45%	-21.7%	-24.4%	-27.0%	-25.1%	-23.9%	-22.9%	-19.8%	-20.9%
Puts	40%	-19.4%	-21.8%	-24.1%	-22.5%	-21.4%	-20.5%	-17.7%	-18.6%
Puts	35%	-17.0%	-19.1%	-21.1%	-19.7%	-18.7%	-18.0%	-15.6%	-16.4%
Puts	30%	-14.6%	-16.4%	-18.1%	-16.9%	-16.1%	-15.4%	-13.4%	-14.0%
Puts	25%	-12.2%	-13.7%	-15.1%	-14.1%	-13.4%	-12.9%	-11.1%	-11.7%
Puts	20%	-9.7%	-10.9%	-12.1%	-11.3%	-10.7%	-10.3%	-8.9%	-9.4%
Puts	15%	-7.3%	-8.2%	-9.1%	-8.5%	-8.0%	-7.7%	-6.7%	-7.0%
Puts	10%	-4.9%	-5.5%	-6.0%	-5.6%	-5.4%	-5.1%	-4.5%	-4.7%
Puts	5%	-2.4%	-2.7%	-3.0%	-2.8%	-2.7%	-2.6%	-2.2%	-2.3%

Exhibit F
Option Price Inflation Table

	Period	16	17	18	19	20	21
	Beginning Date	02/20/02	02/21/02	02/22/02	04/15/02	04/17/02	05/15/02
	Ending Date	02/20/02	02/21/02	04/14/02	04/16/02	05/14/02	
	Percentage Share Price Inflation	35.2%	31.0%	18.7%	12.3%	7.1%	0.0%
	Current Stock Price /						
Puts	Exercise Price						
Puts	250%	-2.1%	-1.5%	-0.5%	-0.2%	-0.1%	0.0%
Puts	245%	-2.3%	-1.6%	-0.5%	-0.3%	-0.1%	0.0%
Puts	240%	-2.5%	-1.8%	-0.6%	-0.3%	-0.1%	0.0%
Puts	235%	-2.8%	-2.0%	-0.7%	-0.3%	-0.2%	0.0%
Puts	230%	-3.1%	-2.2%	-0.8%	-0.4%	-0.2%	0.0%
Puts	225%	-3.4%	-2.4%	-0.8%	-0.4%	-0.2%	0.0%
Puts	220%	-3.7%	-2.7%	-0.9%	-0.5%	-0.2%	0.0%
Puts	215%	-4.0%	-2.9%	-1.1%	-0.6%	-0.3%	0.0%
Puts	210%	-4.4%	-3.3%	-1.2%	-0.6%	-0.3%	0.0%
Puts	205%	-4.9%	-3.6%	-1.3%	-0.7%	-0.3%	0.0%
Puts	200%	-5.3%	-4.0%	-1.5%	-0.8%	-0.4%	0.0%
Puts	195%	-5.8%	-4.4%	-1.7%	-0.9%	-0.4%	0.0%
Puts	190%	-6.4%	-4.8%	-1.9%	-1.0%	-0.5%	0.0%
Puts	185%	-6.9%	-5.3%	-2.1%	-1.1%	-0.5%	0.0%
Puts	180%	-7.6%	-5.8%	-2.3%	-1.3%	-0.6%	0.0%
Puts	175%	-8.2%	-6.3%	-2.6%	-1.4%	-0.7%	0.0%
Puts	170%	-9.0%	-6.9%	-2.9%	-1.6%	-0.8%	0.0%
Puts	165%	-9.7%	-7.5%	-3.2%	-1.8%	-0.9%	0.0%
Puts	160%	-10.5%	-8.2%	-3.5%	-2.0%	-1.0%	0.0%
Puts	155%	-11.4%	-8.9%	-3.9%	-2.2%	-1.1%	0.0%
Puts	150%	-12.3%	-9.7%	-4.3%	-2.4%	-1.2%	0.0%
Puts	145%	-13.2%	-10.5%	-4.7%	-2.7%	-1.4%	0.0%
Puts	140%	-14.1%	-11.3%	-5.2%	-3.0%	-1.5%	0.0%
Puts	135%	-15.1%	-12.2%	-5.7%	-3.3%	-1.7%	0.0%
Puts	130%	-16.1%	-13.1%	-6.2%	-3.6%	-1.9%	0.0%
Puts	125%	-17.1%	-13.9%	-6.7%	-4.0%	-2.1%	0.0%
Puts	120%	-18.0%	-14.8%	-7.3%	-4.3%	-2.3%	0.0%
Puts	115%	-18.9%	-15.6%	-7.8%	-4.7%	-2.5%	0.0%
Puts	110%	-19.8%	-16.5%	-8.4%	-5.1%	-2.7%	0.0%
Puts	105%	-20.6%	-17.2%	-8.9%	-5.4%	-2.9%	0.0%
Puts	100%	-21.2%	-17.9%	-9.4%	-5.8%	-3.1%	0.0%
Puts	95%	-21.7%	-18.4%	-9.9%	-6.1%	-3.3%	0.0%
Puts	90%	-22.1%	-18.8%	-10.2%	-6.4%	-3.5%	0.0%
Puts	85%	-22.3%	-19.1%	-10.5%	-6.6%	-3.6%	0.0%
Puts	80%	-22.3%	-19.1%	-10.7%	-6.8%	-3.8%	0.0%
Puts	75%	-22.0%	-19.0%	-10.8%	-6.9%	-3.8%	0.0%
Puts	70%	-21.5%	-18.6%	-10.7%	-6.9%	-3.9%	0.0%
Puts	65%	-20.7%	-18.0%	-10.5%	-6.8%	-3.8%	0.0%
Puts	60%	-19.8%	-17.2%	-10.1%	-6.6%	-3.7%	0.0%
Puts	55%	-18.6%	-16.2%	-9.6%	-6.3%	-3.6%	0.0%
Puts	50%	-17.2%	-15.0%	-9.0%	-5.9%	-3.4%	0.0%
Puts	45%	-15.6%	-13.7%	-8.2%	-5.4%	-3.1%	0.0%
Puts	40%	-14.0%	-12.3%	-7.4%	-4.9%	-2.8%	0.0%
Puts	35%	-12.3%	-10.8%	-6.5%	-4.3%	-2.5%	0.0%
Puts	30%	-10.6%	-9.3%	-5.6%	-3.7%	-2.1%	0.0%
Puts	25%	-8.8%	-7.7%	-4.7%	-3.1%	-1.8%	0.0%
Puts	20%	-7.0%	-6.2%	-3.7%	-2.5%	-1.4%	0.0%
Puts	15%	-5.3%	-4.6%	-2.8%	-1.9%	-1.1%	0.0%
Puts	10%	-3.5%	-3.1%	-1.9%	-1.2%	-0.7%	0.0%
Puts	5%	-1.8%	-1.5%	-0.9%	-0.6%	-0.4%	0.0%

