

EXHIBIT 9

EXPERT REPORT

In the case of:

LeMond Cycling, Inc.

v.

Trek Bicycle Corporation

v.

Greg LeMond

Prepared by:

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I. Qualifications

I am currently the Executive Director of the Grainger Center for Supply Chain Management and Chair of the Marketing Department at the Wisconsin School of Business, University of Wisconsin-Madison.

My education includes a Bachelor of Science degree in Marketing from Southern Illinois University in 1965. I received a Master of Science degree in Marketing in 1968 and a Doctor of Philosophy (Ph.D.) in Marketing in 1972 from the University of Illinois. While I was obtaining my Masters and Ph.D. degrees, I was a research and teaching assistant in the Department of Marketing at the University of Illinois. In 1968, I became a lecturer in the Department of Business Administration at Illinois State University. In 1969, I became an assistant professor in the Department of Business Administration at Illinois State University and remained in that position until 1970. At that time, I became an assistant professor in the School of Business at the University of Wisconsin-Madison and remained in that position until 1977. I became an associate professor in 1977 and a full professor in 1983.

In 1988, I became a Wisconsin Distinguished Professor (1988-2008) and Chair of the Marketing Department (1988-1992, 2008-Present). In 1992, I became the Executive Director of the Grainger Center for Supply Chain Management. From 1999-2001, I was the Associate Dean for Master's Programs and from 2004-2007, I was the Executive Director for the Center for Brand and Product Management Program (2003-2007).

I have extensive experience in providing professional services with respect to marketing, distribution channels, and economic damage analysis. I am, or was, a member of the editorial board for the *Journal of Marketing*, the *Journal of Retailing*, the *International Marketing Review*, *Advances in Distribution Channel Research*, and the *Journal of Marketing Channels*. I served as the Leader of the Channels and Distribution Management Special Interest Group of the American Marketing Association from 1995-2001. The fee for my time is billed at the rate of \$450.00/hour. My Curriculum Vitae which includes a listing of all my publications is attached.

Counterclaim and Third-Party Complaint, p. 8).

Trek's retail dealers' reacted to Greg LeMond's July 2004 public statements on Lance Armstrong.

Some of their reactions and comments are presented below:

"Per our conversation Thursday evening, it is in the best interest of PC Bike to remove all LeMond merchandise from our store. Greg LeMond's short-sighted and self-serving comments cast his name, and everything associated with it, in an incongruous position with other Trek manufactured products and services. Unless Mr. LeMond is in possession of proof of wrong doing by Trek's greatest defacto spokesperson, his name has no place in my store" July 16, 2004 (TREK000603).

"Lake Mary has been getting killed with LeMond's latest words. Here is what they had to say: Some customers are covering up LeMond's name on their bike that they have recently purchased from Lake Mary. Some customers are trashing LeMond for saying what he did. One of Karen's customers was buying a LeMond when it became available and now he is declining to buy the bike." July 19, 2004 (TREK000605).

"What is the idiot thinking? He just needs to keep his mouth shut. I'm almost ashamed to have his name on the bicycles on my floor." July 20, 2004 (TREK000606).

"Val called me today to say she had 3 people come into the store and ask if she sold LeMond and when she said not they said great "I won't shop at a store that sells LeMond." Yikes. July 22, 2004 (TREK000614).

"Two dealers in my area have said they are going to drop us because of what LeMond is saying. Both dealers are doing 15K with us; Sunshine Bicycle Shop and Outspokin in South Carolina." July 23, 2004 (TREK000615).

"I would like to express my concerns about the allegations GL has made about Lance. I would like you to know that I have had no less than 3-4 people per day for the last week say: 'I would not consider a LeMond Bicycle.'" July 27, 2004 (TREK000620)

"My beliefs as a Lemond dealer: The strength of Lemond Bicycles has always been the result of innovation, differentiation of product, marketing, and consumer support of Trek. The passage of time as well as the passing of the torch to Lance as the Great American Cyclist has not served Greg Lemond well, mostly in that he has not acknowledged this passage. In place of recognizing the historic moment of Lance's accomplishment and his place in this history, he has chosen to cheapen it with hollow accusations." July 27, 2004 (TREK000624).

Trek also received many negative responses from consumers who were disappointed or angry with Greg LeMond's public statements about Lance Armstrong in July 2004. Some of these comments are presented below:

"As a former USCF racer and life time Greg LeMond fan I have taken what I believe are 2 significant actions in which I thought I would never have to engage: (1) I just put my

prized cromor GL Team Z set up out on ebay for auction and (2) cancelled my recent order of a Maillot Jaune from my local dealer. When asked by my long time bike dealer what prompted my cancellation, I simply said 'I am embarrassed to ride or own a bike with the name of someone engaged in such adolescent and self-serving behavior.' I have a distinct feeling I'm not the only *former* Greg LeMond fan that feels this way. July 15, 2004 (TREK000075).

"I have a Lemond bike..which is now going to be sold. I will never buy another Lemond product in my life, as it reminds me of the name of the person behind the bike, tainted, sour and of little consequence." July 15, 2004 (TREK000393).

