

**EXHIBIT C**

1 UNITED STATES DISTRICT COURT  
2 NORTHERN DISTRICT OF ILLINOIS  
3 Civil Action No. 11 CV 991  
4 -----x  
ARTHUR L. BRASHER, et al.,

5  
6 Plaintiffs,

7 vs.

8 BROADWIND ENERGY, INC.,  
9 et al.,  
10 Defendants.  
11 -----x

12  
13  
14 October 26, 2012  
15 9:08 a.m.

16  
17 Deposition of CANDACE L. PRESTON,  
18 held at the offices of Sidley Austin LLP,  
19 787 Seventh Avenue, New York, New York,  
20 pursuant to notice, before Cary N. Bigelow,  
21 Court Reporter, a Notary Public of the  
22 State of New York.  
23  
24

1 A P P E A R A N C E S :

2  
3 FEDERMAN & SHERWOOD  
4 Attorneys for Plaintiffs  
5 10205 North Pennsylvania Avenue  
6 Oklahoma City, Oklahoma 73120  
7 BY: WILLIAM B. FEDERMAN, ESQ.  
8

9 SIDLEY AUSTIN LLP  
10 Attorneys for Defendants  
11 One South Dearborn  
12 Chicago, Illinois 60603  
13 BY: JAMES W. DUCAYET, ESQ.  
14  
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1  
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3  
4 STIPULATIONS

5 IT IS HEREBY STIPULATED AND AGREED, by  
6 and among counsel for the respective parties  
7 hereto, that the filing, sealing and  
8 certification of the within deposition shall  
9 be and the same are hereby waived;

10 IT IS FURTHER STIPULATED AND AGREED  
11 that all objections, except as to the form  
12 of the question, shall be reserved to the  
13 time of the trial;

14 IT IS FURTHER STIPULATED AND AGREED  
15 that the within deposition may be sworn to  
16 and signed before any notary public with  
17 the same force and effect as if signed and  
18 sworn to before the Court.  
19 \* \* \*

1 C A N D A C E L. P R E S T O N, called as a  
2 witness, having been duly sworn by a Notary  
3 Public, was examined and testified as  
4 follows:

5 EXAMINATION BY  
6 MR. DUCAYET:

7 Q. Good morning.

8 Could you please state your name for  
9 the record.

10 A. Candace L. Preston.

11 Q. Ms. Preston, you've submitted a  
12 declaration in this case; is that right?

13 A. I have.

14 Q. I have gone ahead and had the court  
15 reporter mark as Preston Exhibit 1 a copy of the  
16 declaration.

17 (Preston Exhibit 1, declaration of  
18 Candace L. Preston in support of plaintiffs'  
19 motion for class certification with attached  
20 exhibits, production Nos. PRESTON\_000001  
21 through PRESTON\_000069, marked for  
22 identification, as of this date.)

23 Q. Ms. Preston, is that the declaration  
24 that you've submitted in this case?

1 while he was at Princeton Venture?  
 2 A. I believe so.  
 3 Q. Let's turn back to the declaration, if  
 4 we could, Ms. Preston.  
 5 The declaration is dated June 22nd of  
 6 this year; is that right?  
 7 A. Yes, correct.  
 8 Q. When were you first contacted by anyone  
 9 from the plaintiffs' side to get involved in this  
 10 case?  
 11 A. 2012 for sure.  
 12 Q. Can you put any more specificity on  
 13 that?  
 14 A. No.  
 15 Q. Was it a couple of months? Was it six  
 16 months? Was it a couple of weeks? Can you  
 17 recall?  
 18 A. It wasn't a couple of weeks and I don't  
 19 think it was six months.  
 20 Q. Fair enough.  
 21 Who first contacted you in connection  
 22 with this engagement?  
 23 A. I believe it was Mr. Federman.  
 24 Q. Do you recall when you were formally

1 engaged in this matter?  
 2 A. I think it was March, now that I -- I'm  
 3 remembering it was either March or early April,  
 4 probably.  
 5 Q. When you were first contacted by  
 6 Mr. Federman did he describe for you the scope of  
 7 your proposed engagement?  
 8 A. I believe so.  
 9 Q. What do you recall him telling you?  
 10 A. I believe I recall him saying that he  
 11 wanted me to look at and see if I was comfortable  
 12 opining that Broadwind's stock was efficient.  
 13 Q. Apart from the issue of market  
 14 efficiency did you and Mr. Federman discuss any  
 15 other potential opinions that you might render?  
 16 A. At some point we discussed the issue of  
 17 the materiality of the disclosure on March 12.  
 18 Q. Other than market efficiency and  
 19 materiality did you discuss the possibility of  
 20 your rendering any additional opinions in this  
 21 matter?  
 22 A. No.  
 23 Q. After you were formally engaged by --  
 24 by the way, in this conversation that you had

1 with Mr. Federman was anyone else on the line?  
 2 A. Stewart Emmons may have been, and I am  
 3 -- my memory is not really clear. It may have  
 4 been I spoke with Mr. Emmons first and then spoke  
 5 with Mr. Federman all in the same time frame.  
 6 Q. Who was your -- once you were engaged,  
 7 who was your sort of primary contact?  
 8 A. I would say that I had contact with  
 9 both Mr. Emmons and Mr. Federman.  
 10 Q. Have you had any contact with anyone  
 11 from the Robbins Geller firm in this matter?  
 12 A. Not that I recall.  
 13 Q. And specifically Joseph Russello, does  
 14 that name ring a bell?  
 15 A. You know, there may have been a phone  
 16 call that he participated in, but I don't recall  
 17 any specific contact with him.  
 18 Q. Have you ever done any other work for  
 19 Mr. Federman or his law firm?  
 20 A. Yes.  
 21 Q. On how many occasions?  
 22 A. Two, I believe.  
 23 Q. Which two occasions were those? Can  
 24 you describe those?

1 A. One is public where it involves an  
 2 opinion on some funds that were sponsored by  
 3 Direxion, D-i-r-e-x-i-o-n; the other is a  
 4 consulting matter that I will not public  
 5 acknowledge.  
 6 Q. The first was Direxion?  
 7 A. Direxion, yes.  
 8 Q. Is that a litigation?  
 9 A. It's a litigation.  
 10 Q. Do you know where that's pending?  
 11 A. I don't recall. I am not certain.  
 12 Q. Is that matter still ongoing?  
 13 A. Yes.  
 14 Q. Do you recall what kind of case that  
 15 was? Was that a 10(b)(5) case, was it a  
 16 derivative matter?  
 17 A. It's a Section 11.  
 18 Q. And Mr. Federman's firm is representing  
 19 the plaintiffs in that matter?  
 20 A. Yes.  
 21 Q. Have you rendered any opinions in the  
 22 Direxion case?  
 23 A. Yes.  
 24 Q. What were the nature of those opinions?