Exhibit 2 – Notice of Claims Process for Distribution of the Restitution Fund

Please see the Computer Associates Restitution Fund Notice as available at http://www.computerassociatesrestitutionfund.com

Exhibit 3 – Proof of Claim

Please see the Computer Associates Restitution Fund Proof of Claim as available at http://www.computerassociatesrestitutionfund.com

Exhibit 4 – Gilardi & Co. Brochure

Mass / Class Action Notice
Claims Administration

Gilardi &Co LLC
1115 Magnolia Avenue Larkspur, California 94939
Tel: 415.461.0410 Fax: 415.461.0412

Welcome

Gilardi & Co LLC

"We are experts in due process.

Our promise is simple: We will devote our skills and resources to giving you personalized, accurate, cost effective and worry-free service.

Our reputation as an industry leader is based on more than two decades of full-service, cost-efficient Notice and Claims Administration, tailored to the needs of our clients. I am proud of our team of professionals and invite you to experience the responsiveness of our systems and procedures, and the unsurpassed service of our exceptional staff."

Dennis A. Gilardi
Founder
Gilardi & Co. LLC

Introduction

We take your business personally.

We want to establish a personal relationship with you and become a resource you can trust.

It bears repeating: **We are experts in due process**. You can have confidence in us to handle your case.

We have administered over 2,000 cases, and are one of the largest full-service Mass/Class Action Notice and Claims Administrators in the country.

We have handled a broad range of cases including Notices of Pendency, Settlement Administrations, Federal Trade Commission Redress Funds, Bankruptcies, Attorney General Settlements, District Attorney's Judgments and Disbursements.

We have distributed over $6 billion in assets. Your assets will be managed as though they were our own.

As a special purpose organization devoted solely to Mass Class Action/Notice and Claims Administration, we are able to provide dedicated and experienced staff and systems resources to ensure cost-effective services that meet your needs.

