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EXPERT REPORT

OF

Russell R. Wermers



Russell R. Wermers, November 24, 2020

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I. QUALIFICATIONS

1. I am the Chairman of the Department of Finance and hold the Dean's Chair in Finance at the Smith School of Business, University of Maryland at College Park. I have taught courses on Quantitative Equity Portfolio Management, Corporate Finance Theory, Security Analysis, Investment Theory, and other topics at both the undergraduate and graduate (including Ph.D.) levels. My teaching, over the past 10 years, has focused on quantitative equity strategies, including teaching the efficacy of using price momentum and other technical analysis strategies, as well as strategies that use valuation indicators based on fundamental signals, such as the earnings-to-price ratio of a stock.

2. My research focuses on investment fund performance evaluation, quantitative equity strategies, the drivers of mutual fund and hedge fund investor flows, security market efficiency, and the role of institutional investors in contributing to the price discovery of stocks. I have developed new methods for conducting a detailed analysis of the portfolio holdings and trades of investment managers. For example, the stock benchmarks that I co-developed are the standard in academia for measuring the performance of U.S. equity portfolios. In addition, I co-authored a scientific textbook, "Performance Evaluation and Attribution of Security Portfolios," that instructs industry professionals and academic researchers about the latest scientific techniques in measuring the performance and risk-taking of portfolio managers. Much of my research is focused on analyzing the investment strategies of professional asset managers as well as how to properly measure the risk-adjusted performance of such strategies.

3. I have worked as a consultant, providing advisory services to the Quantitative Strategies group at Goldman Sachs Asset Management ("GSAM"). In this engagement, I worked with GSAM professionals to create investment strategies ("signals") that could be expected to provide "alpha" (or market-beating returns) for their clients – which consisted of many sophisticated investors, including pension funds, endowments, and high-net-worth individual investors. I have also consulted for several other major financial institutions in a consulting or sponsored research role. For example, I was engaged, in a sponsored research role, to conduct a detailed study of a new group of global stock market indexes with a

specialized strategy created by STOXX, a leading provider of market indexes that cover European and global markets; my report is prominently featured on the STOXX website.[1] As another example, I am currently engaged by T. Rowe Price, a leading investment management company, as a consultant advising them on their bond fund strategies.

4. During my 26 years of research, teaching, and consulting as a finance professor, I have focused chiefly on two areas. First, I have specialized expertise in the scientific measurement of the performance of investment strategies. Examples of this expertise include my scientific textbook that is aimed at finance professionals as well as academics,[2] and my writings for the CFA Institute.[3] Second, I have specialized expertise in the types of strategies that can be expected to generate abnormal returns in financial markets (those that outperform the market). Examples of this expertise include my research on momentum investing strategies[4] and my above-mentioned long-term engagement with GSAM, where I worked with top equity strategists to design and test "signals" that have the potential to generate abnormal returns in investment funds. I have also taught a class for many years, at the University of Maryland, in Quantitative Portfolio Management which trains advanced students (both undergraduate and M.S.) in the techniques used broadly by Wall Street and sophisticated investment management firms to construct and reliably backtest investment signals; several of my students have become employed at top financial institutions, including Millennium (a quantitative asset manager with $46 billion under management)[5] and Goldman Sachs, where my former students worked on developing and testing

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1 See Stoxx True Exposure Indices Risk Exposure Analysis, September 12, 2016, available at: https://www.stoxx.com/document/Others/marketing/STOXX_TRU_Exposure_Indices_Maryland_Research_Report.pdf.

2 See Bernd Fischer and Russ Wermers, "Performance Evaluation and Attribution of Security Portfolios," Elsevier Press, 2012.

3 I have co-authored a required Level II reading for those investment industry professionals who wish to obtain the prestigious CIPM Certificate. "The Certificate in Investment Performance Measurement (CIPM®) Program leverages the expertise of CFA Institute, the respected global leader in investment education, ethics, and standards, to deliver practice-based approaches and develop skills for effective investment performance evaluation and manager selection." See https://www.cfainstitute.org/en/programs/cipm.

4 Mark Grinblatt, Sheridan Titman, and Russ Wermers, "Momentum Investment Strategies, Portfolio Performance, and Herding: A Study of Mutual Fund Behavior," *The American Economic Review*, Volume 85, Issue 5 (Dec., 1995), 1088-1105.

5 See www.mlp.com.

investment strategies. As a general principle, I teach my students that financial markets, while not perfectly efficient, pose incredible difficulty to even the most sophisticated investors to design and implement a market-beating strategy.

5. I have also worked, for a four-year period, as an economist at the Office of Financial Research of the United States Department of the Treasury (with a 20% appointment). In this role, I conducted intensive basic research into hedge funds and Short-Term Investment Funds or STIFs—including research on the strategies applied by hedge funds.

6. I have published widely in top scholarly and professional economics and finance journals, including the *American Economic Review*, the *Review of Financial Studies*, the *Journal of Financial Economics*, the *Journal of Finance*, and the *Financial Analysts Journal*. I also regularly serve as a referee for a number of top academic journals, and serve as an Associate Editor for the *Journal of Banking and Finance*, a well-regarded peer-reviewed academic journal, as well as the *Financial Analysts Journal*, a top peer-reviewed professional investment industry journal published by the CFA Institute.

7. I regularly deliver presentations and keynote addresses at major academic and practitioner finance and economic conferences worldwide. Additionally, I have received scholarly research grants from various institutions, including The House of Finance at Paris-Dauphine University, The Institute for Quantitative Research in Finance (Q-Group), The Institute for Quantitative Investment Research Europe (INQUIRE-Europe), The Rotman International Centre for Pension Management (ICPM) at the University of Toronto, and the BSI Gamma Foundation. I have been recognized with several awards for both my teaching and research. For instance, I received the Allen J. Krowe Excellence in Teaching Award, the top honor awarded for teaching at the Robert H. Smith School of Business, for the academic year 2012-2013.[6] In addition, I was awarded the Review of Financial Studies *Michael Brennan Best Paper Runner-Up Award* for 2018[7], a rare honor awarded to one of

[6] See https://www.rhsmith.umd.edu/faculty-research/teaching-excellence/krowe-teaching-awards/past-winners.

[7] See http://rfssfs.org/awards/michael-j-brennan-best-paper-award.

the top two papers published in this highly prestigious financial economics scholarly journal over a one-year period.

8. I was appointed to the newly formed Asset Management Advisory Committee ("AMAC") of the U.S. Securities and Exchange Commission ("SEC") for a two-year term, beginning November 1, 2019. The AMAC is a committee of a select group of top industry and academic experts that is charged with providing feedback to the Division of Investment Management of the SEC on the regulatory environment for asset managers and investors.[8] I am one of only two academics who have been appointed to the AMAC for this initial term.

9. I have been retained as an expert and have testified in federal court in matters involving 401(k) plans (including analyzing the efficacy of investment strategies employed by funds offered by 401(k) plans) as well as other matters, on behalf of major financial institutions, industrial corporations, retirement plans, private investment funds, and the SEC. In my many engagements with the SEC, I have assisted in investigations of the trading strategies of certain financial professionals, and how such trading strategies might be expected to take advantage of unsuspecting investors. In these investigations, I have analyzed the detailed trading records of certain financial professionals, in mutual funds, in order to determine the efficacy of their trading strategies and, specifically, how their trades could be detrimental to the returns of other investors.

10. My CV is attached as Appendix A to this report and contains more detail on the above-cited experience. I am compensated at my billing rate of $750 per hour. In preparing this report, I received support from economists and consulting staff at The Brattle Group, who at all times worked under my direction. Both my and The Brattle Group's fees are not contingent on the outcome of this investigation.

II. DESCRIPTION OF ENGAGEMENT

11. I have been retained by the Federal Trade Commission ("FTC") to address two key questions. First, I was asked to evaluate the trading strategies and associated services of

[8] Spotlight on Asset Management Advisory Committee (AMAC), available at: https://www.sec.gov/page/asset-management-advisory-committee.

Ragingbull.com, LLC ("Raging Bull"), as explained in its training videos and playbooks to consumers who subscribe to its services ("subscribers"). As part of this question, I was asked to examine whether Raging Bull's services provide or teach a cogent and reliable trading strategy that may be implemented and used by typical subscribers (*e.g.*, retail traders) to generate substantial income (*e.g.*, consistent trading profits or market-beating returns over time). Second, I was asked to address the likelihood that retail traders will generate substantial income by following Raging Bull's specific trade recommendations or signals (*i.e.*, its so-called "buy alerts" and "sell alerts").

12. I have also been asked to address three related questions: (i) whether consumers with little to no experience in retail trading are likely to make substantial income using Raging Bull's services (including any trading strategies, watch-lists, or trade alerts); (ii) whether consumers with small brokerage account balances (*e.g.*, $25,000 or lower) are likely to make substantial income using Raging Bull's services; and (iii) whether consumers who spend small amounts of time to learn and implement the purported strategies of Raging Bull (such as 30-60 minutes per day) are likely to make substantial income using Raging Bull's services.

13. My opinions are based on my knowledge and expertise gained during my academic and professional career. In forming my opinions in this matter, I have considered certain documents provided to me. A list of the documents I have considered is attached as Appendix B. The opinions stated in this report are based on the evidence that has been provided to me to date. My work in this matter is ongoing, and I reserve the right to modify or supplement my conclusions as additional information is made available to me, or as I perform further analysis.

III. SUMMARY OF OPINIONS

14. Below is a summary of my opinions in this matter. The bases for my opinions are detailed in the sections that follow:

15. First, Raging Bull's purported trading strategies, as discussed in its training materials such as instructor playbooks and training videos, consist of a collection of generic trading

concepts and technical trading indicators. These purported strategies lack the structure, concreteness, consistency, and clarity required for Raging Bull's subscribers to apply them on their own. Specifically, Raging Bull fails to teach or reveal any strategy with a clear set of instructions that enables its subscribers (*e.g.*, typically retail traders) to properly set up, execute, and exit their trades with any realistic expectation of achieving market-beating returns.

16. Second, setting aside the inability of Raging Bull to communicate an implementable and backtested strategy, it is extremely unlikely that simple strategies designed around deciphering one or more technical trading indicators can consistently work in the sectors of the market in which Raging Bull promotes their use; in contrast, such simple strategies are likely to generate consistent losses. These market sectors, which include small-capitalization and even "penny" stocks, can be characterized as securities with much lower trading volumes, on average, relative to sectors such as mid-capitalization and large-capitalization stocks. With only "thin trading" in these sectors, quoted prices can be an unreliable technical indicator.

17. Third, even if a technical indicator can be trusted, the ability of an investor to implement a trade without incurring a large trading cost is hugely impaired in such market sectors.[9] The net result is that such sectors have a "built-in" penalty for short-term trading strategies, including for day-traders using technical trading indicators.

18. Fourth, Raging Bull typically illustrates technical trading indicators using selective ex-post examples (e.g., specific stocks on specific days) to convey the impression that using such indicators to generate profits is simple and requires minimal effort. But, such hindsight-biased representations are very misleading, especially when using historical patterns in stock prices to suggest trades. It is easy to claim that a particular price pattern leads to a

[9] As explained further in Section V of this report, "trading costs" consist of several components, including brokerage fees, bid-ask spreads, and market impact costs. The bid-ask spread is the difference in the best prevailing quotes at which investors can buy (the "ask") or sell (the "bid") in the marketplace. The market impact is the amount by which the bid or ask prices change due to the market receiving a sell or buy order, respectively, from a trader (i.e., worsening the price at which that trader can fill her order).

profitable trade when one "cherry-picks" examples, ex-post, among numerous stocks and numerous time-periods, as the huge amount of randomness in stock markets creates a very large number of "patterns" that can fit almost any purported strategy and can make such a strategy appear to be profitable.[10]

19. Fifth, in the absence of concrete, consistent, clear, and easy-to-implement strategies, or a clear set of instructions on when or how to set up trades – and influenced by Raging Bull's advertising claims that emphasize their instructors make consistently winning trades and have "done all the heavy lifting" – a typical subscriber (a retail trader) can be expected to seek to achieve consistent trading profits by attempting to mimic or "mirror" Raging Bull instructors' trades (*i.e.*, by following trade alerts).

20. Sixth, Raging Bull's trade alerts generally only inform subscribers that the instructors have executed a trade (along with the execution price). They typically provide little clarity regarding the exact technical "signal" (combination of one or more technical trading indicators) that motivated the trade or the exact time that the trade was executed. Further, these alerts typically provide little information on the appropriate buy (or entry) price, or the exit price level that subscribers should aim for, as well as how long the alert is "actionable." Because technical indicators are, by their very nature, very time-sensitive "signals" – especially in the very volatile markets (e.g., small capitalization stocks) that Raging Bull covers – even if Raging Bulls' instructors execute their trades based on technical indicators that they are purportedly observing, such indicators might no longer be valid by the time subscribers receive and are able to react to the trade alerts. The lack of clarity in the trade alerts means that subscribers might still follow the alerts after the price has already moved and the technical indicator has changed, making them vulnerable to potentially large losses.

21. Seventh, Raging Bull's practice of disseminating such trade alerts to its subscribers – usually after the instructors have executed their trades and often on thinly traded stocks and

[10] Noted author Nassim Taleb describes the general problem of observing random outcomes and assigning an arbitrary meaning to them in his popular book, "Fooled by Randomness: The Hidden Role of Chance in Life and in the Markets."

options – means that most of its subscribers are expected to experience an adverse price impact if and when attempting to mirror the instructors' trades. A collective attempt of many Raging Bull subscribers to mirror a particular trade can have a large price impact on a stock's price, especially in thinly-traded small capitalization or penny stocks and options.

22. Eighth, even in a perfect world, where subscribers can exactly "mirror" the Raging Bull instructors' trades (i.e., trade at the same time and at the same price) without incurring a significant adverse price impact, they would still have suffered sizeable and persistent losses. Indeed, the actual trading results of Raging Bull and its co-founders show sizeable and consistent losses over many years, including periods of rising stock markets. These results are consistent with the general lack of efficacy of technical trading strategies implemented by retail traders in the illiquid market sectors promoted by Raging Bull.

23. Ninth, Raging Bull's trade alert setup enables its instructors to monetize on gains from the price impact resulting from subscribers' attempts to "mirror" the instructors' trades (*i.e.*, where instructors exit positions after their subscribers enter, but before their subscribers exit). That is, Raging Bull's instructors are able to "front-run" their subscribers and capture profits at the expense of their subscribers who are trying to execute the same trades following Raging Bull's trade alerts.[11]

24. Tenth, despite the evidence that Raging Bull and two of its co-founders have incurred substantial trading losses, Raging Bull continues to represent to consumers that its instructors, as well as its past and existing subscribers, have achieved win rates and results superior to Wall Street hedge funds and other financial institutions, mostly by cherry-picking their winning trades and omitting their losses in their presentations. Based on my career experience with the efficacy of trading strategies, the win rates claimed by Raging Bull and its traders are extremely unlikely to be replicated by retail traders.

[11] "Front-running" occurs when an investor anticipates that other investors will buy (or sell), and that investor buys (sells) ahead of the other investors. The result is that the investor benefits from the price-pressure of other investors by buying before they buy, and selling before they sell.

25. Lastly, because there is no concrete or viable strategy and because mirroring Raging Bull's own trades is unlikely to yield market-beating returns, consumers who are inexperienced at trading, or who have limited capital and time, are extremely unlikely to achieve consistent profits and market-beating returns through their subscriptions to Raging Bull's services.

IV. FACTUAL BACKGROUND

26. In this section I provide a brief discussion of Raging Bull's services, and its sales process and key products.

A. OVERVIEW OF RAGING BULL

27. Raging Bull is described by one of its founders, Jason Bond, as "a website that specializes in education, specifically teaching people to trade stocks."[12] The company is incorporated in Delaware. However, many of its employees work remotely, including the three owners, Jason Bond, Jeff Bishop, and Allan Marshall.[13] I understand that Raging Bull's customers pay a subscription fee in return for training materials (playbooks and videos), access to chatrooms, and communications in the form of "watch-lists" and "trade alerts."[14] These communications are typically e-mails and text messages claimed to communicate "stocks to watch for" and "recommendations" for "when to get in and when to get out of each trade."[15]

28. Raging Bull offers various services with different pricing schedules. My report focuses on the training materials presented by Raging Bull's co-founders, Jason Bond and Jeff Bishop, and its "top trader," Kyle Dennis.[16] A Raging Bull instructor might offer one or more services at any point in time. For example, Jason Bond's offers include Jason Bond Picks

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12 Deposition of Jason Bond, February 19, 2020 ("Bond Deposition"), p. 9.

13 Id. at pp. 11-12.

14 I note that a limited amount of Raging Bull's training materials are publicly available. I also understand that some of these playbooks may be provided for free at times to existing subscribers as an inducement to attend webinars promoting other Raging Bull services.

15 Raging Bull Product Matrix, October 2019.

16 Raging Bull personnel who create the training materials also call themselves "gurus." Bond Deposition, p. 28.

and Weekly Windfalls; Jeff Bishop's offers include Total Alpha, Bullseye Trade, and Weekly Money Multiplier; and Kyle Dennis' offers include Dollar Ace, Option Rocket, and Fast Five Trading. I understand that the various services might provide different sets of training materials, but there appears to be overlap in the types of securities (stocks or options) being traded and the purported trading approach of the instructors.[17] I explain later in my report that across its different services, Raging Bull often repeats and repackages common technical trading indicators and terminology. These indicators are "packaged" with carefully selected snapshots of cherry-picked historical price movements that illustrate how profits can purportedly be easily attained.[18]

29. Consumers become Raging Bull's customers by paying a quarterly or annual subscription fee (with potential "lifetime upgrades") to obtain access to one or more, or all, of the services provided by Raging Bull.[19] The exact materials that Raging Bull provides to individual subscribers may depend on the services they subscribe to. In general, Raging Bull's services offer training materials (largely in the form of written manuals such as the playbooks and pre-recorded videos narrated by Bond, Bishop or Dennis), watch-lists, and "real-time" buy and sell alerts (*i.e.*, trade alerts).[20]

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[17] Id. at p. 85 ("THE WITNESS: …And, generally speaking, all of our gurus are well trained in Japanese candlesticks. So we all trade very similar patterns …"). See also Raging Bull Product Matrix, October 2019, which explains that the various Raging Bull services focus on finding "momentum" stocks and directional options trading using a mix of technical analysis and other indicators.

[18] See, for example, Penny Stock Playbook, pp. 37 – 38 selected a period of two weeks in September to illustrate the Fibonacci levels for a stock. Jason Bond uses this example to conclude that "Boom! If you were able to buy around $2.75, you could've made around 10% off of this." See also, F01-RAB-0006583 ("BING, BANG, BOOM! Here's how to plot Fibonacci levels.").

[19] Raging Bull Product Matrix, October 2019.

[20] Bond Deposition, pp. 15-16 ("It [Jason Bond Picks] consists of a curriculum, I don't know exactly, but a few hundred hours worth of video lessons that I've done over the years…With those video lessons or my curriculum then I provide usually some sort of watch list. So I scan for stocks under 10, market caps under 2 billion. I look for momentum. And then I provide a more focused daily update of what I think fits the curriculum. And then there are real time alerts."), p. 28 ("The commonality between all of them [the different services] is you have, as you know, a curriculum, a daily update, sometimes a weekly update, sometimes multiple day update. So you have a curriculum, you have a touch point which is more frequent. But not, you know, the trader actually buying or selling anything. And then you have the culminating point which is, okay, I've taught you. I've shown you what I'm looking at and here's me doing it now, good or bad, and then we're going to go back and teach about that the next day. So each one has that commonality.").