1 A. They had to do with the damages  
 2 suffered by plaintiffs.  
 3 Q. Did you prepare a report?  
 4 A. I did.  
 5 Q. Do you recall approximately when that  
 6 report was prepared?  
 7 A. Recently, in the last few months.  
 8 There were actually, I will tell you, several.  
 9 Q. Several reports?  
 10 A. Several reports.  
 11 Q. Did they all pertain to the issue of  
 12 damages?  
 13 A. Yes.  
 14 Q. Was that in the nature of an initial  
 15 report and then a rebuttal report?  
 16 A. Correct.  
 17 Q. Who was the expert on the defendants'  
 18 side, if you can recall?  
 19 A. I don't know.  
 20 Q. Did you offer any opinions about market  
 21 efficiency in connection with your opinions in  
 22 the Direxion case?  
 23 A. It's a Section 11 case, so it doesn't  
 24 require market efficiency.

1 Q. In connection with the consulting  
 2 matter, I won't pry into the details, but can you  
 3 tell me if that is an ongoing matter?  
 4 A. It is.  
 5 Q. So apart from the Direxion case and the  
 6 consulting matter are there any other occasions  
 7 in which you've been retained by the Federman  
 8 firm?  
 9 A. Not to my knowledge. It may be the  
 10 case that they have been co-counsel on something,  
 11 but this is the first interaction that I've had  
 12 with them.  
 13 Q. In connection with the Direxion matter  
 14 is Mr. Federman's firm the lead counsel in that  
 15 for the plaintiffs, do you know?  
 16 A. I'm not sure.  
 17 Q. Do you know if there are other firms  
 18 involved on the behalf of the plaintiffs?  
 19 A. There are.  
 20 Q. Have you been working with the Federman  
 21 firm in connection with the preparation of your  
 22 opinions?  
 23 MR. FEDERMAN: In which case?  
 24 Q. This is in the Direxion matter.

1 A. They have certainly been involved.  
 2 Q. Which other firms are involved in  
 3 Direxion, if you can recall?  
 4 A. I believe it's Wolf Haldenstein.  
 5 Q. Getting back to the Broadwind matter,  
 6 after your retention did you meet with counsel?  
 7 A. No, not in person, no.  
 8 Q. Not in person.  
 9 Did you have any telephone  
 10 conversations with them?  
 11 A. Yes.  
 12 Q. Approximately how many?  
 13 A. Maybe four or five.  
 14 Q. Did you put together a team to work on  
 15 this engagement after you were retained?  
 16 A. Yes.  
 17 Q. Who was the team for financial  
 18 analysis?  
 19 A. Cynthia Jones also worked with me.  
 20 Q. What is Ms. Jones' background?  
 21 A. She is a -- she's a managing director  
 22 with our firm and she's an analyst, she has an  
 23 MBA, she is a chartered financial analyst, she  
 24 has done various -- she has had various analytic

1 jobs, she worked for a hedge fund, and she ran a  
 2 bridal salon.  
 3 Q. How long has Ms. Jones worked for  
 4 Financial Markets Analysis?  
 5 A. I think her first day was, like, two  
 6 days before 9/11, so --  
 7 Q. So over 10 years?  
 8 A. Yes, eleven.  
 9 Q. Other than you and Ms. Jones was there  
 10 anyone else who worked with you on this matter?  
 11 A. Christine Meyer.  
 12 Q. Who is Ms. Meyer?  
 13 A. She is a researcher and an analyst.  
 14 And probably Tatiana Cpeckova.  
 15 Q. Is she also a researcher?  
 16 A. She is.  
 17 Q. So of the four people -- yourself,  
 18 Ms. Jones, Ms. Meyer, and Ms. Cpeckova -- what  
 19 was the allocation of responsibilities in the  
 20 preparation of the declaration?  
 21 A. In this case I probably did the vast  
 22 majority of the work. I worked with Ms. Jones  
 23 and she would have directed Ms. Meyer and  
 24 Ms. Cpeckova, but I did most of the work.

1 days later when The Wall Street Journal picked it  
2 up that the market reacted and it was found to be  
3 an efficient reaction.

4 Q. Is this an opinion that you've offered  
5 or --

6 A. I did not offer that, and I am aware of  
7 that, I suppose, because it would have been  
8 relevant to another opinion I may have offered,  
9 but I don't recall specifically any others that  
10 I've offered.

11 Q. And just to talk about the Louisiana  
12 Pacific matter, do you know if that's a situation  
13 in which the 10-Q at issue was available to  
14 market participants through the EDGAR system?

15 A. Well, it was filed EDGAR -- I believe  
16 it was, you know, because this was certainly an  
17 issue in the litigation.

18 Q. So is it your view that the filing of a  
19 10-Q that contains significant unanticipated  
20 company-specific news that is filed using the  
21 EDGAR system that then takes 10 days before there  
22 is a stock price reaction is consistent with an  
23 efficient market?

24 A. I think it's consistent with an

1 imperfect efficient market. Nothing that I have  
2 ever seen is perfectly efficient, so I think that  
3 it is -- you know, and this was a very clear  
4 example of a situation where the actual filing or  
5 the publication of the information in the Wall  
6 Street Journal caused the reaction.

7 Q. So what do you mean by an imperfect  
8 efficient market?

9 A. I mean there's academic literature that  
10 would say there doesn't even have to be a trade  
11 that takes place that we can see if we can  
12 estimate what the cash flow implications of  
13 something would be that we can judge where the  
14 price would go, but -- so that would be, like,  
15 nirvana, but that ignores real people, that  
16 ignores that you might see different implications  
17 than I would from the same information, it  
18 ignores the fact that sometimes people miss  
19 something and it doesn't happen that information  
20 is -- that people discover the information as  
21 quickly as you would like, it ignores the fact  
22 that sometimes there's leakage and the impact  
23 actually happens before the information is  
24 released publicly, so there are things that make

1 markets -- it's what makes markets, that if we  
2 all knew in advance everything then there  
3 wouldn't be any participation.

4 We all have different opinions.  
5 Sometimes it's -- I think we talked about the  
6 size of bids and asks and the number of shares,  
7 it's one of the reasons at the end of the day  
8 that somebody maybe posts an ask that is a  
9 hundred percent above the price or something  
10 because you don't always know what's going to  
11 happen, you can't always check.