We provide customized media planning, direct mail notice, timely processing, document storage, and disbursement of settlement proceeds as required by the Court. Our management staff has been selected from a broad range of disciplines, each contributing their expertise. Our team includes professionals from the fields of accounting, banking, insurance, information technology, advertising, public relations, and law.

Gilardi & Co. LLC, is committed to assisting you in the efficient execution of what we consider the four primary components of Due Process:

- **Notification** Communicating to potential claimants their rights, while explaining the settlement's key components, including its binding release.
- **Processing** Ensuring reasonable support of claimants in filing properly completed proofs of claims, and making extensive efforts to verify the accuracy and validity of bona fide claims.
- **Distribution** Managing equitable asset disbursement and timely follow-up.
- **Reporting** Providing accurate documentation to the Court, counsel and government agencies.

The execution of these four steps is accomplished through an interactive team approach as described on the following pages. We begin with the process of **Notification** of potential class members.

Notification

Based on the needs of each case, we may employ a wide range of advertising, public relations and other communications vehicles to effectively reach your clients/potential claimants.

- We begin by defining the demographic profile of the class to guide the design of an effective notice plan.
- We design proprietary software to track class members and to monitor the notification and claims review process. Database updates draw on information from National Change of Address (NCOA), U.S. Census Bureau and Credit Services.
- Our communications professionals assist in the formatting and creation of effective notices and claims forms, employing "plain language" techniques where required.
- We have the capacity to design, typeset, print and mail notices and related materials in-house, ensuring secure, accurate management. Our notice and claims mailings have ranged from fewer than 200 to over 8,000,000 pieces.
- Our full service, in-house advertising agency, Larkspur Design Group, specializes in legal notice placement in a wide range of domestic and international media including newspapers and magazines, internet-based banners, notices and websites, wire service, radio, television,and point of purchase displays. We create a media plan which selects the most cost-efficient vehicles for reaching the defined class members.
- All advertising is monitored and coordinated with other notice efforts including wire service, public relations, Internet campaigns and direct mail.
- We conduct thorough solicitations of brokers and retail investment advisors to communicate with their clients who may be potential claimants.
- Telecommunication support is maintained including toll-free numbers with Automated Voice Response (AVR) or live operator service. The AVR allows the capture of claimant data using reverse address directory, and/or transcription.
- Our notification efforts are supported by locator and verification services which track undeliverable mail and duplicate or deficient claims.
- We process and record exclusion and opt-out requests and provide necessary reports to the Court.
- Interim monitoring and ongoing status reports are provided to counsel throughout the notification campaign and a declaration for the Court, summarizing the notification process, is prepared upon request at the campaign's conclusion.

Even before the first notice is communicated, preparation for and implementation of our claims **Processing** phase begins.

Processing

Our goal is to make all reasonable efforts to support claimants in their filing properly completed proofs of claim, and to ensure the accuracy and validity of claims. Our staff of more than 90 professionals coordinates as a team to provide the broad range of services needed to ensure effective, cost-efficient claims administration:

- Assigning unique claim numbers and bar codes to all claims
- Using scanning technology for data capture
- Provide live and online multi-lingual support for claimant questions
- Managing custody, control and security of data files
- Designing and maintaining web site (secured) with easy access to additional forms and information
- Manual and online claim filing and processing
- Simple, consistent electronic data submission procedures with consistent audit/verification controls
- Proprietary computer programming, processing and audits
- Two-tiered, "plain language" letter writing protocols for issuing Deficiency/Denial letters to claimants
- Exhaustive reviews to root out and resolve potentially duplicate, erroneous and/or fraudulent claims
- Distribution formula calculation and review with counsel
- Preparing final computerized master files
- Executing follow-up procedures and conclusion reports
- Preparing Affidavits/Declarations for the Courts

Throughout the administration, we provide you with periodic status reports which give up-to-the-minute analyses of key project variables. Custom management reports may also be requested to focus on special components of the administration process.

At the conclusion of the Processing phase, our **Distribution** procedure ensures accurate and equitable distribution to claimants.

Distribution

The benefits of your working with Gilardi & Co. LLC will be evident when you experience our approach to the distribution of your settlement funds and other assets. We are typically responsible for over $300 million in settlement assets across hundreds of checking, savings and investment accounts, and our systems lead the industry in precision, innovation and efficiency.

- Our procedures for management, control and audit of distribution assets focus on the accurate, cost-efficient delivery of settlement assets to bona fide claimants. We conduct extensive duplicate and fraudulent claim reviews, as well as regular independent audits of the disbursement calculation methodology.