30. The playbooks often start with the premise that, through the playbooks, subscribers will be taught concepts and indicators that will turn them into successful traders within a short amount of time. They then provide selected ex-post examples of how certain patterns or strategies can purportedly be used to generate profits. The different playbooks might have a particular focus or illustration on different trades that the Raging Bull instructors purportedly executed or considered; however, several common financial concepts relating to trading (such as volume, moving average prices, and order types) and technical analysis indicators (such as "support,"[21] "resistance,"[22] and "Bollinger Bands"[23]) are repeated across some of the playbooks, training videos and trade alerts. An example of one of these charts is depicted below in Figure 1. The playbooks also repeat generic advice on trading "mindset"[24] or "psychology of trading" such as "don't get too emotional," and "set realistic goals."[25] I provide a detailed discussion of Raging Bull's playbooks in the next section. I note that similar discussions of common financial concepts and technical indicators are also generally provided in Raging Bull's training videos.[26]

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21 Day Trading Playbook, p. 26 ("Support, or support level, is simply the price at which a stock has had difficulty breaking below. In other words, buyers were, historically, willing to get into the stock at these levels. When the price of a stock reaches a key support level, you should follow the stock closely, as it could be a potential entry.").

22 Id. ("Contrary to support, resistance is the price at which a stock has had difficulty breaking above. Again, if a stock reaches a key resistance level, you should follow closely, as it could uncover some trading opportunities. Generally, when a stock reaches the resistance level, this is a point at which sellers are willing to step in and either take profits or get short the stock. However, if there's immense buying pressure and the stock breaks above that area, the stock should look to another price level for resistance.").

23 Id. at p. 41 ("With the Bollinger Bands, you plot a simple moving average with a specified time frame, then two standard deviations above and below the SMA. In times of high volatility, the Bollinger Bands widen, and the opposite is true for low volatility environments.").

24 Penny Stock Playbook, Chapter 6, p. 67.

25 Day Trading Playbook, Lesson 9, pp. 67 – 70.

26 For example, see the discussion of technical indicators and chart patterns in Jason Bond Strategy Course (Videos 1-10) 2020-08-05_14-44-52.mp4. See also the discussion of chart patterns in Kyle Dennis' Catalyst Buy, Sell, and Stop Zones (2020-09-08_14-20-23).mp4. See also the discussion of support and resistance in 2 – Profit Kickstarter Videos (2020-08-05_15-50-45).mp4.

Figure 1: Example Playbook Chart



Source: Day Trading Playbook, p. 42.

31. Watch-lists are described by Jason Bond as "a focused snapshot" for a given day.[27] The exact content of a watch-list depends on the service and instructor; however, it all typically consists of a small number of tickers (stocks or options). Sometimes a watch-list also consists of a general discussion of market movements, or promotions for other Raging Bull services. Often, watch-lists include brief commentary by Raging Bull instructors about certain stock tickers and their recent purported price patterns.[28] Jason Bond's watch-lists may also include charts of specific stocks that he is purportedly watching or looking to buy. An example of one of these charts is depicted below in Figure 2. Kyle Dennis' watch-lists specify what he perceives as "Buy Zone," "Stop Zone," and "Profit Zone," as well as the

[27] Bond Deposition, p. 19.

[28] See, for example, F01-RAB_DOC-0002830_native.pdf ("NLNK - Fibonacci retracement continuation pattern around $12 with a hammer candle Tuesday as well at that level. Range between $14 - $15 for profit looks good.").

catalyst dates, for each ticker.[29] However, sometimes watch-lists only include the tickers without any further information.[30]

Figure 2: Example Watch-List Chart



Source: F01-RAB_DOC-0002522.pdf.

32. Trade alerts are described by Jason Bond as "the end game" and the "culminating point."[31] These are typically short e-mails, text messages or chatroom messages alerting people to trades that Raging Bull instructors had presumably executed. On some occasions, the Raging Bull instructors send e-mails indicating that they have exited a position and

[29] See, for example, F01-RAB-0000358; F01-RAB-0000359; and F01-RAB-0006775.

[30] See, for example, F01-RAB_DOC-0004034_native.pdf ("COF, NVDA, XLF, AAPL, PYPL all also high on my list to bet against today. Keep them on your radar as well.").

[31] Bond Deposition, p. 75 ("So a realtime trade alert is – it's the end game. It's the culminating point. So the basketball team has their strategy, they practice it and then they play their game. This is the game. You're in a realtime environment and applying, you know, your lessons and that daily watch list.").

captured a profit on that trade (e.g., a sell alert).[32] Alternatively, if the trade involves entering a position, then the trade alerts may include the aspirational profit goals of the instructors.[33] Trade alerts are generally sent to subscribers after the instructors have made the trades.[34]While Jason Bond asserted in his sworn deposition that Raging Bull does not "recommend that anybody buys or sells anything,"[35] Raging Bull itself describes trade alerts as "recommendations" for "when to get into each trade and when to sell out."[36]

33. I have examined Raging Bull's purported trading strategies discussed or alluded to in its various training videos and playbooks, chatroom logs, watch-lists, and trade alert communications. I understand that these purported strategies rely on simple price-momentum indicators or price-contrarian indicators. For example, Jason Bond proclaims to use a "Fishhook" strategy that attempts to determine when a stock has been "oversold" (i.e., a contrarian indicator).[37] He also claims to use a "Continuation Pattern" strategy that attempts to determine the opposite, when a stock has been "underbought" by investors (i.e., a price-momentum indicator).[38] Then in his "Fibonacci Retracement" strategy, he appears to combine the concepts of price momentum and price contrarian indicators.[39] Further

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[32] See, for example, F01-RAB_DOC-0002124_native.pdf ("I'm a little nervous holding TLT into the Fed meeting later today since there is so much risk around it. I decided it was a good spot to trim half of my position here on the TLT MAR 29 2018 119.0 Put, so I sold half @ .85 which is a 55% gain or $3000 profit for me in about 2 days.).

[33] See, for example, F01-RAB_DOC-0003500 ("Hi, I bought 3,000 MYO at $9.85 from the watch list. Goal is $3 / share + on this if all goes well but always happy with 5-20% in 1-4 days.").

[34] According to Bond's testimony, it appears that sometimes trade alerts were sent following "virtual trades," i.e., simulated trades that do not require actual money. See Bond Deposition, p. 72 ("Q. When you were virtual trading, did you ever send a realtime alert or an e-mail about one of the stocks that you were only purchasing in your virtual trading account? A. So did I send realtime alerts on the virtual trades? Q. Yes. A. Yes. Q. Did you make it clear that you were virtual trading and not actual trading in those alerts? A. I don't remember if every alert said if it did or it didn't. But it would have been made clear that this was a virtual account."), p.77 ("THE WITNESS: Our protocol is to have lessons, do a daily watch list, make the trade, send the alert. MR. FORCIER: Okay, make the trade, then send the alert. THE WITNESS: That's correct.").

[35] Id. at p. 28.

[36] Raging Bull Product Matrix, October 2019. For examples of trade alerts, see F01-RAB_DOC-0000303_native.pdf, F01-RAB_DOC-0001736_native.pdf, and F01-RAB_DOC-0003750_native.pdf for a sample of trade alerts from Jason Bond, Jeff Bishop, and Kyle Dennis respectively.

[37] Jason Bond Strategy Course (Videos 1-10) 2020-08-05_14-44-52.mp4, Minute 1:10.

[38] Id.

[39] Id. at Minute 1:02:12.

complicating this mix of potentially contradictory strategies is Raging Bull's discussion of tracking "catalyst events," which are major news or earnings events for a particular stock.[40]

34. Many of Raging Bull's services focus on small capitalization and penny stocks.[41] For example, Jason Bond says his focus is on stocks under $10 (per share) with market capitalization under $2 billion. Kyle Dennis focuses on biotech stocks, partly due to "the small cap benefit," since these stocks are typically "under $1 billion."[42] Kyle Dennis also offers a service that focuses on option contracts priced at $1 or below.[43] Jeff Bishop's services focus on options in individual stocks,[44] and especially those options that, like small capitalization and penny stocks, carry a high amount of risk.[45]

B. RAGING BULL'S SALES PROCESS AND ADVERTISING CLAIMS

35. Raging Bull advertises on social media platforms such as Facebook, Twitter, Yahoo! Finance, and Youtube.com.[46] Raging Bull's advertisements aim to attract attention from consumers by making several claims.

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40 Id. at Minute 1:54:00.

41 2019.4.24 Jason_Bond on large cap stock.pdf, p. 2 ("You see, I was able to rake in over $270K in profits in the first quarter without trading a single share of a large-cap company."); Bond Deposition, p. 197. ("But as a general rule when it started it was Penny Stock Live, so my focus was penny stocks, and then we called it Jason Bond Picks so that we could broaden my focus…But, you know, my main focus over the years was stocks under 10, market cap under 2 billion, and I consider those penny stocks. So I teach people how to trade, you know, small caps.").

42 The $2.9 Million Biotech Trade Playbook, p. 11.

43 Raging Bull Product Matrix, October 2019, p.4 ("Within his scanning, he is specifically looking for option contracts priced at $1 or below …)".

44 The Traders Black Book, p. 18.

45 Positions in options, especially the out of the money and close to expiration options that Jeff Bishop typically focuses on, are highly leveraged bets on the price of the underlying stock over short periods of time. Such options are a highly leveraged "bet" that a major stock price movement will occur over the short-run—an extremely speculative and risky position. Further, options on individual stocks tend to be thinly traded, and such thinly traded options tend to have large bid-ask spreads, making them expensive to trade, with a "built-in" trading loss before gains can be made.

46 F01-RAB-0000750.pdf, F01-RAB-0000752.pdf, Bond Deposition, p. 125 and p. 186.

36. Raging Bull's advertisements claim that its instructors are highly experienced, and well-respected traders who have a long history of success.[47] The instructors are depicted as self-taught individuals who have gone from financially challenging situations to generating large amounts of money through their own trading,[48] and now can enjoy a large amount of leisure time.[49]

37. Raging Bull's advertisements also claim that large-scale profitability can be achieved for anyone, with any level of experience and starting level of capital, and that trading is simple and requires only minimal effort, such as several minutes per day.[50]

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[47] Day Trading Playbook, p. 2 ("Jason, founder and CEO of JasonBondPicks.com, is a self-made millionaire trader who left the corporate grind to trade professionally. He's trained well over 10,000 paid members and is the #1 stock trading stock advisory service on TrustPilot, which is the best member review site in the world. He's part of the trading education powerhouse, Raging Bull, and he's been featured on Forbes, The Street, Huffington Post, Investing.com, Seeking Alpha as well as the floor of the NYSE.").

[48] Jason Bond Picks Promo full.pdf, p. 17 ("Here I am on the floor of the New York Stock Exchange with my mentor, the Mensa trader, Jeff Bishop. Absolutely awesome. The floor of the New York Stock Exchange."); pp. 13-14 ("I've made a ton of money. Oh, well over a million dollars. My top students have taken tiny accounts and turned them into over a million dollars."); Dollar Ace.pdf, p. 2 ("After being down $7,000, I [Kyle Dennis] managed to make $44,000 in my first year trading. The next year, I ended up quitting my job and making $838,000."); Fast Five Trading.pdf, p. 1 ("My name is Kyle Dennis, I'm only 29 years old, but as you'll learn in my training, I'm exponentially more qualified to teach you how to trade stocks than anyone else you'll ever meet…").

[49] 2020.6.15 Gmail – Find Cheap Options that Could Run BIG!.pdf ("**Little maintenance**. Kyle built this scanner to do the leg work for him. He doesn't have to sit and monitor everything. He puts his scanner to work and gets notified when the unusual activity strikes!); F01-RAB_DOC-0003541 ("[T]he dream was to create passive income. You know, put my money to work, be able to step away, come back later and have made more money."); F01-RAB-0007363 ("Jeff uses a special set of criteria to find stocks that have the potential for explosive returns, setting him up to make passive income over the weekend and cash in early the following week.").

[50] Bond sales and ad page.pdf ("I do the work, find, and reveal up to 10 simple trades each week that can make you a killing. Learn my system. Trade my system. Keep all the profits."); joinnowlivewebinars_jeffbishopfreetotalaalpha full.pdf, p. 43 ("If you give Total Alpha just one hour a week, that's all you need so you can supplement your income. I'm telling you just ten minutes a day can transform your account considerably. You can do this at any level you want. It doesn't matter where you're starting."), p. 44 ("So you can set up your trade before the market opens, carry on your day and you're good to go."); Dollar Ace.pdf ("People tell you it'll take years to become profitable, but that is a complete lie. The problem is, most people don't know the correct strategy to use, and I don't want you to spend more than five minutes per day figuring that out. You want something that is easy to apply, allows you to exponentially increase your account, and begin to take bigger positions, and in turn make even more money. And that's why I created Dollar Ace. The beauty of this, is that it's just as advantageous for a trader with $1,000 in an account as it is for $100,000 account, and it can be good in a bull or bear market. So whether the market's going up or down, we are poised for profits.").

38. In addition, Raging Bull's paid advertisements claim that large amounts of trading gains can be made easily within short periods of time (such as days or weeks).[51] Raging Bull repeatedly claims that its instructors will perform the market research and identify profitable trading opportunities so that its customers do not have to do the "heavy lifting."[52] Raging Bull also claims that its trading strategies are simple and, once taught, customers will be able to easily implement these trading strategies on their own and become successful traders.[53] Figure 3 illustrates Raging Bull's claims that its services can help subscribers generate substantial wealth easily and effortlessly.

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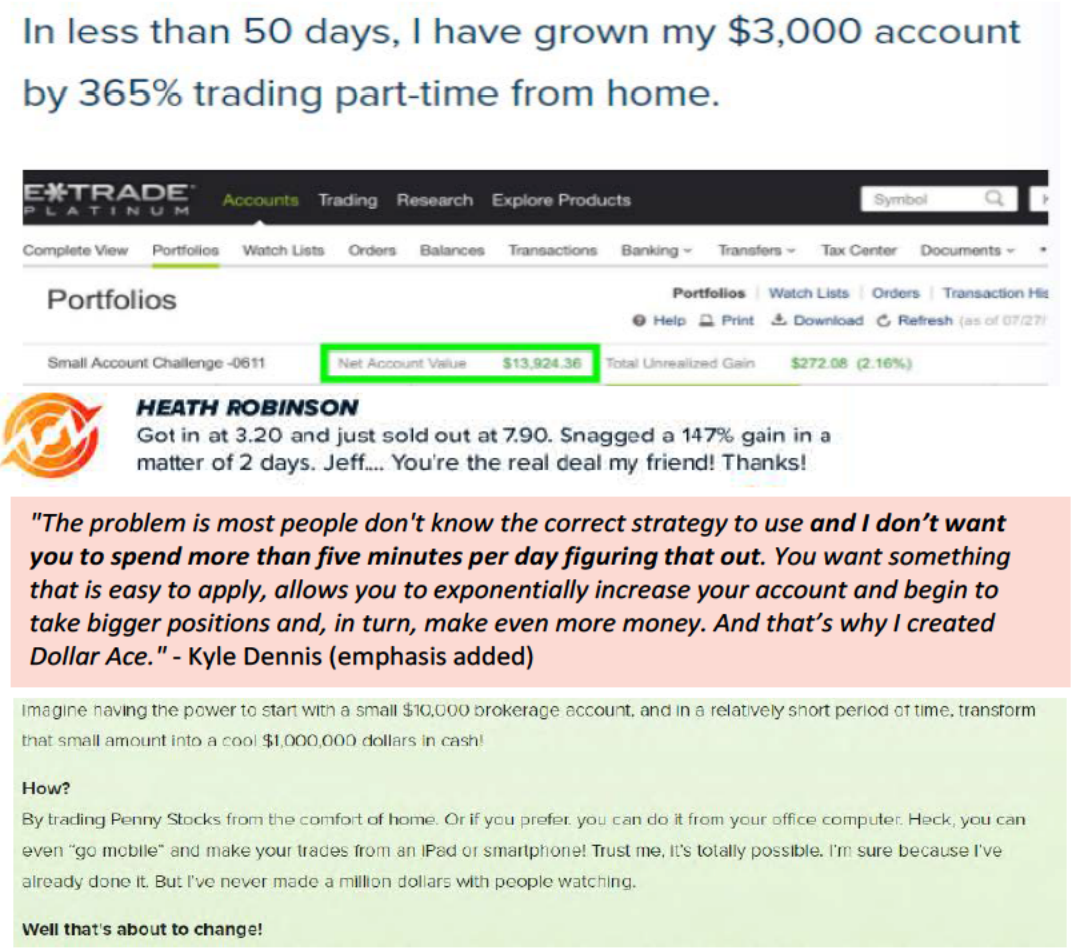
[51] See for example, Fast Five Trading.pdf ("First day first trade with this service and up nearly 20% thanks a million Kyle!"); joinnowlivewebinars_jeffbishopfreetotalaalpha full.pdf, p. 16 ("Brian B.: I'm up $10,000 on the trade so far and sold some already, $36,000 on the day. Thanks."); and checkout_package_bullseye trades.pdf ("I held this one for 3 weeks. Got in on 12/23/2019 at $6.10, rode it all the way up and watched it come off it's highs today 1/14/2020 ended up selling at $22.81. Nice 374% gainer to start the year off right! It could have been better but I was washing the truck and missed the peak yesterday… Thanks for this one!").

[52] Total Alpha Trading.pdf, p. 2 ("You don't need to be a genius to profit from Total Alpha – leave the heavy lifting to Jeff! Just look at these regular traders who have recently profited from Jeff's no-BS trade alerts and research by joining Total Alpha"), p.4 ("Total Alpha is a complete service designed to pinpoint profitable trades, get in at the right price, and exit with a profit. And at any one moment there are a multitude of trading opportunities for you to take, or simply sit back and watch to see how different trades unfold."); Dollar Ace.pdf, p. 5 ("So first off, my scanner is pretty advanced. There's numbers flying everywhere guys, and I take hours each morning to analyze everything, but that's okay. I'm at my desk sitting there. That's my job. I do additional research on these contracts that my scanner spits out, to make sure I've got complete conviction. Research that you simply don't want to waste your time with. Trust me."); checkout_package_bullseye trades.pdf ("Simplify your trading with Jeff's highest-conviction trade ideas. Bullseye Trading is all about 1 trade, 1 time a week, sent directly to you inbox every Monday morning before market open. **It's *that easy***. Bullseye Trades are actionable, easy to execute ideas delivered directly to you. Fully researched, vetted and **millionaire trader approved**.") (Emphasis from source).

[53] joinnowlivewebinars_jeffbishopfreetotalaalpha full.pdf, pp. 6-7 ("Anyways, there are three distinct phases that I've used to generate huge returns like these over and over again. And now you can, too. Because no matter what happens in the stock market, a stock is going to go through these three phases over and over again."), p. 14 ("You'll be able to look at a stock and know what phase it's in, how you're going to profit from it and when the opportunity is perfect for you. Basically, what I've created is a picture book of trading, all right? It's a picture book. It gives you the exact visual that you need when a stock is in one of the three phases and what to do when that happens."); Jason Bond Picks Promo full.pdf, p. 8 ("My strategy is so simple, if you can – if you can see a fishhook on a chart, if you can see a pennant on a chart and a rocket on a chart, you will know the three things that I've used to create millions of dollars.").

Figure 3: Examples of Raging Bull's Advertised Prices



Sources: profit prism checkout.pdf; checkout_package_bullseye trades.pdf; DollarAce full.pdf; PennyPro & Profit Prism sales page.pdf.