12 Q. And does anything that you just  
13 described relate to a distinction between a  
14 strong form efficiency and a semi-strong form  
15 efficiency?

16 A. I suppose not.

17 Strong form embodies the idea that the  
18 market knows even those things that are inside  
19 information. What I'm talking about is -- and so  
20 a perfect semi-strong form would react perfectly  
21 in a semi-strong manner to publicly known  
22 information. I don't think that's the same as  
23 strong.

24 Q. Okay. That's a helpful clarification.

1 Let's go back to the Louisiana Pacific  
2 situation you described.

3 That's a case, as I understand it,  
4 where it would be possible for an investor who is  
5 following EDGAR filings by the company to  
6 arbitrage for up to 10 days before the  
7 information is affecting the stock price; isn't  
8 that right?

9 A. It would be possible for an investor  
10 who had that information to trade on that  
11 information.

12 Q. You referenced the order in this case  
13 and I think you were referring to a footnote in  
14 that order that the judge included relating to  
15 the ending point of the class period.

16 Is that what you're talking about?

17 A. Correct.

18 Q. Specifically, just so the record is  
19 clear, the judge ended the class period not  
20 immediately upon the disclosure of what the  
21 plaintiffs considered to be corrective  
22 information, but he tacked on an extra week; is  
23 that right?

24 A. He added seven days for the market to

1 fully absorb the information.

2 Q. Are you offering any opinion that it

3 would take seven full days for information,

4 material information to be fully incorporated in

5 Broadwind's stock price during this period?

6 A. No.

7 Could we take a break right now?

8 MR. DUCAYET: Let's take a short break.

9 (Recess taken.)

10 BY MR. DUCAYET:

11 Q. Ms. Preston, just to follow up on that

12 last answer that you gave, is it your opinion in

13 this matter that it would take more than a single

14 trading day for material unanticipated company-

15 specific news to be reflected in Broadwind's

16 stock price during the class period?

17 A. I think there are examples of that, so,

18 yes.

19 Q. In your view, would it take more than

20 two days for material unanticipated news to be

21 reflected in Broadwind's stock price during the

22 class period?

23 A. I think it could.

24 Q. If you could take a look now at

1 paragraph 16, in paragraph 16 this section deals

2 with average weekly trading volume during the

3 class period?

4 A. It does.

5 Q. And it's your opinion that the average

6 weekly trading volume relative to the number of

7 shares outstanding supports a conclusion that

8 Broadwind stock was trading in an efficient

9 market?

10 A. I think that is one of the Cammer

11 factors and I think it's satisfied.

12 Q. You say in paragraph 16 that the

13 turnover as a percentage of average shares

14 outstanding during the class period was 1.8

15 percent.

16 Do you see that?

17 A. I do.

18 Q. And that's the average throughout the

19 entire class period; right?

20 A. That's correct.

21 Q. Is it also true that the percentage,

22 the turnover as a percentage of average shares

23 outstanding was less than one percent at certain

24 points during the class period?

1 A. May have been.

2 Q. Now, you know that for a portion of the

3 class period the company was trading on the

4 over-the-counter exchange as opposed to on

5 NASDAQ; right?

6 A. Yes.

7 Q. Is it your opinion that the Broadwind

8 stock was trading in an efficient market during

9 the period that it was trading over-the-counter?

10 A. Yes.

11 Q. In paragraph 16 you indicate that the

12 turnover as a percentage of the average shares in

13 public hands, i.e., not held by affiliates, was

14 4.5 percent?

15 A. Correct.

16 Q. Again, was that true throughout the

17 whole class period?

18 A. I believe that's the -- yes, throughout

19 the class period calculation.

20 Q. And do you know whether it was less

21 than that at particular points in time during the

22 class period?

23 A. Well, the shares in hands not held by

24 affiliates changed with the January offering, so

1 it would be different.

2 Q. Why is the percentage of shares in

3 public hands not held by affiliates, why is that

4 the relevant denominator when looking at the

5 turnover?

6 A. It's a piece of information. I think

7 it isn't necessarily a more dispositive piece of

8 information than is the 1.8 percent, but it is a

9 piece of information. If you are an analyst you

10 like numbers, you like information.

11 Q. For example, if 99.9 percent of shares

12 were held by insiders or affiliates and only .1

13 percent were actually trading in the public, that

14 would be relevant to the issue of efficiency?

15 A. It would be a piece of information,

16 sure.

17 Q. Let's take a look at Exhibit C to your

18 report.

19 MR. FEDERMAN: What's the Bates number

20 page?

21 THE WITNESS: 28.

22 Q. Exhibit C is a list of reporting

23 investors holding Broadwind stock between March

24 31, 2009 and March 31, 2010; right?

1 A. Correct.

2 Q. Included in this list are both insiders  
3 and affiliated investors; right?

4 A. That's correct.

5 Q. So, for example, on page PRESTON 28,  
6 number 38 is John Cameron Drecoll, who is a  
7 defendant in this case; right?

8 A. Correct.

9 MR. DUCAYET: This will be Exhibit 2,  
10 please.

11 (Preston Exhibit 2, two-page printout  
12 of Excel file entitled "momentum.xlsx,"  
13 marked for identification, as of this date.)

14 Q. Ms. Preston, what's been marked as  
15 Preston Exhibit 2 and put in front of you is a  
16 printout of an Excel file that was provided to us  
17 as part of your workpapers, the title of the file  
18 was momentum.xlsx, and I apologize because the  
19 typeface is a little on the small side, but  
20 nevertheless, this is a printout of that file.

21 Is that familiar to you?

22 A. It looks like our worksheet, yes.

23 Q. The columns here, you've got on the far  
24 left-hand side a list of investor names; right?

1 A. That's correct.

2 Q. And then immediately to the right you  
3 have a series of columns indicating various  
4 points in time during the class period?

5 A. Correct.

6 Q. And those columns indicate whatever  
7 position was held by the investor in the far  
8 left-hand column on that particular date?

9 A. Correct.

10 Q. And then on the far right-hand column  
11 you've got some additional information about the  
12 investor, including their investor type, their  
13 country, city and mailing address?

14 A. Correct.

15 Q. So let's take a look at the column in  
16 the middle that identifies positions as of March  
17 31st, 2009.

18 Do you see that?

19 A. Yes, I do.

20 Q. If I'm understanding this correctly, as  
21 of March 31st there are 11 investors who are  
22 holding positions that were recorded.