"After reading Greg Lemond's comments about Lance Armstrong, I am happy to say that I did something about it..I sold my Lemond and will never ride one again. How can I feel good on a bike that carry's the name of some bitter old man." July 16, 2004 (TREK000120).

"I am very unhappy with LeMonde's comments about Lance Armstrong. As a result I am Having my LeMonds bike stripped and repainted with custom "Armstrong" logos. July 16, 2004 (TREK000130).

"I was considering purchasing a LeMond bike but after hearing the comments he has been making about Lance Armstrong the only thing I would use it for is another anchor for my boat. Have fun selling bikes, what a great spokesperson." July 16, 2004 (TREK000137).

"I have owned 2 Lemonds, I will never purchase one again." July 16, 2004 (TREK000158).

"As a Trek customer and competitive cyclist, I now have concerns about Trek and will think twice when I make my next bike purchases. This is because of the recent unqualified statements issued by Greg LeMond against Lance Armstrong. I am boycotting LeMond Bikes, which is affiliated with your company. Likewise, sadly, I am also considering boycotting Trek. July 16, 2004 (TREK000173).

"I'm a long time Trek customer, and have purchased 12 Trek bikes in the past ten years. However, I read Greg Lemond's unfounded accusations about Lance Armstrong and was quite angered. I know that Lemond bikes are sold by Trek...Greg Lemond's yearly "sour grapes" ranting and raving about Lance Armstrong is making me seriously consider purchasing another brand of bicycle. Trek needs to consider the effect this man is having on Trek customers like myself." July 16, 2004 (TREK000178).

"I can't believe what Lemond is saying about Lance. I will boycott any store that sells your bikes. You are not helping the sport or the American image." July 17, 2004 (TREK000328).

In July 2004, Trek received hundreds of emails like those above from consumers disappointed or outraged at Greg LeMond's comments on Lance Armstrong. Many of those comments indicated that those consumers would not buy or own a LeMond bicycle because they didn't want to be associated with the negative statements made by Greg LeMond.

In the summer of 2006, LeMond again renewed his public attacks against Lance Armstrong. LeMond told the French weekly edition of L'Equipe Dimanche that Armstrong threatened his wife, his business, and his livelihood. LeMond added that Armstrong was consumed with ambition: "He needs power - with money, or with women, he will never find happiness." LeMond also publicly speculated about Floyd Landis in the summer of 2006. Again the predictable onslaught of consumer outrage with LeMond's conduct led to more negative consumer reaction directed to Trek (Trek's Counterclaim and Third-Party Complaint, p. 10).

As might be expected, Trek again received numerous complaints from retail dealers and consumers following LeMond's public criticism of Lance Armstrong. The retail dealers were excited about the new 2007 LeMond line before these LeMond statements in the press. Some of the dealer comments are shown below:

"Why does he not just SHUT UP? Even if true, it is not good for business. He comes off once again as a bitter man who did not get the love at home that Lance did. Just in time for the release of the new "Lemond" line." June 26, 2006 (TREK000566).

"Last time LeMond spoke out about Lance my LeMond sales went down. I could not give the expensive ones away. Now he is out trash talking Lance again in the media. I thought we were past this and was excited about the new LeMond bikes. I don't see how this can help sales. Why can't Lance and LeMond see that they are on the same team, and this only hurts the sport." June 26, 2006 (TREK009707).

"Why can't he keep quiet? He is really making himself look like a jerk. We are getting some momentum with his new bikes and have seen them selling well. Now what do we say when customers say 'He's a jerk, I wouldn't ride a bike with his name on it.'" July 27, 2006 (TREK000633).

Consumers again responded to Greg LeMond's criticism of Lance Armstrong in the summer of 2006 by expressing their reactions to Trek. Some examples of consumer responses are shown below:

"If I hear one more unsubstantiated negative comment by LeMond regarding Armstrong, my next bike will not be a Trek." July 12, 2006 (TREK000508).

"LeMond's attack on Armstrong has finally convinced me to donate my LeMond bike to charity. I will NEVER purchase anything with his name on it again." June 27, 2006 (TREK009628).

"I will never again buy a Trek product so long as your firm is associated with Greg Lemond. His comments about Armstrong and Landis prove the man has extreme mental issues. I hope

and pray the brands of Trek and Lemond fade into obscurity. I have retired my old Trek 1400 (many a great century on that one) am selling my wife's 1200 and will soon sell my 2300." July 30, 2006 (TREK000512).

"..please extend my solemn promise to Greg Lemond I will never ride his bikes, buy his bikes or buy any product of any kind from which he benefits. His latest cutting remarks about Floyd Landis, and particularly Lance Armstrong, are judgmental, mean-spirited and haughty." July 31, 2006 (LCI02530).

These comments from 2006 also show that some consumers' reactions was to not buy Trek branded bicycles in addition to LeMond branded bicycles.

In the Fall of 2007, at a key time for the promotion of the LeMond line in Europe, LeMond once again lashed out against Lance Armstrong. During an interview with Tour magazine, one of the most influential European publications devoted to road cycling, LeMond claimed Armstrong and Trek were to blame for LeMond's recent absence from the public eye. "This is for my problems with Armstrong. I criticized his cooperation with Michael Ferrari and for that reason got into big trouble with Trek. If I had loudly said what I thought this would have been suicide for my business" (Trek's Counterclaim and Third-Party Complaint, p. 11).

