

The **Litigation WatchList** is comprised of the companies Audit Integrity views as having the greatest short-term litigation risk. The **Litigation WatchList** is generated based on multiple criteria. Every company must have a **Litigation Model Ranking of 1 or 2, with a 1 year Litigation Probability equal to or greater than 1%**. In addition to Litigation Model Ranking and Probability, companies are added to the **Litigation WatchList** based on a stock drop (as defined by 4 week trailing returns of -10% or greater) **AND** one or more of the five following High Risk Events:

- * Insider Selling amounting to at least .1% of total assets
- * Negative Earnings Surprise (including revised forecasts)
- * Officer/Director change involving the CEO or CFO
- * Accounting Issues
- * Amended/Late Filings

The **Litigation WatchList** represents companies which, in our judgment, have not been recognized by the larger marketplace as having high potential for litigation. The approach of combining AGR risk with key market indicators results in a **Litigation WatchList** that provides the stakeholder with actionable information.

Company	Ticker	Litigation Model Rank	1 Year Litigation Probability	Mkt Cap (\$M)	Industry	4 Wk Return 5/22 - 6/19	RECENT HIGH RISK EVENTS				
							Insider Trading	Negative Earnings Surprise	Officer/ Director Change	Accounting Issues	Amended/ Late Filing
American Caresource Holdings, Inc.	ANCI	2	1.1%	\$ 111.0	Healthcare Facilities	-45%		X			
Arbitron Inc.	ARB	2	1.2%	\$ 531.5	Business Services	-10%			X		
bebe stores, inc.	BEBE	2	1.4%	\$ 695.1	Retail (Apparel)	-16%	X				
BJ's Wholesale Club, Inc.	BJ	1	2.7%	\$ 1,974.6	Retail (Specialty)	-10%	X				
BSD Medical Corporation	BSDM	2	1.4%	\$ 55.7	Medical Equipment & Supplies	-29%			X		
Gannett Co., Inc.	GCI	1	1.7%	\$ 1,040.2	Printing & Publishing	-21%			X		
Hartford Financial Services	HIG	1	6.4%	\$ 4,888.0	Insurance (Prop. & Casualty)	-17%			X		
Jos. A. Bank Clothiers, Inc.	JOSB	2	1.0%	\$ 668.9	Retail (Apparel)	-15%	X				
Mentor Graphics Corporation	MENT	1	1.6%	\$ 573.2	Semiconductors	-12%		X			
Novatel Wireless, Inc.	NVTL	1	1.6%	\$ 324.7	Computer Services	-10%				X	

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