23 Does that look right to you?

24 It's a little hard to read.

1 A. Yes.

2 Q. And of those, as far as I can tell,  
3 only three of them are nonaffiliated investors.

4 A. I have to tell you, that may be.  
5 Everything is so small and there's no -- when I  
6 look at this on a screen there's a grid so I can  
7 follow across, but I wouldn't doubt it, I presume  
8 that you actually did look at it someplace and I  
9 will accept your representation.

10 Q. Sure.

11 Let me just for the record identify  
12 what I believe to be the nonaffiliated entities.

13 It's First Trust Advisors and then,  
14 flipping the page over, it's Marquette Asset  
15 Management and then Putnam Investment Management  
16 LLC, and the others are all either current or  
17 former directors or officers or investors such as  
18 Tontine.

19 Does the fact that there are only three  
20 unaffiliated investors as of the March 31, 2009  
21 time frame have any bearing on your opinion that  
22 the market for Broadwind stock was efficient at  
23 that point in time?

24 A. No. Remember, these are reporting

1 investors. We've identified a handful of shares.  
2 There were many more shares outstanding that were  
3 held by nonreporting individuals, and in fact if  
4 somebody had controlled all those shares we would  
5 see them as a reporting individual, so, no, that  
6 doesn't affect my opinion.

7 Q. Turning back to your report, paragraph  
8 17, the last sentence of that paragraph reads  
9 "Many of these reporting investors held and  
10 traded shares on behalf of individual investors."

11 Do you see that?

12 A. I do.

13 Q. What's the basis for that statement?

14 A. That in fact there are people on here  
15 or institutions on here that manage funds or  
16 manage individual accounts for investors.

17 Q. Do you know whether any of those  
18 reporting investors are index investors that hold  
19 the stock in an effort to replicate a particular  
20 stock index?

21 A. There may be some that do. Certainly,  
22 I mean, we see the fact that when the company is  
23 added to the Russell that, in fact, the volume  
24 increases dramatically, there is a substantial

1 increase in price.

2 Q. We will talk about that in a minute,  
3 but just so we're clear, that's because investors  
4 who are offering an index fund, for example, are  
5 attempting to replicate the basket of stocks that  
6 is represented in the index?

7 A. Correct.

8 Q. In that case are investors buying or  
9 selling Broadwind stock not in response to  
10 company-specific information but in order to  
11 maintain whatever the appropriate percentage is  
12 in order to replicate the index?

13 A. I don't think motivation has a lot to  
14 do with any legal requirement to begin with that  
15 I'm aware, but the price shouldn't reflect  
16 whether you're an investor replicating an index  
17 or an investor who likes green energy or  
18 whatever, it should reflect a consensus value.

19 Q. But are index investors, people who are  
20 buying and selling in order to replicate an  
21 index, are they doing so on the basis of  
22 company-specific information?

23 A. Generally their position may be, in a  
24 particular stock, is affected by company-specific

1 information.

2 Q. But are they themselves buying and  
3 selling because of specific information that  
4 comes into the market about the company?

5 A. They are buying and selling a specific  
6 amount based on that.

7 Q. But are they themselves making any  
8 investment decisions based upon their analysis of  
9 company-specific information?

10 A. I think if you are replicating an index  
11 you are buying a particular member of that index.

12 Now let me just also say lots of funds  
13 that are put together to replicate indexes don't  
14 buy all the stocks in the index, so there can be  
15 a certain amount of judgment based on -- by the  
16 fund manager as well, so there are a number of  
17 things that go into that decision.

18 Q. But ordinarily you wouldn't expect an  
19 index investor to be making purchase or sale  
20 decisions based upon company-specific information  
21 that may be coming into the market at a given  
22 point?

23 A. I don't think you would, that's  
24 correct, not whether to purchase or not, but at

1 what price and how many shares would be based on  
2 company-specific information because that would  
3 be reflected in the price of the stock.

4 Q. In other words, they are relying on the  
5 market price to reflect the available public  
6 information, they are not themselves doing any  
7 underlying analysis of what that information is?

8 A. That's correct, that's what I would  
9 expect.

10 Q. Let's look at paragraph 20 and this is  
11 on the topic of analyst coverage.

12 A. Yes.

13 Q. So paragraph 20 sets forth your opinion  
14 that the reports issued by the firms listed and  
15 discussed above -- and by above you are referring  
16 to paragraph 19 --

17 A. Right.

18 Q. -- constituted adequate coverage of  
19 Broadwind and its common stock during the class  
20 period and support the assumption of an efficient  
21 market for Broadwind stock.

22 Is that your opinion?

23 A. Yes.

24 Q. Now turning to paragraph 19, as I read

1 this paragraph, you make a distinction between  
2 analysts and research providers on the one hand  
3 and research services on the other hand; is that  
4 right?

5 A. There is a distinction, yes.

6 Q. Just to be clear, the analysts and  
7 research providers that you're talking about are  
8 Macquarie Research, JP Morgan and Raymond James;  
9 right?

10 A. So those are the analysts that I would  
11 be discussing, yes.

12 Q. So we will call those analysts.

13 And then research services are Global  
14 Markets Direct, RiskMetrics, Thomson Street  
15 Events and Datamonitor; correct?

16 A. Correct.

17 Q. And the research services provide, as  
18 you indicate, transcripts and technical data  
19 through published reports; right?

20 A. Right. They may include some  
21 expectations of what, how the stock will perform  
22 on a technical basis.

23 Q. But they don't prepare their own  
24 estimates of earnings, for example?



1 A. I don't recall any earnings estimates,  
2 no.  
3 Q. And they don't offer, these research  
4 services don't offer any of their own commentary  
5 or analysis on the company's performance or its  
6 future prospects; right?  
7 A. It would be rare.  
8 Q. And you didn't see any examples in this  
9 case, did you?  
10 A. I can't recall any.  
11 Q. Let's talk about analysts.  
12 Turn to Exhibit D, if you could.  
13 What is the Bates number of that?  
14 A. 32.  
15 Q. Exhibit D is essentially a list of both  
16 the analyst and the research services that  
17 provided reports on Broadwind during the class  
18 period; is that correct?  
19 A. That's correct.  
20 Q. Now, the first --  
21 A. I shouldn't say -- these are the ones  
22 that Thomson tracks, so I think -- I'm not sure,  
23 for example, if Raymond James is on here or not,  
24 but I believe I picked that up through a news

1 article or something, so --  
2 Q. I didn't see Raymond James on here.  
3 Looking at Exhibit D, is it the case  
4 that the first instance of an analyst report is  
5 Macquarie Research initiating coverage on  
6 February 24, 2010?  
7 A. Yes.  
8 Q. And likewise JP Morgan initiates  
9 coverage on March 9, 2010; right?  
10 A. Right.  
11 Q. And do you recall when Raymond James  
12 initiated --  
13 A. I don't.  
14 Q. Do you have any reason to think it was  
15 before February 24, 2010?  
16 A. I just don't recall.  
17 Q. Going back to your report, one of the  
18 factors that you identify as relevant to the  
19 efficiency opinion that you are offering is  
20 whether or not the company traded on the NASDAQ  
21 stock market.  
22 Is that right?  
23 A. It's something I considered for sure,  
24 yeah.