V. RAGING BULL'S PURPORTED STRATEGIES ARE NOT CONCRETE OR IMPLEMENTABLE FOR CONSUMERS SEEKING TO GENERATE MARKET-BEATING RETURNS

39. As discussed above, Raging Bull claims that its training materials will teach its subscribers to become successful traders within a short amount of time. In this section, I review a sample of Raging Bull's playbooks in detail, and show that, what are described as trading strategies in these playbooks lack structure and clarity, and are not sufficiently concrete to be implementable (subsection A). Further, Raging Bull's instructors at times make contradictory statements about the use of certain trading indicators they purportedly teach, making it confusing to subscribers (subsection B). The technical trading indicators "taught" by Raging Bull's instructors are not easy to implement; in addition, their purported

application on small and illiquid stocks make them highly unlikely to have "market-beating return" potential (subsections C and D). Without concrete and implementable trading strategies, Raging Bull's subscribers are left with only the trade alerts to try to execute their trades (subsection E).

A. RAGING BULL DOES NOT PROVIDE SUBSCRIBERS WITH CONCRETE AND IMPLEMENTABLE TRADING STRATEGIES

40. Raging Bull's purported trading strategies are communicated to its subscribers via training materials such as playbooks and training videos, as well as e-mail communications. In this section, I discuss and provide my assessment of what Raging Bull purportedly teaches its subscribers, based on my review of the materials referenced in Appendix B.[54]

41. Below, I first provide a summary of my opinions with respect to Raging Bull's purported trading strategies, and I then provide a detailed discussion of each of the four playbooks.

1. Raging Bull Repackages Generic Concepts without Providing Its Subscribers with any Implementable and Reliable Trading Strategies

42. Raging Bull's purported trading strategies are supposedly based on the notion that patterns of historical prices can be indicative of future prices, and, therefore, can be used to trade on and generate profits. This notion is much of the premise underlying what is commonly referred to as "technical analysis," *i.e.*, analysis that seeks to predict future price movements by examining historical patterns (typically approximated by "technical trading indicators") in prices and trading volume. The practice of analyzing historical market data, including prices, trading volumes, and price trends, and relying on technical trading indicators to predict future prices of securities is not new. This type of analysis has existed

[54] While my discussion in this section focuses on the content of Raging Bull's playbooks, I note that similar content is also disseminated by Raging Bull instructors through their training videos and their e-mails. My opinions about the playbooks (with regard to their lack of concreteness, clarity, and structure) also apply to the training videos and e-mail communication that I have reviewed. Across all training materials, Raging Bull instructors typically mention technical trading indicators (such as "Fibonacci retracements," "oversold fish hook," "rockets," "breakouts" etc.) without providing a clear guidance for subscribers to be able to implement the indicators on their own.

for (at least) several decades and is generally known as "technical analysis."[55] A well-known academic text on investments[56] discusses technical analysis and the approach of technicians (analysts who apply technical analysis) as:

> The technician usually attempts to predict short-term price movements and thus makes recommendations concerning the *timing* of purchases and sale of either specific stocks or groups of stocks (such as industries) or stocks in general. … Thus technicians assert that the study of past patterns of variables such as prices and volumes will allow the investor to accurately identify times when certain specific stocks (or groups or stocks, or the market in general) are either overpriced or underpriced. Most (but not all) technical analysts rely on charts of stock prices and trading volumes.[57] [emphasis in original]

43. Technical trading indicators and strategies designed around the use of these indicators, by their very nature, are often complicated and require significant resources, rigor, and precision in their application. Therefore, technical trading indicators, when used, are typically deployed by sophisticated and experienced traders, such as high-frequency algorithmic traders or the trading operations of a professional investment organization (e.g., Goldman Sachs). In my experience, it is ill-advised for retail traders, especially those who are new to such strategies, to engage in highly risky technical strategies that have an expectation of losses, particularly in the sectors that are targeted by Raging Bull. One reason is that such retail traders may be trading against computer algorithms that detect price patterns within a fraction of a second and trade well before a human can reasonably detect a pattern and trade on it.

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55 "Technical analysis is the study of the internal stock exchange information as such. The word technical implies a study of the market itself and not of those external factors which are reflected in the market. … [A]ll the relevant factors, whatever they may be, can be reduced to the volume of the stock exchange transactions and the level of share prices; … The methodology of technical analysis … rests upon the assumption that history tends to repeat itself in the stock exchange. If a certain pattern of activity has in the past produced certain results nine times out of ten, one can assume a strong likelihood of the same outcome whenever this pattern appears in the future. It should be emphasized, however, that a large part of the methodology of technical analysis lacks a strictly logical explanation." Felix Rosenfeld (ed.), The Evaluation of Ordinary Shares pp. 297-298, 1975.

56 Sharpe, William F., Gordon J. Alexander, and Jeffery V. Bailey, Investments - 6th Edition, Prentice Hall, Inc., 1995. (One of the authors, William Sharpe, won the Nobel Prize in Economics in 1990.).

57 *Id.* at p. 746.

44. I have researched the efficacy of various trading strategies and worked with major financial institutions, including GSAM (a top quantitative investing firm), to implement such strategies in professionally managed portfolios in an attempt to generate "signals" that have an expectation of producing market-beating returns.[58] Some of these trading strategies have involved technical trading indicators, including price momentum, earnings momentum, and analyst earnings forecast momentum. In my experience, only the most sophisticated investors with substantial advantages in the speed of receiving and processing market information, as well as in minimizing the market impact of such trades, can earn (relatively) consistent market-beating returns – and even then, such returns are much more likely to be earned in the large- and mid-capitalization sectors of the stock market. Generating market-beating returns over time in small-capitalization stocks is extremely difficult and rare, even among professional investors. I elaborate further on the inherent issues associated with retail traders' trading in small-capitalization stocks—the subset of stocks that Raging Bull "recommends"—in section C.

45. Beyond these difficulties in achieving market-beating returns in the sectors promulgated by Raging Bull, I have found no evidence in my review of Raging Bull's training materials or other communications with its subscribers that suggests that Raging Bull and its trading "gurus" deploy a market-beating trading strategy. What Raging Bull refers to as trading strategies are essentially a collection of general technical trading indicators or concepts, and, in contrast to what Raging Bull's instructors claim, are not concrete or easily implementable.

46. First, while the construction of technical trading indicators is dependent on the window(s) of historical data a trader uses, Raging Bull's instructors generally do not provide its subscribers with clear guidance or specific instructions regarding the past time horizon over which such indicators should be constructed when considering prospective trades. This, in

[58] "Market-beating return" is defined as the rate-of-return of an investment, or portfolio, above that of a passive investment over the same time-period in a broad market index (or a properly weighted set of broad-market indexes). My scientific textbook describes various models that are prescribed in measuring such market-based returns. See Bernd Fischer and Russ Wermers, "Performance Evaluation and Attribution of Security Portfolios," Elsevier Press, 2012.

turn, implies that subscribers do not have any clarity on when to enter a position in a stock or how long to hold a stock once a position has been established. In other words, Raging Bull's instructors do not provide its subscribers with a clear and unambiguous entry and exit strategy. Again, setting aside that Raging Bull instructors' presentation and use of technical indicators (as displayed in their training materials and trade alerts) are vague and sometimes contradictory, technical trading strategies by their very nature are time-sensitive,[59] and therefore, omissions of clear entry and exit points are likely to set up Raging Bull's subscribers for failure.

47. Second, while Raging Bull instructors admit that their purported trading strategies are "an art" and do not always work, they do not clearly explain the circumstances under which the strategies do not work as described. This is because trading in general, and trading on technical indicators in particular, is inherently complex and requires computing and human capital resources, which is not how Raging Bull portrays it in its marketing materials. As a result, consumers who rely on Raging Bull's training materials, especially those that are inexperienced to trading and are wealth-constrained, are unlikely to be able to identify profitable trading opportunities and easily or quickly achieve market-beating returns on their own.

48. Further, Raging Bull's training materials across its different services are a "repackaging" of generic concepts and information. This information, which can be found freely available from other public sources,[60] is repackaged with examples that seemingly illustrate simple,

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[59] Technical trading strategies, as they are used by Raging Bull instructors, rely on short-term patterns in prices. These short-term patterns are "time-sensitive" since, if they do materialize, they are often only short-lived, and as a result, it is important for traders (i.e., Raging Bull's subscribers) to pay close attention and to react quickly to these patterns. This is especially true in the volatile sectors (e.g., small-cap or penny stocks) on which Raging Bull is especially focused in training their subscribers.

[60] For example, the playbooks include various standard definitions and terms commonly used in the context of trading securities, such as volume, volume weighted average prices, moving average prices, order types, floating shares, and option payoffs, among other things. This information can be easily found in publicly available sources and educational content of brokerage sites such as Vanguard, Fidelity, or Charles Schwab. See Vanguard Investor Education, available at: https://investor.vanguard.com/investing/investor-education; and Fidelity Financial basics, available at: https://www.fidelity.com/financial-basics/overview. In addition, the United States Securities and Exchange Commission ("SEC") includes an "Investor Information" section on its website with simple definitions of financial terms and answers to common questions for individual investors. See https://www.sec.gov/page/investor-section-landing and https://www.sec.gov/fast-answers.

clean, and clear-cut patterns of profit generation. The examples create the impression that (i) the instructors have relied on such information to turn themselves into wealthy individuals, and (ii) subscribers can simply rely on Raging Bull's materials and services and apply these generic concepts to achieve similar wealth-building results. Such examples, coupled with a marketing campaign claiming that trading is simple and would require minimal effort, are unlikely to provide consumers with an accurate appreciation of the complexity inherent in any trading strategy that attempts to exploit these concepts, as well as the nature of trading itself.

2. A Review of Raging Bull's Playbooks

Jason Bond's Day Trading Playbook

49. Jason Bond's Day Trading Playbook is presented as: "With this course, you could get up to pace on how to day trade, and if you work hard and allocate enough time to the markets, you could potentially be one of those success stories."[61] The Day Trading Playbook consists of nine "lessons." The lessons first explain common financial concepts related to trading such as volume, volume-weighted-average prices, moving-average prices, short-selling, margin accounts, floating shares, and order types. The lessons also purport to explain the concept of candlestick charts and how, according to Jason Bond, different "shapes" of candlestick charts using historical stock prices can be used to infer the future direction of a stock's price.[62] Jason Bond then presents the "Important Chart Patterns for Day Trading," which relies on (i) technical trading indicators such as "support,"[63]

Similarly, the key concepts discussed in Kyle Dennis' training materials, such as the standard phases of clinical trials, can be found from public sites such as the U.S. Food and Drug Administration, the National Comprehensive Cancer Network or the American Cancer Society. See National Comprehensive Cancer Network, available at: https://www.nccn.org/patients/resources/clinical_trials/phases.aspx; U.S. Food and Drug Administration, available at:https://www.fda.gov/patients/drug-development-process/step-3-clinical-research; and American Cancer Society, available at:https://www.cancer.org/treatment/treatments-and-side-effects/clinical-trials/what-you-need-to-know/phases-of-clinical-trials.html.

61 Day Trading Playbook, p. 3.

62 For example, the Playbook discusses terms such as "bottoming tails," "topping tails," "hammer," and "inverted hammer."

63 Day Trading Playbook, p. 26 ("Support, or support level, is simply the price at which a stock has had difficulty breaking below. In other words, buyers were, historically, willing to get into the stock at these

"resistance,"[64] and "Bollinger Bands,"[65] and (ii) patterns observed from candle stick charts of stock prices. According to Jason Bond, these patterns can purportedly signal or reveal to subscribers the "right" entry and exit timing when trading in stocks.[66] Last, Jason Bond discusses the "Psychology of Trading," which includes general advice such as "don't get too emotional," and "realize you're wrong, when you are."[67]

50. The supposedly "important chart patterns" in the Day Trading Playbook are presented with charts of historical prices that illustrate how these purported patterns work from an ex-post perspective. These patterns are constructed over different time horizons of stock price movements, ranging from a few hours to a few months.[68] Jason Bond does not "teach" consumers what to do here when trading on these purported patterns. He only illustrates historical purported stock price patterns. For example there is no guidance on what is the "right" time horizon over which such patterns should be observed, how long to hold once a position has been established, what is the optimal timing to exit, and whether there are circumstances when these patterns do not work as described, and, if so, what to look out for. Similarly, regarding his "lessons" on day trading with Bollinger Bands and momentum trading strategies, Jason Bond fails to provide any clear guidance here on how to leverage these technical indicators to implement a forward-looking trading strategy. Rather, Jason

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levels. When the price of a stock reaches a key support level, you should follow the stock closely, as it could be a potential entry.").

64 Id. ("Contrary to support, resistance is the price at which a stock has had difficulty breaking above. Again, if a stock reaches a key resistance level, you should follow closely, as it could uncover some trading opportunities. Generally, when a stock reaches the resistance level, this is a point at which sellers are willing to step in and either take profits or get short the stock. However, if there's immense buying pressure and the stock breaks above that area, the stock should look to another price level for resistance.").

65 Id. at p. 41 ("With the Bollinger Bands, you plot a simple moving average with a specified time frame, then two standard deviations above and below the SMA. In times of high volatility, the Bollinger Bands widen, and the opposite is true for low volatility environments.").

66 Id. at p. 9 ("Now, you'll generally want to look to enter a stock exhibiting a bottoming tail at the end of a downtrend. That in mind, bears may be losing steam, and the trend could potentially shift to a neutral or bullish state."), and p. 16 ("If you look at the chart, TWTR had some bearish trading but closed with an inverted hammer pattern thereafter. Now, for those who were short the stock, it might be an indication for them to close out their position. On the other hand, those who are looking for a potential entry to get long, might look to get in at this spot.")

67 Id. at pp. 67 – 70 (Lesson 9)..

68 Id. at pp. 33 – 39 (see figures).

Bond himself states, "Charting is an art, and not all patterns are set in stone. Therefore, you'll need some practice, and remember that not all patterns work, they just indicate that the stock might have a high probability to move in that direction."[69]

Jason Bond's "Penny Stock 101 Penny Stock Power Playbook"

51. Jason Bond's "Penny Stock 101 Penny Power Playbook" (the "Penny Stock Playbook") is presented with the opening statement: "Become a Penny Stock Pro in Less than 5 days" on the front page. However, the preface and the conclusion of the playbook contradict the opening statement, as each conveys the message of "don't think that once you finish this book that you'll be able to make a fortune overnight."[70] The Penny Stock Playbook focuses on stocks with a trading price less than $5, which Jason Bond considers as "cheap" and "offer[ing] the best risk-reward ratio of any asset class around."[71] It first explains "the basics of penny stocks" and why they are "great."[72] It then repeats many of the trading concepts discussed in Day Trading Playbook. The Penny Stock Playbook presents "Fibonacci retracements" as Jason Bond's "bread-and-butter" trading strategy.[73] It also gives examples of a wide range of "catalysts" and "trading opportunities."[74] Last, it repeats similar advice as that stated in in the Day Trading Playbook regarding the "trading mindset."

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69 Id. at p. 7 (Lesson 1).

70 Penny Stock Playbook, p. 2 and p. 75 ("Don't look at this book as a be all and end all because it's not. You're going to have to put in time, dedication and get screen time.").

71 Id. at p. 4.

72 Id. at p. 4 ("You've probably heard one person tell you penny stocks are bad and you could lose your entire life savings in them. Well, it's not penny stocks that are bad, that's just poor risk management. In my opinion, I think penny stocks are great. Let me tell you why...I truly believe they offer the best risk-reward ratio of any asset class around. If you've got grit, do your due diligence, and continue learning about the game, I think you could potentially double your account size within a year.").

73 Id. at p. 34.

74 According to Jason Bond, "catalysts" and "trading opportunities" refer to corporate actions, earnings releases, capital raising (e.g., bond or equity issuances), changes in corporate management team, market short squeezes (a term that refers to short-sellers being "squeezed" when prices increase and they lose money – then have trouble buying shares to eliminate their short exposure from sellers who refuse to sell until they have achieved a very favorable, i.e., higher, price), and other industry news events. See Penny Stock Playbook, pp. 49 – 54. These are nothing more than events or information, the disclosure of which could materially affect a company's stock price (positively or negatively).

52. With regard to his "bread-and-butter setup," Jason Bond states:

> "When you're using a Fibonacci retracement, you plot the Fibonacci retracement on two extreme points. The ratios are 0%, 23.6%, 38.2%, 50%, 61.8% and 100%. When these levels are defined, there are horizontal lines drawn at these points, which could help to identify support and resistance levels. When you're first starting out, you don't want to chase stocks on momentum, and that's where the Fibonacci retracement comes into play. If I see a stock up or down 50%, I'm going to wait for it to reach a Fibonacci retracement level and try to get in at one of those levels. But I don't just buy if it reaches any Fibonacci level...I like to get in when the stock retraces to the 50% and 61.8% level."[75]

53. Jason Bond goes on to provide selective examples of past prices of four stocks where the use of Fibonacci retracement would have purportedly generated substantial profits. In the first example, the 23.6%, 38.2%, 50%, and 61.8% levels underlying the Fibonacci retracement are estimated from the price range of the stock over a two-week period. In the other three examples, the price levels underlying the Fibonacci retracement are estimated over either a three-month or one-month historical price range. While from an ex-post perspective, these examples appear to constitute a potentially winning strategy, the Penny Stock Power Playbook does not provide any specific rules or guidance on how to create the Fibonacci retracement price levels on an ex-ante basis. For example, Jason Bond fails to say whether consumers should look at the past three weeks, or one month, or three months, a combination of these horizons, or some other time horizon when calculating a Fibonacci retracement. In fact, Jason Bond ends the discussion with the note: "[k]eep in mind, the Fibonacci retracement doesn't work 100% of the time, but it works more often than not."[76]

Kyle Dennis' "The $2.9 Million Biotech Trade Playbook"

54. Kyle Dennis' "The $2.9 Million Biotech Trade Playbook" (the "Biotech Playbook") claims to teach subscribers how Kyle Dennis "turned $15,253 into over $2,900,000 trading biotech stocks."[77] It claims to be a "playbook to potentially generating what some call 'unrealistic'

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[75] Id. at p. 35.

[76] Id. at p. 41.

[77] The $2.9 Million Biotech Trade Playbook, cover page.

profits" and "a step-by-step walkthrough of how I [Kyle Dennis] select upcoming biotech catalyst events in the market to catch potentially explosive profit movements."[78] The Biotech Playbook starts with a brief introduction to the biotech sector and the 10 reasons to trade in this sector, citing that biotech companies have been outperforming the S&P 500, and are still "flying below the radar" due to their small size, and therefore, "individual investors" supposedly have an "added advantage" when it comes to information research.[79]

55. In the Biotech Playbook, Kyle Dennis purports to explain his "catalyst strategy." According to Kyle Dennis, a catalyst is "an event that moves the price of a stock up or down," and for biotech firms, Dennis identifies the different phases of clinical trials as catalysts. More specifically, Dennis explains: "[the catalyst strategy] primarily involves following these kinds of events. I'll follow important events that may be coming, and I'll trade the stock in anticipation of the event. Generally, if a stock has a positive catalyst, it will go up, and vice versa."[80]

56. The catalyst strategy, as described in the Biotech Playbook, is not a strategy that subscribers can easily and effectively implement. To illustrate how this purported strategy would work in the real world, Kyle Dennis provides the example of a company called Vericel Corp. on or around January 3, 2017, when the company was waiting for an FDA approval. He notes that, leading up to the FDA approval date, the stock price trended upward, and claims to have made a profit from this upward trend.[81] Kyle Dennis then shows another example of a catalyst relating to the Phase II data release of a company called Oncomed Pharmaceuticals, Inc. He points out that, in this case, the event was preceded by a declining stock price.[82] In these examples, there is no clear guidance given to help consumers distinguish between "positive catalysts" and "negative catalysts" on an ex-ante basis. Further, while the purported catalyst strategy relies on trading "in anticipation" of catalyst events, there is no clear indicator or guidance to help consumers time their entry

78 Id. at p. 2.

79 Id. at p. 11.

80 Id. at p. 14.

81 Id. at p. 16.

82 Id. at p. 17.

and exit on these trades; for example, whether consumers should enter a stock trade a few days (as opposed to a few weeks) before the date of the catalyst event, and when should they exit. This lack of clarity in an exit strategy poses significant risks to a retail trader. For example, a stock with an upcoming "catalyst event" (such as an earnings announcement) can experience a pre-event price movement, due to some well-informed investors (such as sell-side stock analysts, mutual funds, or hedge funds) correctly anticipating the outcome of the catalyst event.