- Prior to distribution, we employ our relationships with banks and other financial institutions to control and invest settlement funds and manage the requirements of non-cash assets, such as warrants, stock certificates, insurance vouchers, phone cards, rebate coupons and consumer products.

- At distribution, funds are transferred as needed from the investment account to the distribution account and, upon approval of the distribution register, funds are delivered to claimants via checks that clearly identify the matter for which the check has been issued.

- Our proprietary bank reconciliation and accounting system reconciles all activity across all accounts, every day. Additionally, our daily communication with banks ensures an unsurpassed level of security and provides the foundation of our fraud detection and correction process.

- We employ a unique identity verification system and an efficient check re-issuance process. We track the status of all outstanding checks and assertively follow up where necessary.

- Before, during and after the accurate distribution of assets, we focus on continuing audit and reconciliation services and the streamlining of tax reporting compliance.

Upon completion of the distribution phase of a case, all relevant accounts undergo a final reconciliation, and a concluding financial statement is provided to counsel. At this time, as throughout the case, our comprehensive **Reporting** system ensures that all parties are aware of every step of the process.

Reporting

Our **Reporting** is continuous throughout the Notice and Administration process. Step-by-step monitoring of all activities ensures positive control and facilitates effective communication.

According to the characteristics and requirements of each case or engagement, we provide a broad spectrum or reports and analyses:

- Media plan execution with affidavits of publication and tear sheets
- Undeliverable and returned mail statistics
- Analyses of mailing recipients, including standard mailing declarations
- Exclusions, objections, deficiencies and rejections
- Summaries of claimant correspondence and phone response statistics
- Claim and case processing methodology
- Claim-specific loss calculation analyses
- Claim counts and other aggregate case statistics
- Settlement fund analyses
- Distribution formulas, amounts and check counts
- Bank reconciliation detail, check reissues and tax filings

Whether our audience be the Court, counsel, or an individual class member, our comprehensive documentation and flexible data management systems cleanly provide the information needed.

Additional Services

Complimenting our core Notice and Claims Administration services, Gilardi & Co, LLC has extensive experience providing a wide range of ancillary services to support your business and case needs.

- **Case Planning** — Our professionals provide consultation on the custom design and evaluation of notice and administration plans. Our more than six decades of management expertise enables experience-based discussion of potentially challenging issues:
  - Email and fax notification
  - Effective pre-printed claim forms
  - Web-based claims filing
  - Fraud detection and prevention
  - Distribution of non-monetary settlement assets
- **Expert Witness** — Across all aspects of Notice and Claims Administration, we have provided expert testimony via court appearance, deposition and written declaration.
- **Special Master/ Receiver** — We have served in this role for numerous federal and state governmental agencies.
- **Wrap-Up Services** — We handle the completion of administrations not initiated by our firm where we have been retained as the replacement administrator.
- **Taxation Issues** — At the forefront of settlement fund taxation issues since our inception, we were the first organization (in 1989) selected to meet with the U.S. Treasury to explore the practical problems of tax reporting in large class actions. Our taxation experts are available to assist counsel in documentation and compliance with tax statutes related to settlement funds, and our execution of complex wage-related cases is unparalleled.

Our integrity, performance record, responsiveness, and service capacity are unsurpassed in the industry. Our **Experience** speaks for itself . . .

Experience

Your case will receive our highest priority.

The following is a sampling from over 2,000 cases we have administered for a broad range of clients during more than 20 years of service:

- **Securities Cases**

  Since our inception, we have provided notice and administration services for over ***1,000 Securities Cases.***

- **Federal Trade Commission**

  For more than 15 years, Gilardi & Co. LLC has maintained the national contract to administer settlements achieved by the Federal Trade Commission, primarily for consumer redress.

- **Attorney General and District Attorneys, State of California**

  People of California v. Sunar et al.
  People of California v. Ford Motor Credit Corporation
  United States Purchasing Exchange
  People of California v. Twomey (American Travel Incentives, et al.)
  California Travel Consumer Restitution Fund

- **Employment Class Actions**

  Sanders v. Great Springs Waters of America
  Adams v. Blockbuster Inc.
  Calvo v. McKesson HBOC, Inc.
  Quinne v. AutoZone, Inc.
  Butler v. Home Depot
  Hawley v. Wendy's International
  EECO v Tanimura

- **Collateral Protection Insurance—Class Actions**

  Coates v. Fidelity
  Clark, et al. v. Ford Motor Credit Company
  Reed v. Bank of America
  Moore v. Fidelity
  Graham v. Bank of America
  Morgan v. Great Western Bank
  Ganal v. Toyota