1 Q. And the fact that it's trading on  
2 NASDAQ is, in your mind, a fact that supports a  
3 conclusion of market efficiency?  
4 A. Yes. And how it got there supports it  
5 as well.  
6 Q. We've already discussed this, but it's  
7 your opinion that the period prior to its listing  
8 on NASDAQ when it was trading over the counter or  
9 on the pink sheets is also, in your view, a  
10 period when the market was efficient?  
11 A. That's correct.  
12 Q. And I apologize if I asked you this  
13 already, but have you ever offered an opinion  
14 that a stock trading over the counter on the pink  
15 sheets is trading in an efficient market?  
16 A. I don't recall.  
17 MR. DUCAYET: I will mark as Preston  
18 Exhibit 3 --  
19 Q. You're really going to love this one.  
20 A. You know, I'm sorry they're so tiny.  
21 On the other hand, I appreciate that they are on  
22 one page.  
23 Q. That's what I was trying to do.  
24 MR. FEDERMAN: So this will be Exhibit

1 3?  
2 MR. DUCAYET: Yes.  
3 (Preston Exhibit 3, eight-page printout  
4 of portions of an Excel file entitled  
5 "regresscomps.xls," marked for  
6 identification, as of this date.)  
7 Q. Ms. Preston I have given you a document  
8 that's been marked as Preston Exhibit 3, let me  
9 just describe for you what this is.  
10 So among your workpapers was an Excel  
11 spreadsheet that was called regresscomps.xls.  
12 What I did was to print out a portion  
13 of the spreadsheet and the portion that I printed  
14 out are all of the columns that get between, on  
15 the one hand, in the left-hand column the date  
16 and in the right-hand column your test for  
17 statistical significance.  
18 Do you see that?  
19 A. At greater than the 95 percent or,  
20 slash, five percent level.  
21 Q. And then I'll just represent to you  
22 that there are some additional columns in the  
23 spreadsheet which essentially report the overall  
24 conclusion that flows from the regression that is

1 community which may play out in its ability to  
2 get financing, if it needed more financing for  
3 expansion, it may play out in its acceptance  
4 among customers, so there are a lot of those  
5 things that kind of all go together to create a  
6 value and the stock price reflects that.

7 Now, it's hard to tell exactly what  
8 drives that.

9 Q. It certainly is not investors'  
10 perceptions of the cash flows of the company, the  
11 future cash flows of the company; right?

12 A. But it could be, it certainly could be.

13 They say, oh, all right, now we're  
14 looking at a company, I want to own this company  
15 because this company is recognized and it's going  
16 to get more business and as a result the cash  
17 flows will increase.

18 Q. But the inclusion on an index or on a  
19 stock exchange doesn't provide any information at  
20 that time about changes in the company's future  
21 cash flows, does it?

22 A. What it provides is -- let's talk about  
23 the inclusion on NASDAQ.

24 What it actually does is unleash some

1 of the value that wasn't formerly available  
2 because some people were prohibited from owning  
3 the stock, so I think when we look at this  
4 Preston 2 we saw a dramatic increase in the  
5 number of reporting institutions once the company  
6 was included on NASDAQ.

7 I think that that is exactly the kind  
8 of thing where the underlying value -- and when  
9 you're talking about future cash flows, those  
10 cash flows are discounted. The discount rate  
11 when not as many people can own a stock would be  
12 greater.

13 Once it is -- once the stock is  
14 available to more buyers than that discount rate  
15 changes and you're still looking at the same,  
16 perhaps, cash flow, although maybe you get more  
17 recognition, you get more customers, but the  
18 discount rate changes and the value reflects a  
19 new discount rate.

20 Q. And that's because as you calculate the  
21 current value of future cash flows you are using  
22 a different discounting factor?

23 A. Exactly.

24 Q. Are you aware of any academic

1 literature that suggests --

2 MR. DUCAYET: Strike that.

3 Q. Now, the increase in stock price upon  
4 inclusion in an index is a relatively common  
5 phenomenon, would you agree?

6 A. Yes.

7 Q. Are you aware of any academic  
8 literature that suggests that that's actually  
9 evidence of market inefficiency as opposed to  
10 market efficiency?

11 A. No.

12 MR. DUCAYET: Let's take a short break.  
13 (Recess taken.)

14 BY MR. DUCAYET:

15 Q. Let's turn to a couple of the dates  
16 that you discuss in your declaration beginning at  
17 paragraph 38.

18 A. Yes.

19 Q. And paragraph 38 in particular  
20 discusses information that was disclosed just  
21 before the market closed on March 17, 2009.

22 Do you see that?

23 A. Correct.

24 Q. That was an announcement by the company

1 of its financial results for the fourth quarter  
2 and fiscal year ending December 31, 2008; right?

3 A. Correct.

4 Q. And you describe that information as  
5 extraordinary news?

6 A. Yes.

7 Q. When you say extraordinary, you mean  
8 positive?

9 A. In this case positive, yes.

10 Q. And that is a function of the fact that  
11 the earnings that were reported showed EBITDA  
12 increasing by about 40 times?

13 A. Yes.

14 Q. So going back to the process you went  
15 through looking at dates, this is information you  
16 would expect would have a positive price reaction?

17 A. I would.

18 Q. Was it your understanding that this was  
19 unanticipated positive news?

20 A. Yes.

21 Q. And how do you know that?

22 A. When I look at -- it is my

23 understanding based on the price reaction to  
24 begin with, you rarely would see this strong a

1 price reaction to something that was  
2 unanticipated.

3 I think there was -- I can't remember  
4 if it was Factiva, from the Journal -- a report  
5 that came out that said, you know, watch this  
6 stock, important movement coming up as a result  
7 of this information coming out.

