

DECLARATION OF DARYL SMITH

I, Daryl Smith, declare under penalty of perjury, in accordance with 28 U.S.C. Section 1746, that the following is true and correct, and further that this declaration is made on my personal knowledge and that I am competent to testify as to the matters stated therein:

1. I am currently a resident of Arizona.
2. In or around October 2002, I began working for Camelback Research Alliance, Inc. ("Camelback") now known as Gradient Analytics, Inc. I worked for Camelback as a sales representative, marketing Camelback's subscription service and its special report service. I worked for Camelback until October 2003.
3. I worked most closely with Donn Vickrey ("Vickrey"). Vickrey was in charge of the analyst group and was also had close contact with the sales and client services group. Vickrey's key function was to oversee the research and writing that went into the reports covering publicly traded companies. Vickrey was the individual who founded Camelback and had complete control of Camelback's operations.
4. Camelback advertised analytical reporting services on companies whose securities were publicly-traded on various exchanges including the Over the Counter Bulletin Board ("OTCBB"), National Association of Securities Dealers Automated Quotation System ("NASDAQ"), New York Stock Exchange ("NYSE") and others.
5. At the time I worked for Camelback, Camelback's customers consisted almost exclusively of large Hedge Funds and Mutual funds.
6. My responsibilities were to find new customers and work with existing customers to see that their requests were being met.
7. Camelback published all of its reports on one or more websites Camelback owned and operated by Camelback including www.camelbackra.com, www.gradientanalytics.com, www.earningsquality.com and others.
8. Camelback's customers could and did access published reports through the website. Camelback would also notify existing customers of its subscription service of new reports by e-mail.
9. Camelback's promotional material and its actual sales practices included selling a yearly subscription to its research reports and as part of the package Camelback bundled between 2-5 special reports that could be ordered by a customer on a specific company at any time.
10. Typically, customers would call Camelback and request these custom reports through Vickrey; however, all report requests would be drafted by an analyst and

turned over to Vickrey who supervised the writing of the reports by analysts at Camelback, and had final editorial oversight of the finished reports.

11. These reports were qualitative analysis and were essentially more subjective in their coverage than technical analysis. In these reports, the company covered would receive an alpha score from "A" to "F", "A" being the highest possible score and "F" being the lowest.

12. Frequently, the customer requesting the special report would supply Camelback with information on the companies that were the subject of the request. It was nearly always the case that Vickrey and the other Camelback personnel involved in the intake of the request and the research and writing of the report would be instructed or lead by the customer to generate either a positive or negative report on the company that was the subject of the request.

13. I observed numerous and frequent conversations between customers and Vickrey regarding special reports in which the customer suggested that Camelback focus on negative information the customer supplied to Camelback which the customer intended for inclusion in the report. In these advance publication calls, Vickrey and the customer would discuss in detail the report content.

14. Though Vickrey retained final editing decisions over the reports Camelback published, based on my observations, there was no doubt these reports were not the product of an unbiased, objective view of the subject companies, but rather that the customer was paying for a report that would heavily favor the customer's negative view of the company.

15. It was common knowledge at Camelback that customers either had short position in these companies or that they intended to take short positions in the subject companies and that the negative reports from Camelback on the subject companies were a key component in their efforts to depress the trading price of these companies' stocks.

16. It was also common for a special report customer to ask Vickrey to hold off for a period of time to allow the customer to "get their own position" in the stock before the report was disseminated to the public. It was also common for Vickrey to ask the customer when they wanted the report to be released to the general public.

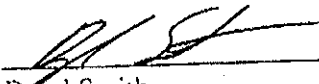
17. In the writing of these negative research reports, it was the common business practice of Camelback to discuss in advance of publications, drafts of these reports with the customer that had requested the reports.

18. Some customers paid more fees for additional reports and several requested many reports on companies in a particular market segment. These customers requesting more reports were known to be large hedge funds with net short positions in the companies they were requesting reports on.

19. It was commonplace for hedge funds to call Vickrey and ask for its "top 10 worst" report list. I observed that certain hedge funds would persistently ask for and Camelback would publish negative reports on a specific company until its stock price had dropped significantly.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 9th day of August 2005, in Scottsdale, Arizona.

Name:  Date: 8/9/05
Daryl Smith