



FOR IMMEDIATE RELEASE

Investorside Research Association Announces 2008 Leadership Awards

Member Firms and Individuals Recognized for Research Excellence

New York, NY, October 28, 2008 At the 2008 Annual Members Day Conference held in New York City on October 21, 2008, Investorside recognized six member firms for Research Excellence in Case Study.

Ben Rose of Battle Road Research was recognized for The Decline and Fall of Career Education. In November of 2006, Career Education announced its intent to sell or divest 13 of its weakest-performing school properties. Despite the absence of sale agreements, the schools were removed from the company's financial reports. As the one year deadline for sales approached, the company announced it had not been able to sell the properties in question. The schools would be either closed outright, or continue to operate as if nothing had ever happened, leading Battle Road to downgrade them from a Hold to a Sell in November 2007.

Jeff Middleswart of Behind the Numbers was recognized for World Fuel Services – Poor business model with a great name. World Fuel Services missed earnings estimates four quarters in a row as the bulls watched oil prices rise and sang its praises. Each time, the stock rose through the quarter then collapsed on an earnings miss due to a poor business model and aggressive accounting which was misunderstood by the Street relying on the word "Fuel" in its name. The resulting support from both the press and The Street were at odds with the decline in corporate performance.

Christian Strake of CreditSights was recognized for Tracking Subprime – A Cross-Disciplinary Approach to Calling the Subprime Crisis. In a series of articles published March through May 2007, CreditSights argued that subprime and Alt-A RMBS were far more risky than their credit ratings suggested. Given this reality, CreditSights sought signs of retained exposures in the banking sector; leading them to question the reliability of ABS CDO ratings and the stability of monlines.

John Gavin of Disclosure Insights was recognized for Amazing Perspectives: What digging through 5 years of a company's filings reveals. D.I. Reports™ use SEC filings to identify, evaluate, and summarize 100 risk factors in six categories for a 5-year period. This research process flagged undiscounted and/or unrecognized risks that led Disclosure Insights to label First Community Bancorp (FCBP) and Bally Technologies (BYI) as troubled companies.



Tim Hayes of Ned Davis Research, Inc. was recognized for Exiting Equities in '07. This paper presents evidence and indicators that turned NDR from bullish to bearish in 2007 - Warnings from history, excessive optimism, worsening technical indicators, stock/bond trends, and global confirmation.

Zach Gast of Risk Metrics Group was recognized for The Mortgage Crisis: From Subprime to Alt-A. Beginning in 2005, RMG's Accounting Lens group (formerly the Center for Financial Research & Analysis - CFRA) began warning investors of deterioration in the residential mortgage market. After 3Q earnings in 2006, CFRA warned investors of aggressive accounting at New Century Financial and expanded its analysis to include each of the monoline subprime lenders. While most of the subprime lenders ceased lending within months, CFRA noted in early 2007 that Option ARM portfolios had deteriorated significantly and material recasts and delinquencies were likely to begin in 2007 - contrary to conventional wisdom at the time which saw potential problems as being farther out.

“These case studies not only showcase the caliber of research published by our members but demonstrate the depth of coverage as well. Investorside has, since we were founded, served as an advocate for investor interests. Our members, some of the market's best watchdogs, have made early calls well before the rest of the Street, on most of the major investor disasters of the past decade including Enron, Tyco, WorldCom and most recently the sub-prime mortgage crisis” said Patrick Shea, Executive Director of the Investorside Research Association.

About Investorside

The Investorside Research Association is a non-profit trade association of investment research providers that do not engage in investment banking, company consulting or research-for-hire. Our members constitute the leading investment research firms in the world, providing research that works purely for investors.

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