

GRADIENT ANALYTICS CO-FOUNDER DONN VICKREY CONTINUES TRACK RECORD OF EARLY WARNINGS OF BUSINESS DETERIORATION

FOR IMMEDIATE RELEASE

Scottsdale, AZ (June 12, 2007) — Gradient Analytics said today that its co-founder, Dr. Donn Vickrey, and his team of research analysts have continued their track record of making early correct calls of underperformance of publicly traded companies.

“Recent work on Rackable Systems (RACK) in late 2006 and Circuit City Stores Inc. (CC) in late 2006 and early 2007 identified earnings-quality concerns while the company’s share price was at historical highs and immediately preceding periods of substantial underperformance that continues to this day,” said Vickrey.

Vickrey noted Gradient’s solid analysis of early signals of impending underperformance and, in some cases, accounting irregularities and fraud as it informed clients of brewing problems before they made headlines at companies including Impath (IBLTZ.PK); Cardinal Health Inc. (CAH); Tyco International (TYC); Krispy Kreme Doughnuts (KKD); AstroPower (formerly APWR, now defunct); Adelphia Communications (ADPAO.PK); and Dynegy (DYN).

Notable among Vickrey’s past analysis pieces are the high-profile cases of Overstock.com (OSTK) and Biovail Corporation (BVF). Both companies sued Gradient over what they characterized as inaccurate negative reports. Gradient has defended the lawsuits on the basis of its right to free speech.

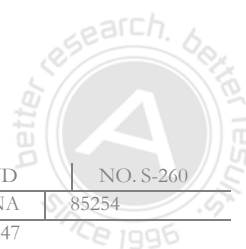
Gradient President and CEO Brad Forst said:

“Much of today’s financial news about significant problems at Overstock can be found in Gradient reports as long as four to five years ago. And Biovail and several members of its management team recently received Wells Notices — early indicators that the Securities and Exchange Commission may file civil charges in relation to the very accounting matters that were brought to the attention of Gradient’s clients dating back to 2003.”

Dr. Vickrey said:

“At times our analysis has been ahead of the market curve, such as in the case of Overstock, where the underpinning weaknesses we identified in the company’s business model took time to be realized in the marketplace. On the other hand, some of our work identified earnings quality concerns while the company’s share price was at historical highs and immediately preceding periods of financial underperformance.”

Dr. Vickrey launched the firm’s Earnings Quality Analytics (EQA) research service in 2003 on the back of 13 years of econometric modeling. Building on his doctoral



accounting work in earnings quality, Vickrey co-founded Gradient in 1996, designing and developing the company's quantitative stock-selection model based on earnings-quality metrics. Successive generations of Gradient's quantitative earnings-quality models continue to produce alpha for leading money managers. Under Dr. Vickrey's direction, Gradient's EQA research service has gained notice for its early identification of both market underperformers and accounting manipulators.

A former CPA and University of San Diego accounting professor, Vickrey's imprint on Gradient's earnings-quality product encompasses the full cycle of products. Using signals from quantitative models, Vickrey works with EQA analysts to bring focus to the most pertinent earnings-quality challenges.

Notwithstanding lawsuits and a changing business environment following the implementation of SoX, Vickrey sees Gradient capturing a larger portion of the independent-research market. Gradient's decade-long track record of independence, commitment to innovation and solid performance history are seen as key to the firm's value to money managers.

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 earnings quality and accounting practices for 2,400 publicly traded companies.

###

CONTACT:

Karen Hinton

Hinton Communications

703-798-3109

Karen@hintoncommunications.com