

DECLARATION OF ROBERT BALLASH

I, Robert Ballash, 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. In or around 1997, I received a Bachelor's Degree in Finance from Ohio State University.
2. I am currently a resident of Arizona.
3. On or around March 2001, 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 for 2 years and 8 months and left on November 17, 2004.
4. I worked most closely Scott Vorhauer who works with and reports to 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 one of the individuals who founded Camelback and had complete control of Camelback's operations. In or around July 2004, Matthew Kliber ("Kliber") took over a portion of Vickrey's responsibilities. Prior to coming to work at Camelback, Kliber worked for a company called Sagient, which was a third party marketing agent for Camelback. Sagient is also known as PCS Research. I also worked with James Carr Bettis ("Bettis") and Jeff Mindlin ("Mindlin") who were also part of Camelback's management team.
5. Uniformly, the analysts were all recent graduates of universities with four-year degrees in business-related disciplines. However when subscribers asked Camelback sales and service employees answered that the analyst team was comprised of "CFAs" or "CPAs" when the corresponding analysts, except top management, had not achieved the designation as a Certified Financial Analyst or a Certified Public Accountant. Camelback's practice was to rotate each analyst frequently so that no particular analyst would work on the same company for any period of time.
6. 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.
7. At the time I worked for Camelback, Camelback's customers consisted almost exclusively of large Hedge Funds and Mutual funds. A list of these customers is attached to this declaration as Exhibit "A".

8. My responsibilities were to find new customers and sell subscriptions. I was also aware of efforts to service existing customers to see that their requests were being met and that they continued as subscribers.

9. The price for Camelback's subscription varied, but commonly there was an annual base subscription fee of approximately \$25,000 to \$40,000 or more per year. For this fee, the customer would receive access to all of Camelback's newly published reports and access to all historic reports on publicly traded companies.

10. 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.

12. 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.

13. 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.

14. Typically, customers would call Camelback and request these custom reports either through myself, Vickrey, or other customer service or sales representatives; 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.

16. 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.

17. 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. In fact, Camelback's promotional materials specify that the customer has the opportunity to "influence the reports" prepared by Camelback. See Exhibit B. This promotional piece also claims the reports are "unbiased, independent and objective." See Exhibit B.

18. Frequently, after conversing with the client who ordered the special report, Vickrey would downgrade the alpha score for the company from some neutral like a "B"

or "C" to a more negative score like a "D" or "F" overriding the analyst grade of the analyst who prepared the original report.

19. 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.

20. We knew 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.

21. Customers would regularly ask that Camelback not disseminate the report to the public for a specific period of time so the customer could "get their own" position in the stock before the public got the information. It was common knowledge that the timing of the dissemination of the reports was important to Camelback and its clients.

22. 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.

23. 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.

24. It was very apparent to me that Rocker Partners either had a short position in the shares of Overstock or that he intended to be short prior to the Camelback reports' publication.

25. Camelback maintained a listing of the name and date each customer requested a specials report on a particular company.

26. While I was employed at Camelback, I was assigned to use a database service called www.bigdough.com. This Internet-based service identified portfolio managers for large hedge funds. On one occasion, I saw a listing for Pinnacle Investment Advisors, which I knew to be a hedge fund run by Bettis out of Camelback's offices, and Vickrey was also a portfolio manager as well as Jose Marques. I clicked on a link near the Marques listing and was redirected to a site that showed the portfolio of a hedge fund Pinnacle managed and the position listing it pulled up included most, if not all, of the companies about which Camelback had prepared research reports. I noticed that Vickrey and other management at Camelback were listed as portfolio managers of another hedge fund such and a mutual fund, designated as "Hallmark."

27. I was confused because Matthew Kliber ("Kliber"), a manager at Camelback, had recently instructed all Camelback employees to tell customers Camelback did not operate a hedge fund or manage money.

28. When I confronted Kliber with this he seemed distressed. I tried to access this information through www.bigdough.com sometime later and it had been removed.

29. Within several weeks, I heard Pinnacle had been sold to a third-party.

30. In the case of Overstock, Camelback published several negative reports and Vickrey discussed in telephone calls with Rocker and Cohodes the content of these publications before general distribution.

31. Vickrey instructed all Camelback employees to make the subscription available to the media at little or no cost. I saw that certain journalists would publish negative information about a company around the same time Camelback would disseminate a special report with negative information about the same company.

32. I would monitor login activity regularly at the Camelback research archive website. I noticed that Herb Greenburg ("Greenburg"), an editor at www.thestreet.com, frequently logged in to review recent research reports.

33. At one point, Brian Harris was retained by Camelback to draft research reports on particular companies. Brian Harris is an editor of www.thestreet.com and Herb Greenberg. Camelback did not disclose that Harris had prepared these reports. Harris joined TheStreet.com is listed as associate editor of Street Insight. I never saw any billing statements or invoices indicating Camelback paid Harris to draft the reports.

34. Camelback opened a special office in Seattle, Washington for Brian Harris and John Markham. Markham has a research service he markets as "Stock Tactics Advisors."

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: Robert Ballash Date: 8/9/05
Robert Ballash