Jeff Bishop's The Trader's Black Book

57. Jeff Bishop's "The Trader's Black Book" starts with a foreword from Jason Bond about Jeff Bishop, claiming that "Jeff's Bullseye Trades help investors get started in the market…Jeff picks out his best trade idea for the week and delivers you one winner after another. More importantly, he shows you how he picks them."[83] The Trader's Black Book reiterates common textbook definitions of call and put options terminology (such as option premiums, strike prices, expiration date, and payoff charts) and presents basic information on how options trading works generally, including how options are displayed (option chain) and the types of options trading available (buy or write options, trading for hedging purposes or "directional bets," and "spread trading"). It also outlines the different factors that affect option values and "the Greeks" (*i.e.*, delta, gamma, theta, vega, and rho).[84] The Trader's Black Book appears to assume that the reader is already familiar with trading concepts or terminology covered in other Raging Bull playbooks (such as "support," "resistance," "moving average prices," and "Fibonacci retracements").

58. While The Trader's Black Book introduces financial concepts that are inherently complex in nature, Jeff Bishop does not provide sufficient information for the reader to obtain a clear grasp of the concepts and how they are typically applied in actual trading scenarios. For example, when discussing the "Greeks," the Trader's Black Book states "we'll [Jeff

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83 The Trader's Black Book, p. 5.

84 These are variables that measure how the price of an option might change when factors such as stock prices, volatility or time to expiration changes.

Bishop] give you the fancy Greeks so you can impress your friends!"[85] It then presents a number of charts to illustrate the concepts without explaining how these concepts are derived, or how to properly interpret or implement them.[86] Similar to other Raging Bull playbooks, while discussing concepts related to technical analysis, The Trader's Black Book does not provide any concrete trading strategies that consumers can implement in a straightforward manner. Jeff Bishop then goes on to promote other Raging Bull services, such as Dollar Ace, stating that these services can help to substantially "simplify" the trading process:

> "Okay, so I'll be honest. There can be a lot to this when you're first getting started. One of the most common questions I get is 'where do I even start'...
>
> There are services out there that make it stupidly simple to follow along and make huge profits. If you're like most people, then you don't have the time to watch the market like a hawk, analyze countless charts and keep tabs on related events. This is why thousands of traders subscribe to services like Dollar Ace. This service greatly simplifies the trading experience by alerting members when unusual options activity is detected by Kyle Dennis' proprietary scanner."[87]

B. RAGING BULL'S INSTRUCTORS CONTRADICT EACH OTHER IN THE USE OF CERTAIN TECHNICAL TRADING INDICATORS

59. Not only are Raging Bull's purported trading strategies not concrete and lack clarity for implementation purposes, but its instructors appear to contradict each other at times on how the concepts underlying these technical trading indicators work. Such contradictions or inconsistencies can be confusing to consumers who are trying to understand and apply these technical indicators to their live trade scenarios.

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85 The Trader's Black Book, p. 23.

86 For example, in discussing "delta," Bishop says in the playbook: "Delta is known as the 'price sensitivity'. As you get closer to expiration, Delta changes. The rate of that change is known as Gamma." It then provides a chart titled "Delta Curve for a '100 Strike' Call." There is no detailed explanation of how such a curve was constructed, how to interpret the different values along the curve, and how to use this concept in practice. See The Trader's Black Book, p. 24.

87 The Trader's Black Book, pp. 57-58.

60. Jason Bond says in his Day Trading Playbook that he only uses four indicators, which are the 50-day and 200-day simple moving average prices, volume of trading, and volume-weighted average prices. He then adds the relative strength index as another indicator that new traders might find useful.[88] In contrast, Jeff Bishop, in his live webinar for Total Alpha, dismisses these same indicators as "a bunch of garbage."[89] In an e-mail to Total Alpha subscribers, Jeff Bishop further states: "I'll start off by saying that I'm not a big fan of indicators. There are far too many of them, and folks rely on them way too often."[90]

61. As another example, Jason Bond claims that he use the crossovers between the 50-day simple moving average price line and the 200-day simple moving average price line as indicators to help "traders discern whether a stock is trending higher or lower."[91] Jeff Bishop, on the other hand, teaches a purported "money pattern" which relies on the "crossover of the 13-period simple moving average with the 30-period moving average."[92] These conflicting statements or instructions again illustrate that Raging Bull's purported strategies are not defined in any way that is explicit, consistent, or unambiguous.

C. RAGING BULL FOCUSES ON SECTORS OF THE MARKET WITH LOW LIQUIDITY WHERE TECHNICAL TRADING INDICATORS USED BY RAGING BULL ARE HIGHLY UNLIKELY TO BE PROFITABLE

62. I discuss above that Raging Bull instructors focus on trading in small-capitalization and penny stocks, and encourage their subscribers to do the same. I have also mentioned that, from my experience, generating consistent profits or market-beating returns in this sector of stocks is extremely difficult and rare. The reason for the difficulty in generating market-

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88 Day Trading Playbook, p. 22 (Lesson 2) ("It's that simple. I only use four indicators…").

89 joinnowlivewebinars_jeffbishopfreetotalaalpha full.pdf, p. 18 ("So first up, let's take a look at Netflix. Now, what you see here is a confusing chart. I mean, you've got relative strength index. You've got some moving average lines, some highs, some lows, some volume indicators. Honestly, it's really a bunch of garbage. They think it's useful to you, but it's not. People are just trying to sell you more data.").

90 2020.4.2 Total Alpha strategy (crossover).pdf

91 Day Trading Playbook, pp. 18 – 19.

92 The Trader's Black Book, p. 66. In this example, Bishop's mention of "period" refers to an hour. See The Trader's Black Book, p. 55 ("Focus on your a+ setups. For me, that's the 13-30 hourly moving average crossover…").

beating returns in small-capitalization stocks is due to several countervailing forces impacting retail traders or investors in such markets, which I explain in this section.

63. First, small-capitalization stocks have large bid-ask spreads,[93] due to the low liquidity of this sector. This means trading in these stocks is more expensive (relative to mid- and large-capitalization stocks). Further, since the prevailing bid or ask can be a quotation for a very small number of shares, the probability of getting an order filled at a favorable price is likely to be low. This, in turn, implies that in these stocks, there is a large trade-off between the "speed" at which an order can be filled and the trading cost (including the adverse price impact which I discuss below) that a retail trader is likely to incur. This trade-off is especially important when several traders trade in the same direction, such as when Raging Bull's subscribers attempt to mimic their instructors' trades. I revisit this discussion in section VI.

64. Second, in these markets, stocks tend to be illiquid, and therefore the price impact of trades is likely to be high.[94] For instance, trading even $10,000 in a low-volume stock can be expected to move the price – upwards for buys, downward for sells. This disadvantage is additive to the relatively wide quoted bid-ask spread, compounding the cost of trading.

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[93] The bid-ask spread represents the difference between the price quoted for an immediate sale (the bid price) and that for an immediate purchase (the ask price) of a security. This spread, which is the ask minus bid price per share, is one component of trading costs, since to obtain "immediacy" (i.e., to buy or sell immediately), a trader has to pay the spread (as opposed to entering a "limit order," a set price at which the trader is willing to buy or willing to sell). The existence of a spread means that investors must buy at a higher price (the ask) than the price at which they can sell (the bid), if they enter a market order (which is executed at the best prevailing ask, for a buy, or bid, for a sell). Another trade cost, on top of the bid-ask spread, is the "market impact" cost – which reflects how the entry of a market order can result in the bid or ask moving to a less favorable price. For example, entering a market order to buy might result in being executed at the prevailing "ask," but it may also result in being executed at an even higher price—due to the impact of the immediate demand on the price asked by suppliers of a stock or option contract. Even if such a buyer enters a "limit order" rather than a market order, the entry of such an order signals increased demand for the stock to the marketplace, which can result in other potential buyers and sellers raising their limit-order prices; in turn, this can result in the buyer needing to raise her buy offer price to compete for sellers (or to capitulate, and enter a market order that executes at the ask price, as described above). This is another important component of trading costs – the market impact of entering an order – i.e., the marketplace responds to the observation that an investor has entered a buy order by raising the price, or a sell order by lowering the price. This market impact component is especially costly in trading small-capitalization stocks.

[94] See Joshua T. White, "Outcomes of Investing in OTC Stocks," U.S. Securities and Exchange Commission (Division of Economic and Risk Analysis), December 16, 2016.

When several investors attempt to simultaneously buy (or sell) a stock in these thinly traded markets, the price impact can be expected to multiply.

65. Third, another potential issue in trading small-capitalization or penny stocks is the exacerbated risk of trading against informed investors. Small-capitalization stocks have a higher level of ownership by "informed investors," such as company insiders.[95] Since few (or no) independent sell-side investment analysts research and issue recommendations on such stocks, those investors with an information edge have a distinct advantage over retail traders who rely on public information, including technical indicators. For instance, my own (award-winning) research has documented that hedge fund traders obtain information from the FDA about the outcome of clinical trials of new pharmaceutical drugs using FOIA requests, then quickly process this information and trade on it to achieve market-beating returns.[96] In the presence of investors with superior information, retail traders relying on technical indicators can be "fooled" by price patterns. The result is that most retail traders or investors face a non-level "playing field," such that they are constantly exposed to the risk that a better-informed investor will make trades that either mislead them or take advantage of them.

66. Fourth, while the presence of institutional investors is generally lower in small-capitalization stocks, those institutional investors that hold positions have a huge advantage over retail traders or investors. This advantage is due to several factors, including the superior information possessed by such institutions (e.g., through their close relationships with brokers who know the real-time supply and demand for a stock, as well as whether

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95 Raging Bull instructors also acknowledge the large potential for what Kyle Dennis considers to be "basically insider trading" in small capitalization stocks: "They took the offering on purpose to trick people into thinking that they were bullish on the company" (speaking about the board of directors). "It's basically insider trading." Kyle Dennis, Video 212: Nucleus Brain Trust SEC Filings Part 2, Minute 13:25 and Minute 16:57.

96 Gargano, Rossi, and Wermers, "The Freedom of Information Act and the Race Toward Information Acquisition" (2016). In this paper, we document that sophisticated investors, including SAC Capital (a large hedge fund management company) ask for, and receive, information on clinical trial results of new pharmaceuticals from the FDA (through numerous repeated FOIA requests that ensure that they receive such information promptly after such a trial is filed with the FDA) before most investors realize that such information is available.

uninformed traders wish to consummate trades in a hurry) and the potential monopoly power of such institutions in filling trades.[97] Further, trading small-cap stocks generally means trading through a "market-maker." In such small-capitalization stocks, there is much less competition than in mid- and large-capitalization stocks – resulting in retail traders or investors attempting to trade against a potential monopolist, who can charge a premium price to buying (or a hugely discounted price to selling) without the presence of competitive market-makers.[98] As a result, market power over stock prices is more prevalent in thinly traded stocks, further stacking the odds against average retail traders that try to use technical trading indicators.[99]

67. I also note that, among thinly traded stocks, technical trading indicators are much less trustworthy, due to the nature of price quotations for such stocks. That is, price quotations on publicly available stock price services, such as discount brokerages, Bloomberg, or even Yahoo Finance, often reflect "price indications," and not actual trades. For example, suppose a single trader enters a limit order to sell a small amount of a small-capitalization stock at a price of $10 per share, while there may be no bids to buy that stock. On publicly available charts, the price in this case can be reflected as $10, even though there has been no execution. Even if such charts have a price that is based solely on actual trades, they can still be misleading due to the nature of wide bid-ask spreads and the large potential price impact of trades. For instance, in the same example, suppose the retail trader obtains a buy execution at $10. The next trade (which may be several seconds or minutes or hours later) could occur at the bid or the ask, which could have moved due to the price impact of the prior trade(s). This means, relative to what would be expected in a more liquid stock, there could be a sizeable change in the displayed price over two consecutive trades.

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97 See the Harvard Case, "Dimensional Fund Advisors, 1993," which I routinely teach to my students (available at https://hbsp.harvard.edu/home/).

98 Id.

99 For instance, see the Harvard Case, Dimensional Fund Advisors 1993, for evidence of how a highly sophisticated investment fund in small-cap and microcap markets, founded by David Booth – who ultimately endowed the Chicago Booth School of Business – recognized that these markets have risks tied to both privately informed investors and market makers with potential monopoly powers.

68. The academic literature documents that (i) "individual investors, in aggregate, earn poor long-run returns and would be better off had they invested in a low-cost index fund. This finding of poor performance is particularly compelling when we include transaction costs…"[100] and that (ii) "security selection skill among individuals is rare" and "even the best stock pickers have trouble covering transaction costs."[101] One paper finds that even though individual investors lose in both large capitalization and small capitalization stocks, "their losses per dollar traded, particularly at short horizons, are greater for small [capitalization] stocks."[102] To help illustrate this point, Jason Bond himself has also sent buy alerts on stocks that subsequently became delisted within months of his buy alerts.[103] Similarly, the SEC conducted a detailed study that robustly documents the huge risks of losses faced by retail traders: "Analysis of 1.8 million trades by over 200,000 individual investors confirms that the typical OTC investment return is severely negative. Investor outcomes worsen for OTC stocks that experience a promotional campaign or have weaker disclosure-related eligibility requirements."[104] I further note that while Jason Bond

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100 Brad M. Barber and Terrance Odean, Handbook of the Economics of Finance, Chapter 22 The Behavior of Individual Investors, (2013), p. 1547.

101 Id. at p. 1546.

102 Brad M. Barber, Yi-Tsung Lee, Yu-Jane Liu, and Terrance Odean, "Just How Much Do Individual Investors Lose by Trading?," The Review of Financial Studies, vol. 22, no. 2 (2009), available at: https://faculty.haas.berkeley.edu/odean/papers%20current%20versions/justhowmuchdoindividualinvestorslose_rfs_2009.pdf.

103 See 2_F01-RAB_DOC-0003256_native.pdf, trade alert email dated Fri, 21 Jul 2017 ("I added 20,000 BONT at $.80. Goal is $1ish.") and F01-RAB_DOC-0003309_native.pdf, trade alert email dated Thu, 01 Feb 2018 ("bought 15k BSPM at 3.38"). BONT was delisted from NASDAQ in November 2017 and BSPM was delisted from NASDAQ in September 2018. There are many requirements for a company to be listed on the NASDAQ, including maintaining a share price over $1.00, maintaining a $1 million valuation for all publicly held shares, having a minimum number of stockholders, distributing annual reports to shareholders, having a majority of independent directors on the company's board, having an audit committee of independent directors, maintaining a code of conduct, holding annual meetings of shareholders, and disclosing all "material news", and paying an annual listing fee to Nasdaq. See https://www.nasdaq.com/articles/delisting-process-nasdaq-2015-11-13.

104 See Joshua T. White, "Outcomes of Investing in OTC Stocks," U.S. Securities and Exchange Commission (Division of Economic and Risk Analysis), December 16, 2016. See also "Unraveling the Mystery of Over-the-Counter Trading," FINRA, January 4, 2016, https://www.finra.org/investors/insights/unraveling-mystery-over-counter-trading ("What is OTC trading? Over-the-counter trading refers to any trading that takes place off of exchanges, including stock exchanges and commodities exchanges. A host of financial products trade over the counter. In addition to stocks, over-the-counter trading can be done in bonds, currencies and various derivatives… In the case of equities, over-the-counter trading includes both stocks that are listed on exchanges and stocks that are not listed; unlisted stocks are generally called over-the-counter equity securities, or OTC equities, for short. Unlike exchange-listed stocks, which may trade on or

purports to caution his subscribers to stay away from OTC stocks, I have come across multiple trade alerts from Raging Bull instructors who alert or "recommend" purchasing OTC stocks.[105]

D. RAGING BULL'S PRESENTATION AND PURPORTED USE OF TECHNICAL TRADING INDICATORS LACK RIGOR AND ARE UNLIKELY TO HAVE PROFIT POTENTIAL FOR ITS SUBSCRIBERS

69. In my experience teaching and consulting for sophisticated investment professionals, including my consulting engagement with GSAM, I have found that employing technical trading indicators or "signals" effectively requires substantial effort and resources. These sophisticated investment professionals and asset managers spend enormous amounts of research time and expertise (including that of Ph.D. financial economists from top universities) in detecting (reasonably) reliable patterns in stock prices. Moreover, such technical trading strategies tend to be low-frequency in nature (e.g., monthly, quarterly, or annual frequency price and/or trading volume data), such as using the prior-year return on a stock to forecast the following-year return.[106]

70. At higher frequencies (e.g., intraday or daily frequency data), such as those advocated by Raging Bull, algorithmic traders (also known as high-frequency traders) have come to dominate technical trading, due to the much higher speed of computers over humans. The "algo machines" (computer programs using sophisticated econometric models that are executed by very high-speed computers and internet connections) that these traders employ can detect price and volume patterns and can enter (as well as withdraw) orders, all within a small fraction of a second, essentially eliminating any potential for human traders

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off of the exchange — e.g., on an ATS — OTC equities only trade over the counter because they are not listed on any exchange.").

[105] See Penny Stock Playbook, p. 12. See, also, Combined SMS text alerts (Raging Bull - all traders).pdf at RB018809 ("SuperNova Boost: Bought CLSI at $.0715…"). See also GAXY alert F01-RAB-0006063.pdf ("Bought 215,000 GAXY at .023 limit order. I like the potential to $.033 or higher in a hot sector.").

[106] See Narasimhan Jegadeesh and Sheridan Titman, "Returns to Buying Winners and Selling Losers: Implications for Stock Market Efficiency," Journal of Finance, Volume 48, Issue 1 (Mar., 1993), 65-91.

(unassisted by such sophisticated algorithms) to exploit technical trading patterns.[107] Such algorithmic traders are able to process massive amounts of data in a fraction of a second, virtually eliminating any potential for retail investors to make profits.[108] I note that in my example of the $10 small-capitalization stock above (paragraph 66), if algorithmic traders (machines) were active in such a stock, the $10 offer price could be withdrawn within a fraction of a second, before a buy-side order is able to be executed at that price. The result could be that the buy order is executed at a much higher price, to the disadvantage of the retail trader.