8 Q. Do you know when that particular report  
9 that you're thinking about was issued?

10 A. I believe it was the morning of the  
11 18th.

12 Q. Do you have any understanding as to why  
13 the company was reporting such a significant  
14 increase in its EBITDA?

15 A. I think there were a number of things  
16 to do with the acquisition of Brad Foote and I  
17 don't remember all the details.

18 Q. With respect to the acquisition of Brad  
19 Foote that was information that the market was  
20 previously aware of; right?

21 A. They were.

22 Q. And so this is information you expect  
23 would be positive and when you looked at your  
24 regression you saw that the residual return on

1 the next trading day, March 18th, was in fact  
2 statistically significant; right?

3 A. Yes.

4 Q. And positive?

5 A. Positive, right.

6 Q. Let's just take a look at Exhibit 4,  
7 the regression.

8 A. Exhibit 3?

9 Q. Exhibit 3, thank you.

10 The fourth date down is March 18th, I'm  
11 looking across to the far right-hand column.

12 As I understand the convention, you set  
13 this so that if there was a t-stat that was  
14 greater than 1.96 either positive or negative you  
15 controlled and put a 1 in the column there?

16 A. That's correct.

17 Q. And in fact there is a 1 in that column?

18 A. That's correct.

19 Q. And on the day before there was  
20 actually a negative price reaction; right?

21 A. There was.

22 Q. And that was not statistically  
23 significant, though?

24 A. No.

1 Q. The information that you are referring  
2 to in paragraph 38 is a press release; right?

3 A. That's correct.

4 Q. And the company, in addition to issuing  
5 a press release, also would have filed reports  
6 with the SEC; right?

7 A. Right.

8 Q. Both the 10-K and then whatever  
9 additional information that it was required to  
10 file?

11 A. Correct.

12 Q. In terms of the issue that you think is  
13 significant in terms of the news, the EBITDA  
14 information, that's information that would also  
15 be included in SEC filings; right?

16 A. All those were included in the K that  
17 was filed.

18 Q. Are you aware of the fact that the 10-K  
19 was actually filed on March 16th?

20 A. I think late at night on the 16th, as I  
21 recall.

22 Q. Just taking a look at your report,  
23 Exhibit E, the first item on Exhibit E shows the  
24 filing of three different documents, including

1 the 8-K for the fiscal year 2008 on March 16th;  
2 right?

3 A. I think you meant the 10-K.

4 Q. I did mean the 10-K, thank you.

5 A. Yes.

6 Q. The company filed that 10-K online  
7 using the EDGAR service?

8 A. I believe so, yes.

9 Q. So that was immediately available to  
10 investors?

11 A. It would have been.

12 Q. That was a full trading day before it  
13 issued the press release we have been discussing;  
14 right?

15 A. Yes.

16 Q. During that full trading day the  
17 company actually experienced a decline in its  
18 stock price, although not statistically  
19 significant; right?

20 A. That's correct.

21 Q. To your understanding was there any  
22 additional new information that the company  
23 included in its press release issued shortly  
24 before the market closed on March 17th that was

1 not included in the 10-K?

2 A. Not to my knowledge.

3 Q. Let's go back to the report.

4 The next date that you examined was the

5 announcement of the listing of the company stock

6 on the NASDAQ Global Select; right?

7 A. Right. Are you on 16?

8 Q. Yes, paragraph 39.

9 A. All right. Yes.

10 Q. Looking at your regression, that's

11 another day on which there was a statistically

12 significant positive price reaction; right?

13 A. That's correct.

14 Q. You describe in here the fact that, as

15 you testified earlier, the fact of the listing on

16 NASDAQ permitted a broader set of investors to

17 own the stock because certain investors are

18 prohibited in one way or another from owning

19 stock that is listed only on the over-the-counter

20 market?

21 A. That's correct.

22 Q. And as I understand your testimony,

23 your opinion is that that may -- that fact may be

24 reflective of the underlying cash flows of the

1 company in the sense that it may reduce the

2 discount rate that you would apply to the cash

3 flows of the company.

4 A. Yes, the discounted cash flow, correct.

5 In that context I would also add, as I

6 talk about in the report, that the company went,

7 didn't go just to the NASDAQ level, it went to

8 the NASDAQ level select market.

9 This is another level of vetting that

10 gives investors greater confidence and again is

11 reflected in the discount rate.

12 Q. So the fact that it went right to the

13 Global Select, in your understanding, would have

14 also reduced -- that fact alone reduced the

15 discount rate?

16 A. That, in all likelihood, would have

17 done that, yes.

18 Q. And then paragraph 40 discusses the

19 price reaction in the wake of the announcement

20 that the company was going to be listed on the

21 Russell 3000 index and the Russell 2000 index;

22 correct?

23 A. Correct.

24 Q. Then you go on to describe the fact

1 that mutual funds, some mutual funds attempt to

2 replicate the performance of these indexes?

3 A. Correct.

4 Q. Therefore, this would tend to increase

5 the demand for a company that's now listed on an

6 index; correct?

7 A. That's correct.

8 Q. Just so I understand, the issue of the

9 discount rate that we've been talking about in

10 connection with the NASDAQ listing, is that a

11 phenomenon in your view that also occurs when a

12 company is included on an index?

13 A. It certainly could.

14 I mean, what we're talking about here

15 are informational efficiency issues. The fact

16 that the company -- and that's my understanding

17 of what we are to be testing, so, yeah, the fact

18 that the company is now listed on the NASDAQ has

19 a big impact on its discount rate.

20 The fact that it's included in an index

21 has two different things: number one, it adds to

22 demand and, number two, it can affect its

23 recognition as a company important enough to be

24 included can change the discount rate as well,

1 but in either case the rise in the price

2 represents informational efficiency.

3 Q. Again, just to be clear on this, it

4 doesn't reflect any information about the

5 underlying likely future performance of the

6 company?

7 A. There are two different kinds of

8 efficiency that you're talking about.

9 Does it change -- it could change the

10 discount rate, it certainly changes the demand

11 and that's reflected in informational efficiency.

12 Q. With respect to this issue of the

13 change in the discount rate upon either listing

14 on an exchange or inclusion in an index, is there

15 any particular academic literature that one could

16 look at to describe that phenomenon?

17 A. I can't recall any right now.

18 Q. And we've already talked about this a

19 little bit, but just, again, so the record is

20 clear, a mutual fund that is attempting to

21 replicate an index would be acquiring or selling

22 the shares of a company within that index

23 regardless of the company-specific news that

24 would be disclosed on a given date; correct?

