

1 **Q. In reference to the evidence of Dr. Roger Morin, page 33, line 9, provide any studies**
2 **conducted by Dr. Morin to determine the accuracy of Value Line projected growth**
3 **forecasts.**
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5 A. Dr. Morin does not have the requested information, and nor did he rely on such
6 information in his testimony. There have been, to Dr. Morin's knowledge, no published
7 empirical studies of Value Line's track record with respect to long-term growth forecasts.
8 More importantly, the accuracy of such forecasts in the sense of whether they turn out to
9 be correct is not at issue in implementing the DCF model, as long as the forecasts reflect
10 widely held expectations. As long as they are typical and/or influential in that they are
11 consistent with current stock price levels, they are relevant. It is the consensus forecast
12 which is embedded in stock prices which is relevant, not the future as it will turn out to
13 be.