71. In small-capitalization and penny stocks – the subset of stocks that Raging Bull instructors promote – there are further barriers to retail traders generating profitable trades. The high trading cost, including the price impact, coupled with the often unreliable price quotations, which can impact the reliability of technical trading indicators, means that clear and exact guidance on entry and exit timing and price levels are even more important for small-capitalization and penny stocks. Any delay in execution can result in an execution at a significantly less favorable pricing level. This is even worse when hundreds or thousands of subscribers attempt to make the same trade, for example, when they attempt to mirror an instructor's trade from a trade alert. Such collective trading can be expected to result in

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[107] Such algorithmic computer programs rely on deep human expertise for econometric modeling; this means that algorithmic trading companies have at least two huge advantages over retail traders: (1) the expertise of their economists and econometricians, often having specialized Ph.D. degrees, and (2) the massive investment made in state-of-the-art computing technology and communications speed that allows the collection of market information as well as the entry of orders to occur in a fraction of a second. Through their sophisticated econometric models (which can use "machine learning" techniques to update in real-time) and their high-speed computing and communications infrastructure, algorithmic traders profit by (among other approaches) exploiting slower-moving traders (including retail traders). The companies that use these complex and highly customized trading models and computers retain a deep bench of financial specialists (often with a doctorate or master's level training in quantitative modeling), along with in-house software engineers or developers, in order to deploy these tools and strategies effectively, and to update them as market conditions change.

[108] As an example, algorithmic traders harvest numerous data points, including the complete "limit order book," which is the schedule of all outstanding offers to buy and sell in the marketplace—usually a very large amount of point-in-time data that changes over each fraction of a second as traders enter new orders and withdraw existing orders.

subscribers paying a high trading cost, immediately placing those consumers at an expected loss on the trade.[109]

72. Raging Bull's training materials and its trade-related communications (such as trade alerts) provide little, if any, clarity around entry and exit timing, the holding horizon, and the price range at which the trade should be executed. The lack of clarity, the potential competition from other subscribers attempting to perform the same trades, coupled with the characteristics inherent in small capitalization and penny stocks that act as barriers to profitable trading by retail traders, collectively indicate that it is highly unlikely that Raging Bull's purported trading strategies have any profit potential for its subscribers.

73. I have seen no indication that Raging Bull or its instructors have conducted any reliable and unbiased backtests of their purported strategies; without results from a reliable and unbiased backtest procedure, subscribers are unable to evaluate or substantiate the claims of Raging Bull's so-called strategies.[110] Backtests are routinely used by professional investment managers to test the risk and reward potential of proposed investment signals or strategies.[111] In my consulting experience with Goldman Sachs and other industry leaders, as well as in my teaching, it is emphasized that reliably constructed backtests should be employed, whenever possible, to provide an indication of the efficacy of a signal or strategy.

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[109] As described earlier in my report, even in the unlikely event that a trade does not move the price of a small stock, the investor can expect to pay the "ask" price when buying, and sell at the "bid" price when selling, thus immediately incurring an expected loss equal to the ask minus bid price spread (the "bid-ask spread").

[110] A "backtest" is the application of a proposed signal or strategy using historical data in a way that minimizes hindsight bias—i.e., that does not "cherry pick" results—to provide an indication of the potential future profits and risks from such a signal or strategy.

[111] A reliable backtest involves several careful steps. Among these are the collection of all of the data that existed at a particular historical point-in-time, without any biases that can result from knowing what happened after that point-in-time. Further, the application of a strategy during this historical period should be implemented consistently, without adjusting it repeatedly to "make it work" over that historical period.

E. WITHOUT A CLEAR AND TESTED TRADING STRATEGY, THE TYPICAL RAGING BULL SUBSCRIBER IS LIKELY TO ONLY FOLLOW THE TRADE ALERTS

74. Despite claiming to teach consumers how to trade, Raging Bull's promotional materials encourage consumers to simply follow its trade alerts to achieve market-beating returns. Raging Bull claims that, for many of its services, its instructors will "do the work" to create trade alerts so that subscribers can easily place the same trades with minimal time and effort. As the Raging Bull "gurus" tell their subscribers: "I do the work, find, and reveal up to 10 simple trades each week that can make you a killing."[112]; and "[s]implify your trading with Jeff's highest-conviction trade ideas. Bullseye Trading is all about 1 trade, 1 time a week, sent directly to your inbox every Monday morning before market open. **It's *that easy*.** Bullseye Trades are actionable, easy to execute ideas delivered directly to you. Fully researched, vetted and **millionaire trader approved.**" [emphasis in original][113]

75. A large body of academic literature is devoted to understanding the investment behavior, and associated economic outcome, specific to retail investors.[114] Academic research shows that retail investors can have a tendency to pay too much attention to "salient information," such as claims of outsized returns or a sudden suggestion to buy or sell a stock by a

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[112] Bond sales and ad page.pdf

[113] checkout_package_bullseye trades.pdf. See also, 2020.6.7 Gmail – [Request Granted] Confidential All-Access Link.pdf ("Bullseye trades is all about **ONE** trade, **ONCE** a week, with **100%** profit targets." [emphasis in original]), Weekly Money Multiplier, available at: weeklymoneultiplier.com ("His goal on options alerts is 100%+ in under 2-weeks and his track record is amazing. In the last few months his options alerts in the Millionaire Roadmap have delivered astounding opportunities to double of even triple your money – and fast!"; and Total Alpha Trading.pdf, p.4 ("Total Alpha is a complete service designed to pinpoint profitable trades, get in at the right price, and exit with a profit. And at any one moment there are a multitude of trading opportunities for you to take, or simply sit back and watch to see how different trades unfold."), p. 2 ("You don't need to be a genius to profit from Total Alpha – leave the heavy lifting to Jeff! Just look at these regular traders who have recently profited from Jeff's no-BS trade alerts and research by joining Total Alpha."); Dollar Ace.pdf, p. 5 ("So first off, my scanner is pretty advanced. There's numbers flying everywhere guys, and I take hours each morning to analyze everything, but that's okay. I'm at my desk sitting there. That's my job. I do additional research on these contracts that my scanner spits out, to make sure I've got complete conviction. Research that you simply don't want to waste your time with. Trust me."); and joinnowlivewebinars_jeffbishopfreetotalaalpha full.pdf, p. 44 ("So you can set up your trade before the market opens, carry on your day and you're good to go.").

[114] Barber and Odean (2013) provides a comprehensive review of this literature. Brad M. Barber and Terrance Odean, Handbook of the Economics of Finance, Chapter 22 The Behavior of Individual Investors (2013).

respected person. In particular, when choosing stocks to buy, retail investors face a significant search problem, and, as a result, often consider stocks that catch their attention, such as stocks that have been featured in the news.[115]

76. One academic study shows that stock recommendations on the show *Mad Money* hosted by Jim Cramer lead to large average overnight returns, which subsequently reverse.[116] The academic literature suggests that, to Raging Bull's subscribers, trade alerts can essentially serve the purpose of "news" that catches their attention. The "attention-grabbing"[117] nature of trade alerts, coupled with (i) the lack of transparent and easy-to-implement strategies, and (ii) Raging Bull's claims that their instructors have "done all the heavy lifting" and trade alerts are an easy pathway to achieve success, can result in subscribers relying on and reacting to trade alerts as trade "recommendations."[118]

77. The academic research and literature on stock price movements following stock recommendations further suggests that Raging Bull's set-up, whereby its instructors first execute a trade, then send out trade alerts which are likely to trigger further trades from subscribers, enables its instructors to monetize on the price impact resulting from the same trades entered into by its subscribers. Such a "leading price impact" that results from the early trades of the instructors is likely to be detrimental to Raging Bull's subscribers, especially when they are not provided with a clear execution and exit strategy, as discussed in the next section.

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[115] Brad M. Barber and Terrance Odean, Handbook of the Economics of Finance, Chapter 22 The Behavior of Individual Investors, (2013), p. 1560, citing Barber and Odean (2008).

[116] Engelberg et al., "Market Madness? The Case of *Mad Money*," Management Science, Vol. 58, No. 2, February 2012, pp. 351-364.

[117] Brad M. Barber and Terrance Odean, "All That Glitters: The Effect of Attention and News on the Buying Behavior of Individual and Institutional Investors," The Review of Financial Studies, v 21 n 2 (2008).

[118] Contrary to Jason Bond's testimony to the New Hampshire Securities Bureau that Raging Bull does not provide trade advice or recommendations to its subscribers, Raging Bull's description of its product services shows otherwise. See Raging Bull Product Matrix, at p. 1 ("Trade recommendations: About 5-10 each week (average)").. Bond Deposition, p. 28 ("I don't think we ever recommend that anybody buys or sells anything.").

VI. RAGING BULL'S TRADE ALERT SETUP PLACES SUBSCRIBERS WHO ATTEMPT TO TRADE ON THESE ALERTS AT A DISADVANTAGE

78. In this section I further elaborate on Raging Bull's trade alert setup, and show that such a setup places subscribers at a disadvantage, relative to the instructors or "gurus."[119]

79. Raging Bull's setup is designed such that most trade alerts are sent to subscribers after instructors have made their trades. As a result, when Raging Bull's subscribers receive trade alerts, their situation is very different, and likely to be at a disadvantage, to that of the instructors. While the "first mover" instructors make a trade and can benefit from initially favorable price movements driven in part from the price pressure of subscribers seeking to enter these trades, subscribers can only hope to "mirror" those instructor trades. Mirroring an already-executed trade, however, is not straightforward, since the stock price may have already moved after the instructors' trade was executed. It is unlikely that most of Raging Bull's subscribers can take actions in a sufficiently timely manner to capture the "essence" (*i.e.* price) of the trade alerts. The longer the time delay between when a trade alert is sent out and when subscribers are able to react to the alert, the greater the risk that the price has moved in a direction unfavorable to the subscribers (*i.e.*, move up after a buy alert, and down after the "guru" has sold off the stock or option and exited the trade).

80. A time delay between the instructors' executions and the subscribers' attempt to mirror those executions is an inevitable characteristic of Raging Bull's setup. First, trade alerts can be communicated via several means, including text messages, emails or chatroom messages.[120] This means a subscriber would have to be "readily available" across these forms of communications to promptly act on the trade alert – which is unlikely given the premise of "part time" trading that Raging Bull advertises. Second, while trade alerts are supposedly intended to be sent out as quickly as possible, according to Jason Bond, there is no definitive window for when subscribers might receive an alert: the time lag between the

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[119] I focus on Jason Bond, Kyle Dennis, and Jeff Bishop, but I note that other instructors, such as Nathan Bear, have made similar recommendations through emails and in trading chatrooms. See, e.g., RB018813.

[120] For example, see Combined SMS text alerts (Raging Bull - all traders).pdf, F01-RAB_DOC-0000258_native.pdf, and RB018813.pdf at RB018823 ("I picked up the ROKU weekly $110 calls, just 10 contracts and will stop if it doesn't bounce here").

trade execution of the instructors and when the trade alerts are sent out can be seconds, or minutes, or an hour, depending on the circumstances.[121] Raging Bull's trade alert setup is essentially based on ad-hoc communications rather than a methodically established system in which subscribers have clear *ex-ante* expectations of when and how the alerts are about to be communicated and how long they remain actionable.

81. Figure 4 provides examples of trade alerts from all three of Raging Bull's "gurus." Figure 4 shows that Raging Bull's trade alerts generally inform its subscribers that its instructors have executed a trade, and the price at which the trade was executed. The alerts provide little clarity regarding the entry, and more importantly, the exit price levels that subscribers should aim for,[122] as well as the execution horizon (*i.e.*, how long the alert is "active" or "actionable").[123] For example, the first trade alert in Figure 4 states that Kyle Dennis has bought a number of shares of "EARS" at $0.73. There is no guidance on whether subscribers should still buy this same stock if the price were to move up by, say, a few cents to $0.80, after they receive the trade alert. As I have explained above, the construction of technical trading indicators largely depends on the time window of historical data a trader uses. Technical trading indicators are, therefore, more sensitive to the passing of time (compared to, for example, trading strategies based on fundamental analysis of a stock). Any time delay between the identification of a purported pattern and the actual execution of the trade can mean that such a pattern might no longer be applicable. Therefore, even if Raging Bull instructors executed their trades based on purported technical indicators that they observe, such indicators would no longer be useful or applicable by the time subscribers are able to react to the trade alerts. Further, the lack of

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121 Bond Deposition, p. 76.

122 See, for example, Video 202: Nucleus Catalyst Swing Fundamentals and Technical Webinar Pt.4, at 00:44 ("When do you enter, when do you sell, that is a hard question to answer, and you can only do your best with the charting techniques, keeping it very simple in my opinion, to try to just identify areas that look pretty solid and try to buy that support 4 to 6 weeks ahead of the catalyst event and sell it on a nice run up"), at 3:53 ("Do I know where it's gonna base out? Absolutely not. Do I know how high this is gonna go? No. Do I know if it's gonna have good results? Nope… Anybody that tells you they do know exactly where it's gonna go is lying to you, that's why it's very hard, it's not an easy game.").

123 Note from the example in Figure 4 that Jason Bond states that subscribers should not "mirror" the trade alerts. However, as I have explained above in this context, Raging Bull's subscribers are likely to resort to trade alerts as a "fallback" for recommendations.

clarity in the trade alerts means that subscribers might still follow the alerts once the price has already moved, which in turn makes them vulnerable to potentially large losses.

Figure 4: Examples of Raging Bull's Trade Alerts

Date and Timestamp	Quote and Source
9/22/2017 14:03	"I added 2,500 more shares of EARS at .73 and now own 15,000 shares at .66. I'm looking for it to run up the last week of September before its 4Q catalyst date." - Kyle Dennis (11_F01-RAB_DOC-0003750)
5/10/2018 10:29	"I also was filled this morning on TLT JUN 15 2018 118.0 Put @ 1.10. I will be monitoring this trade closely as I am not entirely confident in it. My plan is to see if the $119 level continues to be resistance for TLT, but if that breaks then I will exit this for a small loss." - Jeff Bishop (2_F01-RAB_DOC-0002094_native.pdf)
8/23/2017 14:30	"I bought 5,000 WATT at $9.69 looking for $1 / share. Oversold chart pattern with history of big bounces out of oversold." - Jason Bond (02_F01-RAB_DOC-0002917_native.pdf)
2/5/2018 9:45	"[B]ought 20k MYSZ at 1.73 from watch list, IWM hammer, we'll see if it sticks." - Jason Bond (08_F01-RAB_DOC-0001994_native.pdf)
2/5/2018 9:45	"[A]gain, I'm working right off my watch list notes. I said I'd be looking to buy BSPM and MYSZ. The trade alerts are just reminders of the patterns I'm watching and have been teaching for 7 years." - Jason Bond (08_F01-RAB_DOC-0001994_native.pdf)
2/5/2018 9:45	"YOU should be taking action on trades you like at prices you like, NOT mirroring. I don't think I could be any more clear on what my intentions to trade were today – right? And that goes for nearly everyday, so study the video lessons and use the watch list and apply the strategy, you'll be shocked at the outcome." - Jason Bond (08_F01-RAB_DOC-0001994_native.pdf)
7/10/2020 15:43	"I snagged 5,000 shares of ZAGG for ~$2.95. Hope you all have a great weekend!" - Jason Bond (20200710-Bought +5_000 ZAGG-2267.pdf)
3/23/2020 13:14	"Sorry for the delay here in email, I got puled away from the computer with someone coming to the house. I bought 10K AYTU at $1.87 at 12:28p ET, goal 10-20%. Probably day trade, possible gap play, pivot $1.70ish." - Jason Bond (F01-RAB-0006099.pdf)
3/23/2020 15:52	"Running high of day into the close, PLAY, and hitting $9.60 up over 15% for me at those levels, I punched my win here for about 15% realized and $6,000 profit at $9.52. Everything in the price action looked good for me to hold but I must stick to my rules to make sure I keep getting paid. Sold PLAY at $9.52 +15% + $6,000. AYTU is stuck it seems so I took a $47 loss on it." - Jason Bond (F01-RAB-0006107.pdf)

82. Raging Bull also does not communicate with its subscribers about the nature of the audience of the trade alerts, in particular, the number or other subscribers who get the same alerts at roughly (or exactly) the same time. A subscriber, therefore, does not have a transparent understanding of how many others might react to the trade alert at roughly the same time, and whether or not they are "the first" or "the last" in the reaction chain.[124]

[124] Knowing this information can inform subscribers how fast, and whether or not, they should take action on the trade alerts.

83. According to Jason Bond, Jason Bond Picks has approximately seven thousand (paid) subscribers,[125] and, thus, the number of consumers receiving each Raging Bull trade alerts could be in the thousands. Raging Bull's text message logs also show that, as of October of 2019, Raging Bull "gurus" were regularly sending trade alert messages to thousands of their subscribers.[126] Therefore, with Raging Bull's trade alert set-up, a trade executed by an instructor, and subsequently communicated to subscribers via alerts, is expected to trigger further trades by subscribers. These trades can, in turn, create a potentially large, but temporary[127] price impact on a small-capitalization stock, initially pushing its price towards a direction favorable to the instructors who have executed their trades, but unfavorable to the subscribers who have not (*i.e.*, further buys after a buy alert, and further sells after a sell alert).

84. Academic research also shows that the price impact following stock recommendations is likely to be more prominent in small capitalization and illiquid stocks, which is also the subset of stocks that Raging Bull and its instructors "promote." As a result, individuals are unlikely to "mirror" the trade successfully (*i.e.*, enter before the price has moved and exit before the price pressure reverses) unless they beat the chain of reaction from other subscribers. As I explain in section VIII, the price movements resulting from subscribers' (unsuccessful) attempts to mirror the instructors' trades can also put Raging Bull's instructors in a position to profit if they have already executed their trades before the alerts were disseminated.

85. In sum, Raging Bull's trade alert setup likely places its subscribers at a substantial disadvantage, especially given Raging Bull's contention that its "gurus" are not investment

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125 Bond Deposition, p. 82.

126 RB018806.

127 Several academic papers study stock reversals subsequent to the price pressure resulting from traders "chasing attention" (i.e., stocks that have been featured in the news or "recommended"). For example, Fedyk and Hodson (2017) find that news "recombinations… are associated with larger stock price moves that are more likely to reverse over the following week." Engelberg et al. find that stock recommendations on *Mad Money* "lead to large overnight returns that subsequently reverse over the next few months." See Fedyk, A., and Hodson, J., 2017, "When Can the Market Identify Old News?," *Working Paper*,.; Engelberg et al., "Market Madness? The Case of *Mad Money*," Management Science, Vol. 58, No. 2, February 2012, pp. 351-364.

advisors and do not owe fiduciary responsibilities to their subscribers. The "imbalance" in the instructor-subscriber relationship is such that subscribers following the instructors' trade alerts risk incurring substantial losses by becoming part of a reaction chain that might end up benefiting only the instructors.

VII. RAGING BULL'S ACTUAL TRADING PERFORMANCE SHOWS SUBSTANTIAL AND PERSISTENT LOSSES, EVEN DURING PERIODS OF MARKET UPTURNS

86. I discuss, above, that Raging Bull's setup puts subscribers at a disadvantage, since subscribers are unlikely to be able to "mirror" Raging Bull's trades. However, assuming a perfect world where Raging Bull and its co-founders (Jeff Bishop and Jason Bond) send real-time buy and sell alerts on every one of their actual trades, and further assuming that subscribers are able to replicate all of these trades without any adverse price impact (*i.e.*, entering and exiting the trades at the same exact time and same exact price), the trading records of Raging Bull and its co-founders show that even these consumers would have experienced persistent and substantial losses.