1 A. I think we've exhausted that.

2 Q. You agree with me on that? Is that  
3 true?

4 A. No, but I do believe we've exhausted  
5 our separate opinions about that.

6 Q. Okay.

7 I don't want to beat a dead horse,  
8 then, I just want to make sure I am clear on what  
9 your opinion is.

10 A. Let me summarize what I believe I said  
11 before.

12 Mutual funds that attempt to replicate  
13 indexes do not necessarily include all companies  
14 in the index as they attempt to replicate it.  
15 They in general try to minimize their transaction  
16 costs, so if they can replicate it without  
17 purchasing all the companies, they will do that.

18 For example, the S&P 500 has 500  
19 companies, generally you can replicate its  
20 performance by buying and selling about 20. So  
21 to that extent managers have some discretion in  
22 what they buy. How they exercise that discretion  
23 is totally up to them, but in the end how much  
24 they buy is determined by the price of the

1 particular security, so they are relying on the  
2 price which reflects information.

3 Q. Thank you.

4 The next date that you discuss in your  
5 declaration is January 6, 2010.

6 A. Yes.

7 Q. The event on that date was the  
8 announcement that the company had undertaken a  
9 public offering of 15 million shares of its  
10 stock?

11 A. Yes.

12 Q. There was the potential of an  
13 overallotment of another 2.25 million shares?

14 A. Right.

15 Q. Was that unanticipated news, in your  
16 view?

17 A. I think it was a much stronger  
18 statement than the company had made before. I  
19 think back in October the company had filed a  
20 preliminary registration statement. In this  
21 thing they said they had commenced the offering,  
22 they identified JP Morgan and Macquarie, and it  
23 was a much more definitive statement.

24 I think that after three months had

1 elapsed and the market had not seen this, I think  
2 it was new information.

3 Q. Is it your understanding there was some  
4 uncertainty in the marketplace as to whether or  
5 not this offering would go forward?

6 A. I think until an offering goes forward  
7 there's always some uncertainty.

8 Q. So this was an indication that whatever  
9 uncertainty may have been in the market, that was  
10 dispelled as a result of this announcement?

11 A. I think so, yes.

12 Q. The company, as you indicated, filed a  
13 preliminary registration statement back in  
14 October?

15 A. Yes.

16 Q. That preliminary registration statement  
17 included the number of shares that were going to  
18 be offered? Is that your understanding?

19 A. I believe it did.

20 Q. There were subsequent amendments that  
21 were made to that registration statement?

22 A. I believe so.

23 Q. Are you familiar with that?

24 But if I'm understanding your opinion,

1 the fact of a registration statement, preliminary  
2 registration statement still conveyed some  
3 uncertainty as to whether or not the offering  
4 would actually happen or not?

5 A. I think that's true. I think that if  
6 you are looking at January, when they announce  
7 that it's JP Morgan and Macquarie who are leading  
8 it, I think that made it a much more definitive  
9 move.

10 Q. You say in paragraph 41 that secondary  
11 offerings such as this are generally priced at  
12 approximately 10 percent below the market price  
13 when they become effective.

14 Do you see that?

15 A. Yes.

16 Q. What's the basis for that statement?

17 A. Years of experience and watching  
18 secondary offerings go off.

19 Q. Do you know if there's any academic  
20 literature out there that studies this issue?

21 A. There probably is.

22 Q. And is it your understanding that that  
23 supports the notion that there's about a 10  
24 percent price impact when secondary offerings are

1 priced?

2 A. Yes.

3 Q. Do you know when this secondary

4 offering was actually priced?

5 A. Yes. It was priced about two weeks

6 later.

7 Q. January 15th?

8 A. That sounds right.

9 Q. Do you know when the offering closed?

10 A. I think the announcement that the

11 overallocation was taken down comes -- I am not

12 sure of the exact date.

13 Q. So what is the new information about

14 the value of the company that's being disclosed

15 by the announcement on January 6th?

16 A. So the new information is that there's

17 an offering going forward and it's much more --

18 when you put the name JP Morgan on something, JP

19 Morgan generally doesn't do something that

20 doesn't go through, okay, so that gives it a much

21 more definitive likelihood of happening, so the

22 likelihood that it's happening and the market

23 knows that generally investors demand a better

24 return than what the current market price would

1 indicate and therefore the price adjusts

2 accordingly.

3 Q. And why is it that you show or see a

4 price decline upon an announcement of a secondary

5 offering?

6 A. Because investors here understand that

7 there will be this offering that will take place,

8 it will be priced 10 percent below the market.

9 Q. So they are assuming the price decline,

10 it's not because they're concerned about dilution,

11 they're just assuming that the way the market

12 will react is there will be a 10 percent

13 reduction?

14 A. Well, there will be dilution, because

15 if it's priced at 10 percent below the market you

16 will be diluted, so that the market tries to come

17 to an equilibrium on that.

18 Q. Does the effect of a secondary market

19 offering have the effect of increasing the public

20 float of the company's stock?

21 A. Yes.

22 Q. Would you expect that to increase the

23 efficiency in the market?

24 A. If the market's already efficient, then

1 it adds shares, that's all it does.

2 Q. All things being equal, the more shares

3 that are trading publicly the more likely the

4 market is going to be efficient?

5 A. You know, I think that's asymptotically

6 probably the case, but, you know, are you going

7 to add in a share? Is it going to be more

8 efficient? Are you going to add 10 shares?

9 Q. 15 million.

10 A. In my opinion it was efficient before

11 they added the shares and -- yeah, that's it.

12 Q. I want to understand, though, the

13 rationale for the stock price decline that you're

14 saying occurs whenever there's a secondary

15 offering, that's because current investors are

16 diluted as a result of an offering?

17 A. Because in general to get a secondary

18 offering off the stock has to be priced below the

19 market. That takes into account surprises that

20 might happen overnight between when you go

21 effective and when the stock opens in the

22 morning, it is a typical way that an investment

23 bank would handle a secondary offering.

24 That being the case, if you're going to

1 buy on that secondary offering at 10 percent

2 below what I paid today, then I say, well, why am

3 I paying the 10 percent premium and the price

4 adjusts to reflect that, because otherwise you're

5 getting a better deal than I am.

6 Q. And do you know whether or not the

7 price that was set for this offering was at 10

8 percent of what the current market value was?

9 A. I think when it was set it was

10 approximately 10 percent below where it had gone.

11 Q. Where it had gone from where?

12 A. It had dropped significantly between

13 when this came out and when the actual, when the

14 pricing occurred.

