

GRADIENT ANALYTICS RELEASES PERFORMANCE SUMMARY FOR PAST 12 MONTHS

Public Equities Analysis of Executive Behavior Provides Outstanding Returns Relative to Benchmarks

FOR IMMEDIATE RELEASE

March 28, 2007, Scottsdale, AZ— Gradient Analytics Inc. today released a performance review of its executive behavior and compensation research that showed that publicly traded companies receiving a negative review had, over the trailing 12-month period, consistently underperformed their peers. The research also found that companies receiving positive analysis generated an average 21.8% return for their shareholders, besting all the traditional benchmarks.

“Our review demonstrates that our research brings actionable ideas and tremendous value to our clients as a predictor of both underperforming and outperforming stocks and as an aid in managing risk,” said Brad Forst, president and CEO.

Despite litigation against Gradient by some companies on which it has performed critical analyses, the independent research firm continues to publish a wide range of reports on publicly traded firms.

“We have not been deterred by the lawsuits and are proud of our track-record in providing independent opinion on public companies. Although sometimes unpopular, independent research plays a vital role in the efficiencies and information flow in the equities market,” said Forst.

Gradient’s recent review includes reports generated for the past 12 months, ending March 15th, by Gradient’s Equity Incentive Analytics (EIA) division, which provides behavioral and compensation analysis for companies with a market cap of 500 million or greater. EIA’s proprietary behavioral models, financial engineers, and analysts examine executive behavior and compensation structure as indicators of firms’ under(out)performance.

Forst noted that during the past 12 months, EIA has “produced outstanding excess returns relative to size, sector, size-and-sector peer groups, and the S&P 500.”

“EIA’s performance over the trailing 12-months has been exceptional. The unit published 54 reports with a D or F grade examining behavioral signals of share-price underperformance. In most of these cases, we moved the companies to an inactive status by nine months because we saw our thesis materialize. In addition, over the past year EIA provided clients with exceptional insight in practices such as option-grant backdating (65 reports) and exercise backdating (23 reports), which we brought to the market.”



Demonstrating the value of Gradient's EIA views as a predictor of underperforming stocks and as a risk-management tool for the institutional manager, EIA's original reports in which executive behavior drove analysis over the last 12 months proved extremely insightful. EIA's D and F reports that were moved to inactive status underperformed peers by 4.5%, 7.9%, 12.1% and 6.5% in the ensuing one-, three-, six-, and nine-month periods. Similarly, these companies underperformed the S&P 500 by 5.3%, 12.2%, 15.5%, and 8.4% over the same periods. EIA's longer-term positive reports (12) have returned an average 21.8% since initiation.

Gradient Analytics is the country's leading independent equities research firm. Gradient's research has been shown to uncover issues that have a significant impact on equity valuations, but often are not impounded into securities' prices. Gradient's financial engineers routinely conduct directed research related to executive compensation and executive behavior for 2,400 publicly traded companies.

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