87. To estimate how Raging Bull's subscribers would have fared, had they been able to perfectly replicate the instructors' trades in such a perfect world without incurring a price impact from other subscribers' simultaneous same-direction trades, I analyze the profitability of Raging Bull and its co-founders' trading activity as shown on available 1099-B records. Table 1 summarizes the gains and losses of the different accounts held by Raging Bull and Raging Bull's instructors for the period from 2014 to 2018.[128] Table 1 shows that, despite repeatedly promoting its instructors' purportedly superior returns, Raging Bull and its co-founders have lost millions of dollars from trading. These trading losses are not only substantial, but also persistent over the years examined. Further, much of the losses incurred by Raging Bull and its co-founders occur during periods of stock

[128] I have been provided with 26 copies of 1099-B tax reports associated with Raging Bull and its co-founders (Jeff Bishop and Jason Bond). Some of these are for long-term trading activity (i.e., greater than one year). These long-term trading activities do not reflect my understanding of what Raging Bull purports to teach its subscribers. Therefore, in Table 1, I only focus on accounts that are associated with short-term trading activity.

market upturns, making them even more remarkable.[129] For comparison, during the period from 2014 to 2018, the Russell 2000 Index, an index of small-capitalization stocks,[130] was generally trending upward. In particular, the Index gained 22% in 2016 and 12% in 2017, the two years during which Raging Bull and its co-founders incurred substantial losses, according to their 1099-B's in Table 1.[131] When compared to major market indices such as the S&P500, or the Russell 3000, the relative performance of Raging Bull and its co-founders fare even worse.[132]

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[129] The 1099 reporting during this period also show that a substantial part of the losses incurred by Raging Bull is classified as "Wash sale loss disallowed." The implication is that day trading, or other short-term trading strategies, may incur immediate short-term capital gains (if they are profitable) but not immediate short-term capital losses (if unprofitable, at least until the entire position is liquidated). Thus, the net impact from these short-term losses to individuals trying to mimic these Raging Bull instructors' trades can be even worse, if they are not able to offset these losses against their short-term capital gains for tax purposes.

[130] The Russell 2000 Index is a commonly used benchmark for mutual funds that identify themselves as small-capitalization funds. Raging Bull instructors like Jeff Bishop and Jason Bond also refer to the Russell 2000 Index when talking about the market for small capitalization stocks. F01-RAB-DOC_0004162; F01-RAB_DOC-0003367.

[131] The performance of the S&P SmallCap 600 Index, another benchmark for small-capitalization stocks, was similar during this period based on Bloomberg data.

[132] "The S&P 500 is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization." "The Russell 3000 Index is composed of 3000 large U.S. companies, as determined by market capitalization. This portfolio of Securities represents approximately 98% of the investable U.S. equity market. The Russell 3000 Index is comprised of stocks within the Russell 1000 and the Russell 2000 Indices." "The Dow Jones Industrial Average was compiled by Dow Jones as a way to gauge the performance of the industrial component of America's stock markets. It is the oldest continuing U.S. market index." Definitions from Bloomberg.

Table 1: Summary of Gains/Losses from Available 1099-B Records

Account Number Ending In	Account Owner	Year	Dollar Volume of Securities Sold	Dollar Volume of Securities Bought	Proceeds minus Costs
9075	Happy Mountain Holdings LLC - Jeff Bishop	2014	$39,902,793	$41,435,570	-$1,532,777
9075	Happy Mountain Holdings LLC - Jeff Bishop	2015	$110,628,877	$126,045,635	-$15,416,758
9075	Happy Mountain Holdings LLC - Jeff Bishop	2016	$61,893,736	$70,201,936	-$8,308,200
9075	Happy Mountain Holdings LLC - Jeff Bishop	2017	$61,288,458	$77,618,459	-$16,330,001
9075	Happy Mountain Holdings LLC - Jeff Bishop	2018	$54,671,724	$60,712,196	-$6,040,472
6387	Jason Bond and Pamela J Bond	2018	$11,270,753	$11,846,352	-$575,599
8701	Jeff Bishop	2015	$15,710,863	$16,524,496	-$813,633
8701	Jeff Bishop	2016	$6,730,294	$7,297,434	-$567,139
8701	Jeff Bishop	2017	$532,704	$527,316	$5,388
8701	Jeff Bishop	2018	$64,351	$78,489	-$14,138
1637	Lighthouse Media LLC	2015	$871,084	$971,168	-$100,084
4059	Lighthouse Media LLC n/k/a RagingBull.com LLC	2014	$15,222,954	$15,840,403	-$617,449
4059	Lighthouse Media LLC n/k/a RagingBull.com LLC	2015	$20,733,570	$21,557,187	-$823,617
4059	Lighthouse Media LLC n/k/a RagingBull.com LLC	2016	$45,496,214	$47,975,281	-$2,479,067
4059	RagingBull.com LLC	2017	$31,874,102	$33,206,038	-$1,331,936
4059	RagingBull.com LLC	2018	$30,434,044	$31,914,922	-$1,480,877
Total					**-$56,426,361**

Sources and Notes: 1099s. Values reported do not include any proceeds reported without a corresponding cost basis. Alternating highlighting indicates different accounts.

88. In sum, the evidence from 1099-B records show that, even in a perfect world where Raging Bull's subscribers could mimic or mirror the instructors' trades without any time lag or price impact, they would have still suffered substantial losses. In the actual world, Raging Bull's subscribers would be exposed to a lengthened period of even larger losses due either to (i) their inevitable time lag in mirroring Raging Bull's trade alerts, or (ii) to the price impact of their simultaneous same-direction trades. This contradicts Raging Bull and its co-founders' claims about their superior trading performance, as well as the claims that Raging Bull services would deliver market-beating returns to its subscribers.

VIII. RAGING BULL'S TRADE ALERT SETUP ENABLES ITS INSTRUCTORS TO POTENTIALLY MONETIZE ON GAINS AT THE EXPENSE OF THEIR SUBCRIBERS

89. In addition to my earlier assessment that Raging Bull's trade alert setup places subscribers at a disadvantage, relative to the instructors, the attempts of Raging Bull's subscribers to follow trade alerts provides an opportunity for the "gurus" to make profits at the expense of the subscribers. The "first-mover" advantage that the instructors intrinsically possess (relative to their subscribers) means that they are in a position to profit from the price

impact resulting from their subscribers' reaction to the trade alerts (*i.e.*, simultaneously attempting to buy or sell the same stock at roughly the same time).[133] That is, Raging Bull's trade alert setup allows for the distinct potential of instructors to "front-run" their subscribers.[134]

90. The concept of "front-running" is even brought up by Raging Bull "gurus" in their training videos, and Raging Bull "gurus" recognize that (i) simultaneous attempts by consumers to buy and sell the same stocks at roughly the same time will result in driving up the price of such stocks, and that (ii) some of their purported trading strategies are built on this notion.[135] In this regard, Raging Bull aptly describes Kyle Dennis' service as "People playing purely off of hype and emotion driving these stocks FAR HIGHER than their value. In fact, it's made executing the Trade With Kyle strategy even easier. Trade with Kyle takes advantage of hype. He's looking for stocks running up ahead of news reports, data releases, earnings, etc…"[136] Arguably, another way to create such "hype" is through a trade alert sent to hundreds or thousands of subscribers, and "recommending" them to enter a trade, coupled with representations or statements from the "guru" that the stock price is sure to "bounce" or "break out" in light of what the guru is purportedly seeing from his technical indicators. Also, Raging Bull's instructors, such as Jason Bond and Kyle Dennis, are aware that subscribers are looking for their trade alerts as a signal to trade.[137] Notably,

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133 Bond Deposition, pp. 77, 80 ("Mr. Forcier: Have you ever sent the alert then made the trade? The Witness: As a general rule, no.", followed later with "Mr. Forcier: You buy and then do the alert; you sell and then do the alert? The Witness: That's correct.").

134 Raging Bull appears to send out trade alerts with urgency after Raging Bull's instructors have completed a trade: See Id. at p. 76 ("Q. How quickly are the realtime trade alerts sent out after you make a trade? A. That varies. Q. Generally. A. The general practice is as quickly as possible.").

135 See, for example, in Video 194: Lesson: Nucleus Fibonacci Retracement Webinar Part 3, Minute 1:15 (Kyle Dennis: "The term front-run is a term used by brokers and the SEC saying that if you are a broker you can't buy stock and then go ahead call your client and buy stock for them. It's a broker rule."), Minute 1:43 ("What I mean by front-run is more of a day trading term…You don't want to put your stop right at 6.60. What I am saying is you want to front runt that, so you want to put your stop a little bit above because there's probably a bunch of people who want to stop out at the same level as you…").

136 2020.7.15 Gmail – Millionaire Trader's View of Current Markets.pdf

137 Bond Deposition, pp. 102 – 103 ("Mr. Forcier: I mean, you made a lot of money trading, people are following you. Isn't it possible that people are just following you and not actually undergoing the education component? The Witness: Are you asking if I think people side-by-side trade? Mr. Forcier: Sure. The Witness: I mean, I don't know what people do, but I think people probably side-by-side trade.").

the price impact on stock prices stemming from collective attempts of buying and selling is likely to be more prominent in small capitalization and illiquid stocks – the subset of stocks that Raging Bull instructors promote, which enable these "gurus" to affect the prices on these stocks through these alerts or trade signals.

IX. RAGING BULL'S SALES PROCESS RELIES ON CHERRY-PICKED AND UNSUPPORTED PROFIT AND EARNINGS CLAIMS

91. Despite incurring substantial losses, Raging Bull represents that its instructors, as well its past and existing subscribers, have superior performance returns. Raging Bull's advertised claims are cherry-picked and unlikely to be achievable in practice.

92. As described above, Raging Bull's marketing campaign relies on claims that large amounts of trading gains can be made easily within short periods of time. These claims point to the purported gains or superior trading performance of the Raging Bull "gurus" themselves, or selective testimonials from what appears to be Raging Bull's past and existing customers, while omitting the many and sizeable trading losses, as reported in their 1099-Bs. Table 2 lists some examples of claims made by Jason Bond relating to his annualized trading performance or market returns. Jason Bond's claims of annualized returns of 180% to 330%, shown in Table 2, stand in stark contrast to his actual trading performance as indicated by his1099-B records.

Table 2: Raging Bull's Advertised Claims of Trading Profits

Quote	Annualized Return
[A]	[B]
"In fact, I made over 180% in 2015..." [Jason Bond Picks Email.pdf]	180%
"...and then in 2016 I turned a $100,000 account into $430,000! A massive 330% returns." [Jason Bond Picks Email.pdf]	330%
"**284%** in 2017 Who else can claim that?" [F01-RAB-0005956.pdf]	284%

Notes:
[A]: Source documents are in brackets.
[B]: The rate of return from [A].

93. In addition to claims about the magnitude of potential profits, Raging Bull and its "gurus" also make claims about their high "win rates," or the frequency at which these "gurus" supposedly "picked" a winning trade. For example, Jason Bond claims that he "wins" 70% of the time.[138] Jeff Bishop's and Kyle Dennis' win rates are, at times, claimed to be 82% and 80%, respectively.[139] Based on my 26 years of experience teaching students, researching strategies, and consulting for sophisticated financial institutions, it is my understanding and opinion that even a win rate that exceeds 50% is quite rare and would be highly unlikely for most retail traders or individual investors to achieve.[140]

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[138] Jason Bond Strategy Course (Videos 1-10) 2020-08-05_14-44-52.mp4, Minute 53:00.

[139] F01-RAB-0006249 ("This is why I personally follow Jeff's Bullseye Trades. This is NOT just a lucky break. He has a verified, bulletproof 82% win rate on Bullseye Trades. Just so you know, that's insane. Like certifiably insane. After all, 95-98% of day traders fail. Jeff's not only blowing that stat out of the water with Bullseye's success, his alerts win at an 82% rate."); F01-RAB-0007133 ("Kyle Dennis told me he's already got his best trade idea of the week lined up. I'm just in awe of his performance … he's already made more than $1M in 2020 so far, and the first half isn't even over yet. Not only that, but his most popular trading service achieved about an 80% win rate since its inception."). See also, F01-RAB-0006514 ("Here's all you need to know about Daily Deposits to know that you need to be front row at this Wednesday April 15th's 2pm ET LIVE EVENT: 93% Win Rate in 2020, 90% Win Rate in March While DOW Dropped Over 1,000 pts."); and F01-RAB-0008034 ("I always get asked this question. What's your win percentage? … I'll have to go back and check every single trade I make and see, but I'm used to a 65-70% win percentage." Kyle Dennis).

[140] See, for example, my broad survey paper on the performance of professional active managers, which indicates that it is extremely difficult even for these professionals to outperform the market. Robert Jones and Russ Wermers, 2011, "Active Management in Mostly Efficient Markets," Financial Analysts Journal, Nov/Dec, 29-45; Winner, 2011 Graham and Dodd Scroll.

X. INEXPERIENCED RETAIL TRADERS WITH LIMITED CAPITAL AND TIME THAT SUBSCRIBE TO RAGING BULL ARE UNLIKELY TO GENERATE SUBSTANTIAL TRADING PROFITS FROM RAGING BULL'S SERVICES

94. As I discuss earlier, retail traders with little or no experience are highly unlikely to generate profits by trading on technical indicators. There is a stark contrast between the inexperienced retail traders that subscribe to Raging Bull's services and the sophisticated financial institutions who professionally employ such trading strategies. Such sophisticated financial institutions dedicate substantial human expertise in econometric modeling, leveraged by large investments in the most advanced computing and communications technology. Retail traders, as I have described in my report, even setting aside their extreme disadvantages in competing with such well-resourced institutional investors, face numerous other challenges to even "break-even" on their technical trading in small capitalization and penny stocks. These disadvantages include the presence of well-informed traders (including company insiders) in these stocks as well as well-capitalized market-makers who are positioned to exert market power in these thin markets.

95. Further, retail traders with limited capital are much more likely to exhaust their capital before they can generate trading profits, especially if they take "bets" that are appropriately sized to generate any meaningful returns.[141] Without sufficient capital, retail traders are also less likely to diversify the downside risk across multiple trading positions. In other words, the lack of capital means that each trading position held by a retail investor with limited means presents a significant threat to the loss of all of the investor's capital.

96. The problems faced by Raging Bull's subscribers or retail traders are compounded by the fact that even *trying* to follow the purported strategies that Raging Bull teaches would take a significant time commitment. The lack of a clear exit strategy, coupled with the sector of volatile stocks and options that Raging Bull focuses on, means that consumers would need to be constantly "available and ready" to make timely decisions on when they should enter

[141] Even if we assume that retail traders following Raging Bull's trades are able to make positive returns on slightly more than 50% of their trades, there is a significant probability that those same traders with limited capital (e.g., less than $25,000) will lose their entire investment capital, thus taking them out of the market unless they have additional capital to infuse into their accounts to cover these losses. Ultimately, a subscriber with limited capital will be forced to quit trading after such losses.

and exit a trade. Not paying attention, even for just a few minutes, could result in losses on the kinds of securities that Raging Bull recommends and alerts their subscribers to follow.

97. In summary, academic research, and that of the SEC as well as commentary by the trade press, suggests that retail investors tend to trade too much, which typically results in significant expected losses.[142] Overall, consumers that subscribe to Raging Bull's services, especially those with limited capital, trading experience, and time available to trade, are unlikely to achieve consistent trading profits or market-beating returns over time, and are at greater risk of losing their money from trying to use Raging Bull's strategies and their trade alerts.

[142] See Terrance Odean, "Do Investors Trade Too Much?" *The American Economic Review*, Vol. 89, No. 5. (Dec., 1999), pp. 1279-1298; Joshua T. White, "Outcomes of Investing in OTC Stocks," U.S. Securities and Exchange Commission (Division of Economic and Risk Analysis), December 16, 2016; and Jason Zweig, "Playing the Market Has a Whole New Meaning," *Wall Street Journal*, June 12, 2020.

XI. APPENDIX A: CURRICULUM VITAE OF RUSSELL R. WERMERS

CURRICULUM VITAE
RUSSELL R. WERMERS

[October 23, 2020]

PERSONAL

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College Park, MD 20742-1815
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Office: [redacted]
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EMPLOYMENT

Chairman, Department of Finance, January 2019 to present
Dean's Chair in Finance, 2018 to present; and Professor of Finance, 2013 to present
Director, Center for Financial Policy, 2013 to present
Bank of America Professor, 2016 to 2018

Member, Asset Management Advisory Committee, Securities and Exchange Commission (two-year term beginning November 1, 2019)

Economist, Office of Financial Research (20% Appointment), November 2014-October 2018

Associate Professor of Finance, Robert H. Smith School of Business, University of Maryland at College Park, August 2002 – July 2013

Assistant Professor of Finance, Robert H. Smith School of Business, University of Maryland at College Park, August 2000 – July 2002

Assistant Professor of Finance, University of Colorado at Boulder, August 1994 – July 2000

EDUCATION

Ph.D. Finance, University of California, Los Angeles, December 1995
M.B.A. (Finance Concentration), University of California, Los Angeles, June 1989
B.S. Chemical Engineering, *cum laude* (top 10% in Engineering), University of Idaho, May 1981
B.S. Metallurgical Engineering, *cum laude* (top 10% in Engineering), University of Idaho, May 1981

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Mark Grinblatt, Sheridan Titman, and Russ Wermers, 1995, "Momentum Investment Strategies, Portfolio Performance, and Herding: A Study of Mutual Fund Behavior," American Economic Review, December, pages 1088-1105

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Russ Wermers, 2000, "Mutual Fund Performance: An Empirical Decomposition into Stock-Picking Talent, Style, Transactions Costs, and Expenses," Journal of Finance, August, pages 1655-1695

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Ayelen Banegas, Ben Gillen, Allan Timmermann, and Russ Wermers, 2013, "The Cross-Section of Conditional Mutual Fund Performance in European Stock Markets," Journal of Financial Economics, June, 699-726

Daniel Li, Michael Markov, and Russ Wermers, 2013, Monitoring Daily Hedge Fund Performance When Only Monthly Data is Available, Journal of Investment Consulting 14; Winner, 2012 Journal of Investment Consulting Academic Paper Competition

Nerissa Brown, Kelsey Wei, and Russ Wermers, 2014, "Analyst Recommendations, Mutual Fund Herding and Overreaction in Stock Prices," Management Science (Lead Article), January, 1-20

David Hunter, Eugene Kandel, Shmuel Kandel, and Russ Wermers, 2014, "Measuring Mutual Fund Performance with Active Peer Benchmarks," Journal of Financial Economics 112 (Lead Article), 1-29; Reviewed in the CFA Digest, Volume 44(6), June 2014

Kelsey Wei, Russ Wermers, and Tong Yao, 2015, "Uncommon Value: The Investment Performance of Contrarian Funds," Management Science, October, 2394–2414

David Blake, Alberto Rossi, Allan Timmermann, Ian Tonks, and Russ Wermers, 2015, "Decentralization in Pension Fund Management," Journal of Investment Management 13, 35-56

Lawrence Schmidt, Allan Timmermann, and Russ Wermers, 2016, "Runs on Money Market Mutual Funds," American Economic Review 106, 2625-2657

Youchang Wu, Russ Wermers, and Josef Zechner, 2016, "Managerial Rents vs. Shareholder Value in Delegated Portfolio Management: The Case of Closed-End Funds," Review of Financial Studies 29, 3428-3470

Antonio Gargano, Alberto Rossi, and Russ Wermers, 2017, "The Freedom of Information Act and the Race Toward Information Acquisition," Review of Financial Studies 30, 2179–2228; Winner, *Review of Financial Studies Best Paper Runner-Up Award for 2017*; Winner, *2016 PanAgora Crowell Prize*

Mark Kamstra, Lisa Kramer, Maurice Levi, and Russ Wermers, 2017, "Seasonal Asset Allocation: Evidence from Mutual Fund Flows," Journal of Financial and Quantitative Analysis 52, 71-109

