

## Gradient Analytics Announces Record Revenues, Celebrates Tenth Year As Leading Independent Research Firm

### FOR IMMEDIATE RELEASE

Scottsdale, AZ (November 16, 2006) — Gradient Analytics Inc. today announced record revenues for 2006 and expected continued growth next year as it celebrates ten years of service as a leading independent research firm.

“We are committed to new explorations of alpha and the development of science as we provide our clients with better products and more diverse services in the future,” said Dr. Carr Bettis, Gradient’s founder, chairman and president.

Anticipating continued growth, Gradient also announced the appointment of a new executive vice president of sales and client services, R.J. Hines, who has over 20 years of executive management, sales and CRM experience in Fortune 500 companies and in boutique financial services firms. “R.J. will be instrumental in executing our ambitious growth plans and enhancing customer service,” said Bettis.

Gradient was the first independent research firm to systematically bring academic rigor and state-of-the-art science to a broad array of publicly traded company data using data-cleansing technology and predictive computerized models. Gradient’s models and research services are sold to many of the world’s most recognizable investment management firms. Gradient also is the creator of the free stock-rating system, StockScouter, found on MSN Money’s web site. Since its rollout five years ago, StockScouter’s highest-rated stocks have outperformed all of the traditional Wall Street benchmarks.

Bettis, an inventor of mathematical models for hedge funds and mutual funds, and accounting Professor Dr. Donn Vickrey founded Gradient. The pair leveraged their areas of respective research expertise and developed new technologies and analyst-driven content designed to expose stock-market inefficiencies. Their proprietary mathematical processes and models combined with in-depth analytical research led to the creation of one of the leading forensic accounting analyst-driven services and the first service featuring the complexities of equity-incentive compensation.

Bettis, a former tenured business professor at Arizona State University and CPA who currently holds a clinical research position at the W.P. Carey School of Business, is a recognized expert on corporate executive behavior, option valuation and earnings management. Moving the signals of Gradient’s quantitative models to analyst-written, company-specific analysis is the domain of Vickrey, who is recognized for his research on earnings quality and market inefficiencies.

Vickrey and Bettis are widely published in academic and practitioner journals, including the Journal of Financial Economics, Journal of Financial and Quantitative Analysis, Financial Analysis Journal, Journal of Accounting, Auditing & Finance, Journal of Financial Statement Analysis and Abacus.

Gradient’s principle products include Earnings Quality Analytics (EQA), Equity Incentive Analytics (EIA) and the quantitative Gradient Factor Suite.

###