- **Anti-Trust Matters**

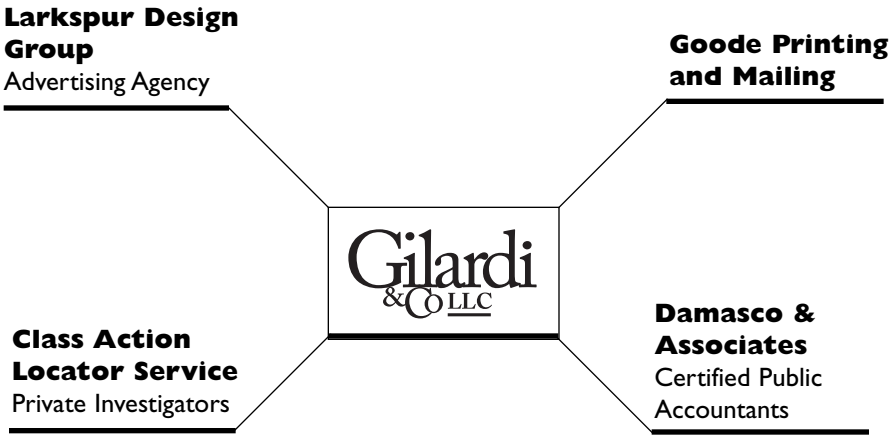
  Heliotrope General, Inc. v. Sumitomo Corp., et al.
  National Metals, Inc. v. Sumitomo Corp.
  Airline Travel Agents Antitrust Commission Case
  Vitamins Antitrust Litigation – California Settlement
  Law, Hall, Schreiber, et al. v. The National Collegiate Athletic Association
  Synthroid Marketing Litigation

- **Consumer Protection Class Actions**

  People v. Express Office Supply
  People v. HyCite Corp.

Our Team

You will enjoy working with our team of interacting special purpose professionals, each contributing to our broad service capabilities:



- **Larkspur Design Group (LDG)** — Larkspur Design Group is a full service, independent advertising agency, specializing in the placement of legal notices in a wide range of communications media. LDG staff has over 20 years experience and has established a reputation for prompt, accurate service.
- **Goode Printing & Mailing (GPM)** — Serving the industry for three generations, GPM currently operates a 77,000 square-foot facility providing the complete spectrum of printing and bindery services. While specializing in direct mail, GPM's array of equipment provides great flexibility by allowing the experienced staff to perform almost every necessary function on site.
- **Class Action Locator Service (CALS)** — Successfully locating large and small groups of lost claimants for over 25 years, CALS operates under stringent business practices ensuring privacy and confidentiality.
- **Damasco & Associates** — Damasco & Associates is a San Francisco CPA firm with extensive national experience in tax compliance, audits and consulting related to the resolution of complex litigation, including class litigation. The firm also provides opinion, ruling request and taxpayer representation services.

Thank You

Gilardi & Co LLC

We appreciate your attention, and welcome the opportunity to discuss your business needs.

Please contact us to request a free, no obligation estimate for the Notice and Claims Administration services for your next case. We look forward to working with you, making your job easier and helping achieve your Notice and Administration goals.

Gilardi & Co, LLC

Visit www.gilardi.com

and request a "Quick Quote" or

Call us at 415.461.0410

and discuss your service requirements.

1115 Magnolia Avenue Larkspur, California 94939
Tel: 415.461.0410 Fax: 415.461.0412

Gilardi & Co LLC

DRA:ALW/ERK
F. #2004R02094

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

----------X

UNITED STATES OF AMERICA

- against -

COMPUTER ASSOCIATES,
INTERNATIONAL, INC.,

Defendant.

----------X

O R D E R

04 CR 837 (ILG)

Pursuant to paragraph 11 of the Deferred Prosecution Agreement in the above-captioned case, and upon the application of the United States of America, by Amy Walsh, Assistant United States Attorney for the Eastern District of New York, and Robert Giuffra, Esq. of Sullivan & Cromwell LLP, counsel for COMPUTER ASSOCIATES INTERNATIONAL, INC., it is hereby

ORDERED that the proposed Plan of Allocation for the Restitution Fund, which was submitted to the Court on July 21, 2005, is hereby approved.

SO ORDERED.

Dated: Brooklyn, New York
August 15th, 2005

The Honorable I. Leo Glasser
United States District Judge
Eastern District of New York