Alberto Rossi, David Blake, Allan Timmermann, and Ian Tonks, 2018, "Network Centrality and Delegated Investment Performance," Journal of Financial Economics 128, 183-206

Alok, Shashwat, Nitin Kumar, and Russ Wermers, 2020, "Do Fund Managers Misestimate Climatic Disaster Risk?" Review of Financial Studies 33, 1146-1183

Gallagher, Emily, Lawrence Schmidt, Allan Timmermann, and Russ Wermers, 2020, "Investor Information Acquisition and Money Market Fund Risk Rebalancing during the 2011-12 Eurozone Crisis," Review of Financial Studies 33, 1445-1483

Huang, Alan, Hongping Tan, and Russ Wermers, 2020, "Institutional Trading around Corporate News: Evidence from Textual Analysis," Review of Financial Studies 33, 4627-4675

Barras, Laurent, Olivier Scaillet, and Russ Wermers, 2020, "Reassessing False Discoveries in Mutual Fund Performance: Skill, Luck, or Lack of Power? A Reply," Journal of Finance (Replications and Corrigenda, web-only), available at https://afajof.org/wp-content/uploads/22200324-Reply-for-JF.pdf

Groenborg, Neils, Asger Lunde, Allan Timmermann, and Russ Wermers, 2020, "Picking Funds with Confidence," Journal of Financial Economics, forthcoming

Russ Wermers, 2020, "Active Investing and the Efficiency of Security Markets," Journal of Investment Management, forthcoming

TEXTBOOKS

Bernd Fischer and Russ Wermers, Performance Evaluation and Attribution of Security Portfolios, Elsevier/Academic Press, December 2012

OTHER PUBLICATIONS

Wermers, Russ, 2020, "Mutual Funds," *Financial Management* (Introduction to a Special Virtual Issue that I Guest-Edited)

Alan Huang, Hongping Tan, and Russ Wermers, 2019, "Institutional Trading around Corporate News: Evidence from Textual Analysis," *Harvard Law School Forum on Corporate Governance and Financial Regulation*, forthcoming

Mark M. Carhart and Russ Wermers, 2018, "Topics in Performance Appraisal," Reading 8, Certificate in Investment Performance Measurement (CIPM) (Required Reading for Level II), CFA Institute

Robert Jones and Russ Wermers, 2018, "Active Management in Mostly Efficient Markets," reprinted

PX 26, 1787

in *The Characteristics of Successful Active Investment Managers* (9 pages), Dodge & Cox Mutual Fund Management Company

Wu, Youchang, Russ Wermers, and Josef Zechner, "Managerial Rents vs. Shareholder Value in Delegated Portfolio Management," *Harvard Law School Forum on Corporate Governance and Financial Regulation*, September 13, 2016

Cao, Bingkuan, Xinyuan Shao, Russ Wermers, and Jinming Xue, "Stoxx True Exposure Indices: Risk Exposure Analysis," September 12, 2016. Available at: https://www.stoxx.com/document/Others/marketing/STOXX_TRU_Exposure_Indices_Maryland_Research_Report.pdf

Wei, Kelsey, Russ Wermers, and Tong Yao, 2016, "Against the 'Wisdom of Crowds': The Investment Performance of Contrarian Funds," Chapter 19 in *Portfolio Construction, Measurement, and Efficiency*, J.B. Guerard Jr. (ed.), Springer, (invited book chapter in honor of Jack Treynor)

Susan Christoffersen, David Musto, and Russ Wermers, 2014, "Investor Flows to Asset Managers: Causes and Consequences," Annual Review of Financial Economics 6, 289-310 (invited survey article)

Daniel Li, Michael Markov, and Russ Wermers, 2013, "It's 4 pm. Do You Know Where Your Hedge Funds Are?" Hedge Funds Review

Russ Wermers, 2011, "Performance Measurement of Mutual Funds, Hedge Funds, and Institutional Accounts," Annual Review of Financial Economics, 537-574 (invited survey article)

Russ Wermers, 2011, "Review of 'Investments and Portfolio Performance,' by Edwin Elton and Martin Gruber," Quantitative Finance, Vol. 11 (9), September, 1297-1298

Jason C. Hsu, Vitali Kalesnik, and Russ Wermers, 2011, "Performance Evaluation of Active Managers: An Overview of Current Practice," Investments & Wealth Monitor, January/February, 37-40

Russ Wermers, 2001, "The Potential Effects of More Frequent Portfolio Disclosure on Mutual Fund Performance," Perspective, The Investment Company Institute, June, pages 1-12 (submitted by the ICI to the SEC as the major research study supporting that increased disclosure of security holdings by mutual funds could be harmful to the realized returns of fund shareholders)

Russ Wermers, 2001, "The Greatest Return Stories Ever Told: Comments," Journal of Investing, 92-93

Russ Wermers, 2001, "Can Actively Managed Money Beat the Market?" in Mutual Funds: Risk and Performance Analysis for Decision Making, by John A. Haslem, Blackwell Publishers, 311-315

WORKING PAPERS

"The Hedge Fund Industry is Bigger (and Has Performed Better) than You Think," with Daniel Barth, Juha Joenvaara, and Mikko Kauppila, 2020

"International Characteristic-Based Asset Pricing," with Murali Jagannathan and Wei Jiao, 2020

"Modeling Private Equity: A Machine-Learning Approach," with Apollon Fragkiskos, Olga Krasotkina, and Harold Spilker, 2020

"Do ETFs Increase Liquidity?" with Mehmet Saglam and Tugkan Tuzun, 2020

"Cash-flow timing vs. discount-rate timing: A decomposition of mutual fund market-timing skills," with Chunhua Lan, 2020

"Costly Information Production, Information Intensity and Mutual Fund Performance," with George Jiang, Ke Shen, and Tong Yao, 2020

"News or noise: Mobile internet technology and market quality," with Nerissa Brown, W. Brooke Elliott, and Roger White, 2020

"Do Small Institutional Shareholders Use Low-Cost Monitoring Opportunities? Evidence from the Say on Pay Vote" with Miriam Schwartz-Ziv, 2020

"Holding Horizon: A New Measure of Active Investment Management," with Chunhua Lan and Fabio Moneta, 2020

"Investor Flows and Share Restrictions in the Hedge Fund Industry," with Bill Ding, Mila Getmansky, and Bing Liang, 2010

"Mutual Fund Performance and Governance Structure: The Role of Portfolio Managers and Boards of Directors," with Bill Ding, 2009

"A Matter of Style: The Causes and Consequences of Style Drift in Institutional Portfolios," 2011

"Portfolio Performance, Discount Dynamics, and the Turnover of Closed-End Fund Managers," with Youchang Wu and Josef Zechner, 2008

"Aftermarket Consumer Behavior and Pricing: The Implications of Post-Purchase Consumer Arbitrage," with Chris Leach and Fred Sterbenz, 2009

"Is Money Really 'Smart'? New Evidence on the Relation Between Mutual Fund Flows, Manager Behavior, and Performance Persistence," 2003

"Herd Behavior in Voluntary Disclosure Decisions: An Examination of Capital Expenditure Forecasts," with Nerissa Brown and Larry Gordon, 2007

"Hedge Fund Flows and Contagion in Financial Markets," with Bill Ding, Mila Getmansky, and Bing Liang, 2007

"Patterns of Coauthorship and Research Productivity in Finance Academia," 2008, with J. Chris Leach and Ron Melicher

"Style Migration and the Cross-Section of Average Stock Returns," with Hsiu-Lang Chen, 2005

"Are Mutual Fund Shareholders Compensated for Active Management 'Bets'?" 2003

"Risk-Taking Behavior by Mutual Fund Managers: Do Managers 'Walk Away' from the Tournament?" 2001, with Naveen Daniel

"Momentum Investment Strategies of Mutual Funds, Performance Persistence, and Survivorship Bias," 1997

"An Optimum Test of Correlated Trading by Institutional Investors," 1993

Master's Thesis: Research in cooperation with Wedbush Securities, Inc., Los Angeles, CA: "The Identification of Optimal Target Companies and Optimal Structuring for Leveraged Buyouts (LBOs)," 1989

CONFERENCES (Past 4 Years)

Presentation, "Active Management and the Efficiency of Security Markets," 2019 Research Symposium of the Active Management Research Alliance (AMRA), Kenan Institute at UNC, New York City

Presentation, "Do ETFs Increase Liquidity?" (by coauthor), European Finance Association Annual Meetings, (Carcavelos, Portugal), August 2019

Keynote Talk, "Do ETFs Increase Liquidity?," Hedge Funds, Mutual Funds, and Factor Investing Conference, Lancaster University (UK), June 2019

Keynote Talk, "Institutional Trading around Corporate News: Evidence from Textual Analysis," Front Range Finance Conference (University of Colorado at Denver), May 2019

Discussion of "Swing Pricing and Fragility in Open-End Mutual Funds," Sixth Annual Conference on Financial Market Regulation, Washington DC (SEC Headquarters), May 2019

Discussion of "Liquidity Provision in the Secondary Market for Private Equity Fund Stakes," Second World Symposium on Investment Research (in partnership with the Review of Financial Studies), NYC, May 2019

Presentation, "Investor Information Acquisition and Money Market Fund Risk Rebalancing during the 2011-12 Eurozone Crisis," Diamond-Dybvig 36 Conference (Washington University in St. Louis), March 2019

Presentation, "Institutional Trading around Corporate News: Evidence from Textual Analysis," Fourth Annual News and Finance Conference (Columbia University), March 2019

Keynote Talk, "Institutional Trading around Corporate News: Evidence from Textual Analysis," Mid-Atlantic Research Conference (at Villanova University), March 2019

Keynote Talk, "Institutional Trading around Corporate News: Evidence from Textual Analysis," Finance Down Under Conference, University of Melbourne, March 2019

Session Chair, "Selecting Mutual Funds," American Finance Association Annual meetings, Atlanta, January 2019

Keynote Talk, "Active vs. Passive Management: How to Separate 'SAMs' from 'IAMS'," MPT (Modern Portfolio Theory) Forum, International Lecture, Shonan Kokusai Village (Japan), December 2018

Presentation, "Active vs. Passive Management: How to Separate 'SAMs' from 'IAMS'," Nippon Finance Association (Tokyo), December 2018

Presentation of "Active vs. Passive Management: How to Separate "SAMs" from "IAMS," Defined Contribution Institutional Investment Association, Academic Forum, San Francisco, November 2018

Presentation of "Institutional Trading around Corporate News: Evidence from Textual Analysis," Quantitative Investing Conference: The Future of Active Management," Joint Conference of UBS and the University of Maryland Center for Financial Policy, New York City, November 2018

Session Chair, "Mutual Funds," Asian Finance Association Annual meetings, Tokyo, June 2018

Presentation of "Holding Horizon: A New Measure of Active Investment Management," Asian Finance Association Annual meetings, Tokyo, June 2018

Discussion of "Mutual Fund Flight-to-Liquidity," Asian Finance Association Annual meetings, Tokyo, June 2018

Program Chair, Front Range Finance Conference, University of Colorado at Denver, May 2018

Presentation of "Holding Horizon: A New Measure of Active Investment Management," Georgia State Conference on Recent Advances in Delegated Portfolio Management, Atlanta, April 2018

Discussion of "Following the Money: Evidence for the Portfolio Balance Channel of Quantitative Easing," American Finance Association Annual meetings, Philadelphia, January 2018

Presentation of "Costly Information Production, Information Intensity, and Mutual Fund Performance," American Finance Association Annual meetings, Philadelphia, January 2018

Presentation of "Do Small Institutional Shareholders Use Low-Cost Monitoring Opportunities? Evidence from the Say on Pay Vote," Conference on "Institutional Investor Activism and Engagement," Tel Aviv and Jerusalem, December 2017

Panelist, "The Effect of ETPs on Financial Markets," SEC-NYU Dialogue on Securities Market Regulation, September 2017
Presentation of "Cash-flow timing vs. discount-rate timing: A decomposition of mutual fund market-timing skills," Asian Finance Association Annual Meetings, Seoul, July 2017
Discussion of "Buy Side, Sell Side," Nanyang Technological University Finance Conference, Singapore, July 2017
Presentation of "Costly Information Production, Information Intensity, and Mutual Fund Performance," Nanyang Technological University Finance Conference, Singapore, July 2017
Session Chair, Asset Management Session, Fourth Annual Conference on Financial Market Regulation, (jointly held by the SEC, University of Maryland Center for Financial Policy, Lehigh University Center for Financial Services, and the CFA Institute).
Discussion of "Compensation Benchmarking and the Peer Effects of Say-on-Pay," 10th Annual Corporate Governance Conference, Drexel University, April 2017
Keynote Talk, Auckland Finance Meeting, Auckland Centre for Financial Research, New Zealand, December 2016
Presentation of "Mutual Fund Investment Horizon and Performance," Defined Contribution Institutional Investment Association, Academic Forum, November 2016, New York City
Presentation (by coauthor) of "Cash-flow timing vs. discount-rate timing: A decomposition of mutual fund market-timing skills," American Finance Association Annual Meetings, Chicago, January 2017
Presentation (by coauthor) of "Information Intensity and Mutual Fund Performance," Financial Management Association Annual Meetings, Las Vegas, October 2016
Discussion of "Liquidity Transformation in Asset Management: Evidence from the Cash Holdings of Mutual Funds," Wharton Liquidity and Financial Crises Conference, October 2016
Presentation (by coauthor) of "Cash-flow timing vs. discount-rate timing: A decomposition of mutual fund market-timing skills," Financial Management Association Annual Meetings, Las Vegas, October 2016
Presentation of "Institutional Trading around Corporate News: Evidence from Textual Analysis," 2016 AIM Investment Conference, University of Texas at Austin
Presentation (by coauthor) of "Do Small Institutional Shareholders Use Low-Cost Monitoring Opportunities? Evidence from the Say on Pay Vote," European Finance Association Annual Meetings, Oslo, August 2016
Session Chair, "Runs on Banks and Mutual Funds," Western Finance Association Annual Meetings, Park City, Utah, June 2016
Presentation (by coauthor) of "Costly Information Production, Information Intensity, and Mutual Fund Performance," China International Conference in Finance, Xiamen, China, 2016
Discussion of "Asset Manager Funds," by Joseph Gerakos, Juhani Linnainmaa, and Adair Morse, Duke/ UNC Asset Pricing Conference, April 2016
Poster Session (Macroeconomics), "The International Transmission of Money Market Fund Liquidity Shocks," American Economic Association Annual Meetings, San Francisco, January 2016
Presentation (by coauthor) of "Network Centrality and Pension Fund Performance," American Finance Association Annual Meetings, San Francisco, January 2016
Presentation (by coauthor) of "The Stability of Money Market Mutual Funds: The Effect of the 2010 Amendments to Rule 2A-7," American Finance Association Annual Meetings, San Francisco, January 2016

INVITED PAPER PRESENTATIONS (Past 5 Years)

Aalborg University (Denmark), 2020 (virtual)
Aalto University (Helsinki), 2018
Baruch University, 2019
The Capital Group (American Funds), 2017
Cornell University, 2020 (planned)
Deakin University (Melbourne, Australia), 2019
Georgetown University, 2016
Hitotsubashi University (Tokyo), 2018
Hong Kong Polytechnic University, 2018
Institutional Shareholder Services (ISS), 2015

Lund University, 2017
McGill University, 2017
Peking University, 2017
Penn State University, 2015
Purdue University, 2017
Queensland University of Technology, 2019
Shanghai Advanced Institute of Finance (SAIF), 2016, 2020 (planned)
Southwestern University of Finance and Economics, Institute of Financial Studies (SWUFE IFS; Chengdu, China), 2017, 2018, 2020 (planned)
Stockholm University, 2017
Texas A&M University, 2017
T. Rowe Price, 2018, 2020
Tsinghua University, 2020 (planned)
University of California, Irvine, 2020 (planned)
University of Delaware, 2015
University of Gothenburg, 2017
University of Glascow, 2015
University of Hawaii, 2009, 2018
University of Illinois, Chicago, 2015
University of Illinois, Urbana-Champaign, 2017
University of Lancaster, 2015
University of Manchester, 2015
University of Miami, 2016
University of Missouri, 2015
University of Oregon, 2019
University of Oulu, 2018
University of Queensland, 2016, 2019
University of Virginia (The Darden School), 2015
U.S. Securities and Exchange Commission, 2015
Vienna University of Economics and Business Administration, 2020 (planned)

GRANTS (Past 5 Years)

Funded Research Grant, Investment Adviser Association (IAA), 2019 ($15,000)
Funded Research Grant, ETF Research Academy of the Paris-Dauphine House of Finance (in association with Lyxor Asset Management), 2015 (€10,000)
Funded Course Development Grant (Developing Matlab Modules for Quantitative Equity Portfolio Management class), Smith School, 2013 ($7,500)

FELLOWSHIPS, VISITING CHAIRS, SCHOLARSHIPS

KBank Chair Professor, Chulalongkorn University (visiting professorship, June/July 2014)
Fellow, Burridge Center for Securities Analysis and Valuation (The University of Colorado), March 16-20, 2009
Fellow, Center for Institutional Investment Management, SUNY-Albany, 2006-present
Fellow, Centre for Financial Research, University of Cologne, 2005-present
Fellow, Wharton Financial Institutions Center, 2002-present
Fellow, Gutmann Center at the University of Vienna, 2002-2003
Associate, Burridge Center for Securities Analysis and Valuation (The University of Colorado), 1999-2001
Scholar, Burridge Center for Securities Analysis and Valuation (The University of Colorado), 1998-1999
Junior Faculty Development Award (Competitive Award at The University of Colorado), 1998
Big 12 Faculty Fellowship (Competitive Award at The University of Colorado), 1998
Dean's Teaching Scholar, 1997-1998 (Competitive Award at The University of Colorado)
AACSB National Doctoral Fellow (national competition), 1989-1990
UCLA Doctoral Fellowships, 1989-1994:
Graduate Division/Ph.D. Fellowship
C.V. Starr Fellowship
Anderson Doctoral Fellowship
Ziegler Educational Foundation Scholarship, U. of Idaho Metallurgical Engineering Dept.,

1979, 1980
Calvin and Fannie Cobb Scholarship, Boise State University, 1978
A.W. Fahrenwald Foundation Scholarship, U. of Idaho Chemical Engineering Dept., 1976