Malcolm Davies, Trek's Subsidiaries Director, testified concerning the impact of LeMond's interview with Tour magazine (Malcolm Davies deposition, pp. 60-65). According to Davies, in early September 2007, an interview with Greg LeMond was published in Tour magazine discussing problems with Armstrong and that he would be in trouble with Trek. He said that published interview just created a whole huge amount of negativity around the LeMond brand, and it created some negativity for Trek. Davies said that the negativity was experienced as dealers came to Trek and basically said I really don't want to carry the LeMond line because they were uncertain about what the future is with this scenario going on in the background. These dealers thought that the relationship between Greg LeMond and Trek was not as it should be, not as you would expect it to be for a harmonious business relationship. He said that "we could see damage was done because we didn't get any orders."

According to Dean Gore, Trek's Director of Marketing, Trek's "strategy as a company is that

our goal is to take care of the dealer” (Dean Gore deposition, p. 78). He went on to state that Trek’s fate is 100 percent in the hands of the person who runs and buys bikes for the bike shop. The bike shop is going to sell what they have on the floor. John Burke said that the bicycle business is very dependent on bicycle retailers and when Greg LeMond made those public comments in 2001, it caused a lot of problems with our retailers (John Burke deposition, p. 11).

I contacted four of Trek’s larger retail dealers to inquire about the effects of Greg LeMond’s negative public comments about Lance Armstrong and other professional athletes. The four dealers I contacted were: Kevin Ishaug (Freewheel Bicycles); Pat Sorenson (Penn Cycle); Dan Thornton (Freeflight Bicycles); Chris Kegel (Wheel & Sprocket). All four of these dealers said that LeMond’s negative comments substantially lessened the demand for the LeMond product line.

Kevin Ishaug from Freewheel Bicycles in Minneapolis indicated that many customers were not willing to ride the brand given Greg LeMond’s outspokenness about Lance Armstrong. One in three or one in four customers were unwilling to ride a LeMond bike. Kevin Ishaug also said that:

“If Greg had taken the high road we would have seen LeMond’s sales grow with the industry growth. The LeMond product line was as good as any industry product. It was the right product, right colors, and right quality. Unfortunately, Greg’s inflammatory comments substantially lessened the demand for his bikes.”

Dan Thornton from FreeFlight Bicycles in Atlanta said that Greg LeMond’s 2006 public statements about Lance Armstrong killed the line. Dan Thornton said that:

“In 2006, there was a new LeMond product line – a lot of energy – it was a cool product, carbon fiber, light. Trek spent millions to develop. It was like a new birth for Greg LeMond product. Things he said before had calmed down somewhat – and he went off again on Lance right in the middle of introducing his new product line. It killed the line – it hurt our sales.

Pat Sorenson from Penn Cycle in Minneapolis said that Greg’s opening his mouth about Lance was stupid. He said his salespeople were disappointed and our customers were upset. Pat Sorenson said that:

“If Greg had acted professional and graciously and stepped down after he was injured (shot) and supported Lance and recognized his accomplishments everyone would have been better off – especially the LeMond line.”

Chris Kegel from Wheel & Sprocket in Milwaukee said that the major theme for his company was the enjoyment of cycling, having fun, showing energy and enthusiasm for the product, emphasizing the positive. He doesn't want hassles or negative positions on cycling like the doping issue. He said the bad press, around the LeMond brand didn't help anyone. He went on to say that:

"It is really a negative impact when you have discouraging stuff against an icon. This isn't good for business. Doping in general is one thing! When it is personalized against individual athletes - that is really bad."

VII. Determination of Economic Damages

Trek has alleged that LeMond's disparaging statements have caused substantial damage to the value of the LeMond trademarks he agreed to license to Trek, caused substantial harm to Trek's own brand and damaged Trek's ability to market and sell its products - including the LeMond branded bicycles. Trek also claims that Trek has suffered significant lost sales and has incurred a corresponding, substantial loss of profits directly attributable to LeMond's public attacks against Armstrong (Trek's Counterclaim and Third-Party Complaint, p. 8). Based on these allegations, Trek asked me to determine the loss of LeMond branded bicycle sales and corresponding profits directly attributable to LeMond's public attacks against Armstrong and other professional athletes.

I will utilize a lost profits analysis to determine Trek's economic damages. One of the fundamental questions I address is what would LeMond product line sales and profits had been in the years 2002 and beyond but for the attacks of Greg LeMond on Lance Armstrong and other professional athletes that began in 2001. It is necessary to project LeMond branded bicycle sales under the assumption that Greg LeMond did not publicly attack Lance Armstrong beginning in 2001 and continuing thereafter. I have used three alternative projection scenarios to predict what would have happened to LeMond brand bicycle sales in the years 2002 and beyond. These three projection scenarios are as follows:

Projection #1 is based on year-to-year changes in U.S. road bike sales;

Projection #2 is based on year-to-year changes in Trek brand road bike sales;