15 Q. I think you mentioned the fact that

16 when you were looking at potential events or

17 events that had the potential to result in a

18 statistically significant stock price movement,

19 either positive or negative, that you included

20 earnings releases?

21 A. I did.

22 Q. Other than the release that we've

23 already discussed in March of 2009, did you

24 observe any other instance in which the company's

1 Do you see that?

2 A. Yes.

3 Q. -- you offer an opinion on materiality  
4 and specifically the materiality of the March  
5 12th disclosure?

6 A. Correct.

7 Q. That is a defined term, as I recall, if  
8 you go back and look at paragraph 7, the last  
9 sentence there defines information released by  
10 the company on March 12th, 2010, defined that as  
11 the March 12th disclosure?

12 A. Right.

13 Q. And I understand that your opinion is  
14 that the information that was disclosed, the  
15 March 12th disclosures, as you defined it in your  
16 report, in your opinion was material information;  
17 correct?

18 A. That's correct.

19 Q. Can you define for me what you mean by  
20 materiality?

21 A. Something that would be important to an  
22 investor to know.

23 Q. How did you reach your opinion that the  
24 March 12th disclosures, as you've defined them,

1 is information that an investor would want to  
2 know?

3 A. Number one, probably the price reaction  
4 was a very important indication and, number two,  
5 as I point out, and specifically talking about  
6 the disclosures about the intangible assets and  
7 goodwill, the company acknowledged that it was  
8 the driving force behind the losses.

9 Q. And the price reaction, I understand,  
10 is a function of the regression analysis that  
11 you've done here and that we've been talking  
12 about.

13 What expertise --

14 A. No. The price reaction is a function  
15 of the market.

16 Q. The opinion that you've offered with  
17 respect to the significance of the price reaction  
18 follows from the analysis that you've done in  
19 which you determined that there was a  
20 statistically significant abnormal return on that  
21 day; right?

22 A. Yes, so it's -- the t-statistic is a  
23 negative 4.

24 Q. And with respect to the second reason

1 why you're offering an opinion on materiality,  
2 what expertise do you have with respect to the  
3 interpretation of press releases?

4 A. Well, let's start with the  
5 interpretation of press releases.

6 It's been my experience through 35 or  
7 more years of doing financial analysis that  
8 companies put out things that they believe are  
9 important to investors or should be important to  
10 investors, so that's the reason that a company  
11 does a press release.

12 Companies include things that they are  
13 either legally obliged to because the law assumes  
14 they are important to investors, much as, you  
15 know, earnings announcements are required because  
16 the law assumes it, but I think if you look at  
17 that, just the company's acknowledgment here  
18 that, look, we've had terrible results, the  
19 fourth quarter intangible charge was largely  
20 driven by market conditions causing a revision of  
21 management's assessment of future cash flows,  
22 that is, you know, we talked about the importance  
23 of future cash flows, that's one of the underlying  
24 premises of a valuation of a company or its

1 stock.

2 So you put that together with those  
3 fundamentals, you look at the price decline, and  
4 the statistics are certainly part of it, you look  
5 at the overall decline and you look at the  
6 volume.

7 You know, this isn't 10 shares that are  
8 trading, this is almost eight million shares.  
9 Those are all things that combined indicate how  
10 material this was.

11 Q. And you understand -- I mean, this is  
12 an excerpt in paragraph 49 of the press release;  
13 right?

14 A. Absolutely.

15 Q. So there was additional information  
16 that the company released on March 12th; right?

17 A. It did, yes.

18 Q. And there was also a conference call  
19 that it had with investors; right?

20 A. Correct.

21 Q. Have you made any effort to try to  
22 allocate the price reaction resulting from any  
23 specific component of the information that was  
24 disclosed on that date?

1 A. Not specifically, not down to the penny  
2 or anything.

3 As you can see, there was the 82.2  
4 million was, I don't know, about 75 percent of  
5 the overall loss, but I haven't done the math or  
6 I haven't been asked to do a loss causation  
7 calculation like that.

8 Q. You are not offering any opinion on  
9 this issue?

10 A. I am not.

11 Q. And you touched on this earlier, but  
12 just to close the loop on this, the price  
13 reaction that you saw in response to this  
14 announcement indicated to you that the market  
15 fully incorporated this news within the next  
16 trading day; right?

17 A. I thought that was the case, yes.

18 MR. DUCAYET: Let's take a short break.

19 (Recess taken.)

20 (Continued on following page.)  
21  
22  
23  
24

1 MR. DUCAYET: Ms. Preston, at this  
2 point I have no further questions. Thank  
3 you.

4 MR. FEDERMAN: We will read and sign.

5 (Time noted: 11:55 a.m.)  
6

7 -----  
8 CANDACE L. PRESTON

9 Subscribed and sworn to before me  
10 this \_\_\_ day of \_\_\_\_\_, 2012.

11 -----  
12 NOTARY PUBLIC  
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C E R T I F I C A T E

1 STATE OF NEW YORK )  
2 : ss.  
3  
4 COUNTY OF NEW YORK )

5  
6 I, CARY N. BIGELOW, Court Reporter,  
7 a Notary Public within and for the State of  
8 New York, do hereby certify:

9 That CANDACE L. PRESTON, the witness  
10 whose testimony is hereinbefore set forth,  
11 was duly sworn by me and that such  
12 testimony given by the witness was taken  
13 down stenographically by me and then  
14 transcribed.

15 I further certify that I am not  
16 related to any of the parties to this  
17 action by blood or marriage, and that I am  
18 in no way interested in the outcome of this  
19 matter.

20 IN WITNESS WHEREOF, I have hereunto  
21 set my hand this 29th day of October, 2012.  
22  
23  
24

-----  
CARY N. BIGELOW

1 ----- I N D E X -----  
2 WITNESS EXAMINATION BY PAGE  
3 CANDACE L. PRESTON MR. DUCAYET 4  
4

5 ----- EXHIBITS -----  
6 Preston Exhibit 1, declaration of 4  
7 Candace L. Preston in support of  
8 plaintiffs' motion for class  
9 certification with attached exhibits,  
10 production Nos. PRESTON\_000001 through  
11 PRESTON\_000069  
12 Preston Exhibit 2, two-page printout 45  
13 of Excel file entitled "momentum.xlsx"  
14 Preston Exhibit 3, eight-page printout 56  
15 of portions of an Excel file entitled  
16 "regresscomps.xls"  
17 Preston Exhibit 4, documents bearing 60  
18 production Nos. PRESTON\_000721 through  
19 PRESTON\_000726  
20  
21  
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24