RESEARCH AWARDS, HONORS, PROFESSIONAL CERTIFICATIONS

Review of Financial Studies Michael Brennan Best Paper Runner-Up Award for 2017
First Place (with coauthors), PanAgora Crowell Prize, 2016
Winner (with coauthors), *CFA Institute Asia Pacific Capital Markets Research Award*, 2015 FMA Asian Meeting, (Seoul), 2015
Winner (with coauthors), First Academic Paper Competition, 2012, *Journal of Investment Consulting*
Third Place (with coauthors), *PanAgora Crowell Prize*, 2012
Winner (with coauthor), Graham and Dodd Scroll Award, Financial Analysts Journal, 2011
Winner (with coauthors), CFA Institute Best Paper Award, Asian Finance Association Annual Meetings (Macau), 2011
Winner (with coauthors), 2008 Banque Privée Espírito Santo/Swiss Finance Institute Outstanding Paper Prize
Finalist (with coauthors), Smith Breeden Prize for the Outstanding Paper of 2007 Published in The Journal of Finance (one of top eight papers published during December 2006 to September 2007)
Outstanding Paper Award (with coauthors), 2008 Conference of the Centre for Financial Research at the University of Cologne
First Prize (with coauthors), 2007 Annual Joint Prize of Inquire Europe, Inquire UK, and Q-Group
SWX Best Paper Award (with coauthors), Eighth Conference of the Swiss Society of Financial Market Research, Zurich, Switzerland, April 2005
Winner (with coauthors), 2004 Gutmann Prize for Outstanding Paper, University of Vienna
Nominated, Smith Breeden Prize for the Outstanding Paper of 1999 Published in The Journal of Finance
Third Place, The Chicago Quantitative Alliance (CQA) Third Annual Academic Competition, September 1996, Chicago, Illinois
New York Stock Exchange Award for the Best Paper on Equity Trading, Western Finance Association (WFA) Meetings, June 1995, Aspen, Colorado
Inducted into Beta Gamma Sigma (national business honor society), 1986
Vice President, Spirit of '76 Toastmasters (Unocal), 1983-1989
Best Speaker of 1985, Spirit of '76 Toastmasters (Unocal) (and numerous other speaking awards)
Officer, Fully-Employed MBA Association at UCLA, 1986-1987
Licensed Chemical Engineer, State of California, 1984-present
President, Unocal Executive Speakers' Forum (introduced top executives at banquets), 1982-1983
Passed Engineer-in-Training Exam (during first administration of exam), State of Idaho, 1981
Finalist, "Outstanding Junior-Class Student," College of Mines, University of Idaho, 1980
Inducted into Tau Beta Pi (national engineering honor society), 1979
Member and Officer, Delta Chi Fraternity, 1976-1977
Chapter Scholar Award, University of Idaho Chapter of Delta Chi Fraternity, 1977

MEDIA APPEARANCES (Past 5 Years)

"Follow the Leader: Why it Pays to Track the Best Ideas from the Best Fund Managers," *Financial Times Investors Chronicle*, April 30, 2020
"Active Managers Underpin Functioning Markets," Letter to the Editor, *Financial Times*, September 29, 2019
"Swedroe: No Point to Timing Factors," *ETF.com*, February 11, 2019
"Will a Fragile Banking System Survive Future Runs?" Barron's, October 16, 2018
"Think Outside the Style Boxes," Think Advisor (thinkadvisor.com), June 25, 2018
"Do Index Funds Cost 100 Times as Much as You Think?" The Wall Street Journal, April 20, 2018
"In Fund Management, Winning Trends Persist," Barron's, September 9, 2017
"ETF Flash Crash 'Impossible' in Europe," Yahoo Finance, July 27, 2016, and ETF.com, November 5, 2015
"Sharks Needed in the Tank," Investment Magazine (http://investmentmagazine.com.au), May 30, 2016
"Investors Need to Pick the Right Fund Manager for the Times," The Sydney Morning Herald, May 24,

2016
"Oakmark Funds: A Patient and Active Approach," ValueWalk.com, August 24, 2015
Interview in Stoxx Pulse (a publication by STOXX Europe), Summer 2015
"As the Market Slows, Play Offense and Defense," Barron's, May 29, 2015
"Hedge Funds Making Profits Using FOIA Requests, Says New Study," valuewalk.com, February 3, 2015
"Has the Death Knell of Active Management Been Rung too Soon?" Financial Times, February 1, 201

CURRENT RESEARCH INTERESTS

Investments: (1) Empirical studies of the impact of institutional investor trading on stock markets, (2) Performance evaluation, (3) Measurement of survivorship bias and performance persistence

Microfinance: The structure of microfinance institutions in Thailand (urban vs. rural, industry, religion) and their efficacy in distributing loans

Security Market Efficiency Studies: (1) Returns to momentum investing strategies, (2) Returns to growth stocks vs. value stocks widely held and traded by mutual funds, (3) Information content of analyst earnings forecasts and recommendations, (4) Information content of mutual fund portfolio disclosure, (5) Herding behavior by investment managers and its impact on security prices

Short-Term Funding Markets: Bank runs in the shadow-banking system

Energy Markets: Gasoline retail pricing

DISSERTATION "**Essays on the Investment Behavior of Institutional Investors**": Investigates the interaction between institutional investors and the markets in which they trade, focusing on investment strategies that are based on market information, and on the impact of institutional trades on markets. The first chapter, *Momentum Investment Strategies, Portfolio Performance, and Herding,* documents the use of past returns (technical analysis) by the institutions to achieve abnormal performance. The second chapter, *Herding, Trade Reversals, and Cascading by Institutional Investors*, investigates the tendency of institutional investors to mimic each other's trades, and the tendency of some investors to follow the prior investment decisions of others; this chapter also studies the impact of institutional investors on market prices. The third chapter, *Serial Correlation, Performance Persistence, and Survivorship Bias,* measures the magnitude of survivorship bias in studies of mutual fund performance, and the relation of investment "style" to performance persistence and survivorship bias

TEACHING

University of Maryland (2000 to 2018, most recent semester shown):

Investment Management, MBA and M.S. Finance [Average Student Evaluation (Spring 2018) = 3.73/4.0]
Quantitative Equity Portfolio Management, MBA and M.S. Finance [Average Student Evaluation (Spring 2020) = 3.3/4.0 and 3.2/4.0]
Undergraduate Investments [Average Student Evaluation (Spring 2016) = 3.55/4.0]
Undergraduate Quantitative Equity Portfolio Management [Average Student Evaluation (Spring 2020) = 3.7/4.0]
Doctoral Empirical Methods [Average Student Evaluation (Spring 2013) = 3.56/4.0]

Swiss Finance Institute Certificate Program (Executive Education in Geneva, Switzerland; 2001-2006):

Performance Evaluation and Attribution: Theory and Practical Application (One-Week Course in the Fall of Each Year) [Six-Year Average: 4.6/5.0]

Stockholm University (2003, 2004):

Performance Evaluation and Attribution: Theory and Practical Application (Two-Week Masters-Level Course) [Two-Year Average: 5.0/5.0]

Chulalongkorn University (Thailand) (2004-2019):

Performance Evaluation and Attribution: Theory and Practical Application (One-Week Masters-Level Course) [Average Student Evaluation (July 2019) = 4.40/5.0]

TEACHING AWARDS, RECOGNITION

Distinguished Teaching Award (Top 10% in Undergraduate Teaching at the Smith School), AY2018
Allen J. Krowe Excellence in Teaching Award, Smith School at the University of Maryland, AY2012
Top 15% Teacher, Smith School at the University of Maryland, AY2012
Honored as "Faculty Mentor Who Has Made the Most Impact" by Qiao Qiao (Chelsea) Yin, who was named one of the 2012-2013 Philip Merrill Presidential Scholars at the University of Maryland (a top undergraduate student campus-wide recognition)
Joe Wikler Teaching Award, Department of Finance, Smith School of Business, University of Maryland, 2007
University of Maryland "Teaching with Technology Award" (Top Prize for a Campus-Wide Teaching Competition), 2005
Finalist (Finished in Top Three Faculty on Entire Campus), Teaching Award, Student Organization for Alumni Relations (SOAR)—a University of Colorado Campus-Wide Teaching Award, 1999-2000

ADVISING ACTIVITIES

Chair, Dissertation Committee for Bingkuan (Bryan) Cao, 2020-
Co-Chair (with Pete Kyle), Dissertation Committee for Jinming Xue, placed at Southern Methodist University, 2019-2020
Dissertation Advisor (ex-Officio) for Harold (Tray) Spilker, placed at University of Hawaii
Co-Chair (with Pete Kyle), Dissertation Committee for Benjamin Munyan, placed at Vanderbilt University, 2014-2015; winner of the University of Maryland's 2015 Distinguished Dissertation Prize (across all Social Sciences)
Chair, Dissertation Committee for Nitin Kumar, placed at Indian School of Business, 2009-2013
Member, Dissertation Committee for Nitish Sinha, placed at University of Illinois at Chicago, 2009-2010
Dissertation Advisor (ex-Officio) for Laurent Barras, placed at McGill University, 2008-2009
Chair, Dissertation Committee for David Hunter, placed at University of Hawaii, 2007-2008
Member, Dissertation Committee for Scott Nestler, placed at United States Military Academy at West Point, 2006-2007
Co-Chair, Dissertation Committee for Nerissa Brown, placed at University of Southern California, currently at University of Illinois, Urbana-Champaign
Member, Dissertation Committee for Naveen Daniel, placed at Purdue University, currently at Drexel University

SERVICE ACTIVITIES (PAST 5 YEARS)

Editorial Board, Financial Analysts Journal, 2018-
Editorial Board, Review of Behavioral Finance, 2017-
Editorial Board, European Financial Management, 2017-
Associate Editor, Journal of Banking and Finance, 2015-
Advisory Board, The Journal of Performance Measurement, 2013-
Associate Editor, The Financial Review, 2015-2018
Advisory Board, M.S. Finance Program, Faculty of Commerce and Accountancy, Chulalongkorn University, 2015-2023
Associate Chairperson, 2014 Western Finance Association Annual Meetings, Empirical Asset Pricing Area
Member, Advisory Board of The Journal of Performance Measurement
Editor, 4 Topic Areas of Curriculum for CIPM Program of the CFA Institute, 2013
Member, Editorial Board of Journal of Business Administration Research (Chulalongkorn University, Bangkok, Thailand)

University of Maryland at College Park:

Chairman, Department of Finance, January 2019-present
Director, Center for Financial Policy, 2013-present
Chair, Promotion Committee for Michael Faulkender, Fall 2016
Chair, Promotion Committee for Liu Yang, Fall 2015
Chair, Promotion Committee for N. Prabhala, Fall 2014
Chair, Finance Department Untenured (Tenure-Track) Faculty Review Committee, AY2013

Member, OCS Faculty Advisory Committee, AY 2013
Faculty Council, AY 2013
Team Admin, AY 2013
Team MBA, AY 2012, 2013
Member, Recruiting Committee, AY 2002-2010, 2012, 2013

CONSULTING EXPERIENCE

Consultant, Zacks Investment Research
Consultant, STOXX Indexes
Consultant, Parala Capital
Consultant, Goldman Sachs Asset Management
Consultant, ProShares
Consultant, T. Rowe Price
Academic Affiliate, The Analysis Group
Academic Affiliate, Cornerstone Research
Expert Witness, Charles River Associates
Expert Witness, Alvarez and Marsal
Expert Consultant/Witness, Federal Bureau of Investigation
Expert Consultant/Witness, The Securities and Exchange Commission, multiple mutual fund market-timing cases, late-trading cases, and a money market mutual fund case
Expert Consultant/Witness, Kirkland and Ellis Law Firm, Chicago
Mutual Fund Risk/Return Study, the Commonfund Institute
Consultant for Performance Research and Design (a pension fund consulting company)
Consultant, Investment Company Institute, Washington, D.C.
Risk Management for Electricity Products, Stratus Consulting, Inc., Boulder, Colorado (Principal Co-Architect of "Portfolio Optimizer," a Risk Management System for Duke Solutions, an Energy Trading Firm)
CFA Exam Study Materials Developer, Allen Resources

TESTIMONY/ EXPERT REPORTS (PAST 4 YEARS)

"Rhodes, et al., v. DST Systems, et al.," Submitted Expert Reports, 2020
"Ferguson, et al., v. BBVA Compass Bancshares, Inc., et al.," Submitted Expert Report and Rebuttal Report, 2020
"Nelsen, et al., v. Principal Global Investors Trust Company, et al.," Submitted Expert Report to support class certification challenge, Testified at Deposition for class cert. challenge, 2019; Submitted Damages Rebuttal Report, Submitted Rebuttal to Plaintiff Experts' Damages Reports, Testified at Deposition for Damages Rebuttal Reports, 2020
"Baird, et al., v. BlackRock Institutional Trust Company, N.A., et al.," Submitted Expert Report to support class certification challenge, Testified at Deposition for class certification challenge, 2019; Submitted Merit Report; Submitted Rebuttal Merit Report, Testified at Deposition for Merit Reports, 2020
"Henderson, et al., v. Emory University, et al.," Submitted Expert Report, Testified at Deposition, 2019
"Clark, et al., v. Duke University, et al.," Submitted Expert Report and two Rebuttal Reports, Testified at Deposition, 2018
"Terraza, et al., v. Safeway Inc., et al., and Lorenz, et al., v. Safeway Inc., et al.," Submitted Expert Report and Rebuttal Report, Testified at Deposition, 2018
"Tracey, et al., v. Massachusetts Institute of Technology, et al.," Submitted Expert Report to support class certification challenge; Submitted Affirmative Expert Report and Rebuttal Report, Testified at Deposition, 2018/2019
"Ramos, et al., v. Banner Health, et al.," Submitted Expert Rebuttal Report, Testified at Deposition, 2018; Testified at Trial, 2020
"Pledger, et al., v. Reliance Trust Company, et al.," Submitted Expert Report and Rebuttal Report, Testified at Deposition, 2018; Testified at Trial, 2020
"Troudt, et al., v. Oracle Corporation, et al.," Submitted Expert Report and Rebuttal Report, 2017/2018,

Testified at Deposition, 2019

"Brewster Smith, et al., v. BB&T Corporation, et al.," Submitted Expert Report, Testified at Deposition, 2017

"Wildman, et al., v. American Century Services, LLC, et al.," Submitted Expert Report, Testified at Deposition, 2017

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Momentum Investment Strategies, Portfolio Performance, and Herding: A Study of Mutual Fund Behavior (published in the American Economic Review, 1995)	675
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Mutual Fund Herding and the Impact on Stock Prices (published in the Journal of Finance, 1999)	583
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The Value of Active Mutual Fund Management: An Examination of the Stockholdings and Trades of Fund Managers (published in the Journal of Financial and Quantitative Analysis, 2000)	218
The Potential Effects of More Frequent Portfolio Disclosure on Mutual Fund Performance, published in *Perspective* (an Investment Company Institute Publication)	7
Investing in Mutual Funds When Returns are Predictable (published in the Journal of Financial Economics, 2006)	95
Can Mutual Fund "Stars" Really Pick Stocks? New Evidence from a Bootstrap Analysis (published in the Journal of Finance, 2006)	298

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Active Management in Mostly Efficient Markets (published in the Financial Analysts Journal, 2011)	28
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Forecasting Stock Returns Through an Efficient Aggregation of Mutual Fund Holdings (published in the Review of Financial Studies, 2012)	29
The Cross-Section of Conditional Mutual Fund Performance in European Stock Markets (published in the Journal of Financial Economics, 2013)	32
Monitoring Daily Hedge Fund Performance with Monthly Data (published in the Journal of Investment Consulting, 2013)	0
Decentralized Investment Management: Evidence from the Pension Fund Industry (published in the Journal of Finance, 2013)	34
Analyst Recommendations, Mutual Fund Herding, And Overreaction in Stock Prices (published in Management Science, 2014)	78
Mutual Fund Performance Evaluation with Active Peer Benchmarks (published in the Journal of Financial Economics, 2014)	31
Investor Flows to Asset Managers: Causes and Consequences (published in the Annual Review of Financial Economics, 2014)	13
Uncommon Value: The Characteristics and Investment Performance of Contrarian Funds	12

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Runs on Money Market Mutual Funds (published in the American Economic Review, 2016)	32
Managerial Rents vs. Shareholder Value in Delegated Portfolio Management: The Case of Closed-End Funds (published in the Review of Financial Studies, 2016)	8
The Freedom of Information Act and the Race Toward Information Acquisition (published in the Review of Financial Studies, 2017)	3
Seasonal Asset Allocation: Evidence from Mutual Fund Flows (Published in the Journal of Financial and Quantitative Analysis, 2017)	15
Network Centrality and Delegated Investment Performance (published in the Journal of Financial Economics, 2018)	11
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Investor Information Acquisition and Money Market Fund Risk Rebalancing during the 2011-2012 Eurozone Crisis	0

B. Working Papers

Momentum Investment Strategies of Mutual Funds, Performance Persistence, and Survivorship Bias, working paper	27
Portfolio Performance, Discount Dynamics, and the Turnover of Closed-End Fund Managers," working paper	2
A Matter of Style: The Causes and Consequences of Style Drift in Mutual Fund Portfolios, working paper	4
Are Mutual Fund Shareholders Compensated For Active Management 'Bets'? working paper	2
Is Money Really "Smart"? New Evidence on the Relation Between Mutual Fund Flows, Manager Behavior, and	53

Performance Persistence, working paper

Mutual Fund Performance and Governance Structure: The Role of Portfolio Managers and Boards of Directors — 26

C. Total Citations

For Published Academic Papers Only (according to Web of Knowledge) — 3,849

For All Papers (according to Google Scholar) — 17,336

XII. APPENDIX B: DOCUMENTS AND MATERIALS CONSIDERED

	Document Title
	Raging Bull's email communication to consumers and FTC investigator, including, but not limited to the following documents cited in this report:
[1]	F01-RAB-0006583
[2]	F01-RAB_DOC-0000258_native.pdf
[3]	F01-RAB_DOC-0000303_native.pdf
[4]	F01-RAB_DOC-0001736_native.pdf
[5]	F01-RAB_DOC-0001994_native.pdf
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[8]	F01-RAB_DOC-0002830_native.pdf
[9]	F01-RAB_DOC-0002917_native.pdf
[10]	F01-RAB_DOC-0003256_native.pdf
[11]	F01-RAB_DOC-0003309_native.pdf
[12]	F01-RAB_DOC-0003500
[13]	F01-RAB_DOC-0003750_native.pdf
[14]	F01-RAB_DOC-0004034_native.pdf
[15]	F01-RAB-0000358
[16]	F01-RAB-0000359
[17]	F01-RAB-0000750.pdf
[18]	F01-RAB-0000752.pdf
[19]	F01-RAB-0006063.pdf
[20]	F01-RAB-0006249
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[23]	F01-RAB-0006775
[24]	F01-RAB-0007133
[25]	F01-RAB-0007363
[26]	F01-RAB-0008034
[27]	RB018806
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[29]	RB018813.pdf
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	Raging Bull Written Materials
[57]	Raging Bull Product Matrix, October 2019
[58]	Penny Stock Playbook
[59]	Day Trading Playbook
[60]	2019.4.24 Jason_Bond on large cap stock.pdf
[61]	The $2.9 Million Biotech Trade Playbook
[62]	Jason Bond Picks Promo full.pdf
[63]	2020.6.15 Gmail – Find Cheap Options that Could Run BIG!.pdf
[64]	Dollar Ace.pdf
[65]	Bond sales and ad page.pdf
[66]	joinnowlivewebinars_jeffbishopfreetotalaalpha full.pdf
[67]	Fast Five Trading.pdf
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[104] https://investor.vanguard.com/investing/investor-education

[105] https://www.fidelity.com/financial-basics/overview

[106] www.sec.gov/page/investor-section-landing

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[107]	www.sec.gov/fast-answers
[108]	www.nccn.org/patients/resources/clinical_trials/phases.aspx
[109]	www.fda.gov/patients/drug-development-process/step-3-clinical-research
[110]	www.cancer.org/treatment/treatments-and-side-effects/clinical-trials/what-you-need-to-know/phases-of-clinical-trials.html

Videos

[111]	Videos included with Jason Bond Picks - Jason Bond Strategy Course, How to Trade Like a Pro, The Basics of Swing Trading, Penny Stocks 101, Profit Booster, Masterclass, House Always Wins, and Stock Options Explained
[112]	Videos included with Weekly Windfalls
[113]	Videos included with Kyle Dennis' Fast Five Trades - Catalyst & Swing Trading, Option Trading, and Trading Psychology and Platform Setup
[114]	Videos included with Bullseye Trades - Profit Kickstarter and Profit Bridge