ROTH Capital Partners

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Focus Pick

Healthcare: Biotechnology

Retrophin, Inc. | RTRX - $10.68 - NASDAQ | *Buy*

Focus List Update

Estimates Changed, Target Price Changed

Stock Data	
52-Week Low - High	$3.40 - $14.00
Shares Out. (mil)	23.20
Mkt. Cap.(mil)	$247.7
3-Mo. Avg. Vol.	153,460
12-Mo.Price Target	$51.00
Cash (mil)	$55.0
Tot. Debt (mil)	$0.0

Cash (mil): Proforma cash on January 2014 equity financing
RTRX trading began on December 17, 2012

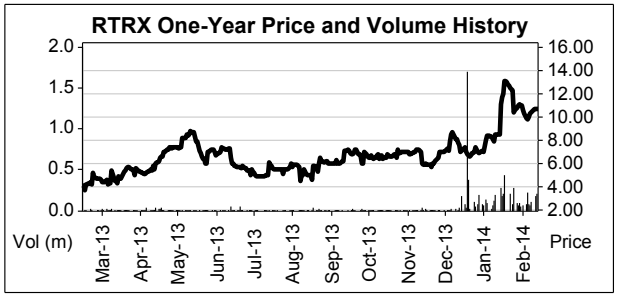
EPS $

Yr Dec	—2013E—	—2014E—		—2015E—	
		Curr	Prev	Curr	Prev
1Q	(0.44)A	(0.24)E	(0.24)E	-	-
2Q	(0.41)A	(0.22)E	(0.26)E	-	-
3Q	(0.71)A	(0.20)E	(0.22)E	-	-
4Q	(0.30)E	(0.10)E	(0.20)E	-	-
YEAR	(1.13)E	(0.75)E	(0.91)E	(0.71)E	(1.01)E
P/E	NM	NM	NM	NM	NM

Quarterly EPS may not add to full year based on increases in share count and rounding

Revenue ($ millions)

Yr Dec	—2013E—	—2014E—		—2015E—	
		Curr	Prev	Curr	Prev
1Q	0.0A	0.0E	0.0E	-	-
2Q	0.0A	1.1E	0.0E	-	-
3Q	0.0A	2.9E	2.2E	-	-
4Q	0.0E	7.1E	4.0E	-	-
YEAR	0.0E	11.0E	6.2E	20.0E	10.8E



RTRX: The Ever Building Portfolio; Reiterate Focus Pick; Target Upped to $51

We are impressed with the acquisition of Manchester as it brings in revenue generating products and continues to solidify the company's business strategy to target orphan and catastrophic disease. We reiterate our Focus Pick and are increasing our price target to $51 from $41.

Event

RTRX acquired privately held Manchester Pharmaceuticals for $62.5 million. RTRX will pay $29.5 million upfront and the remainder over the course of 2014. RTRX will also pay a royalty on drug sales, which we project could be in the 5-8% range. With the acquisition, the company brings in two FDA approved drugs, Chenodal and Vecamyl, which should generate revenue to the company immediately. The company has issued revenue guidance for the first time based on this transaction: 2014 - $10-12 million and 2015 - $19-21 million. Chenodal received FDA approval in 2009 for the treatment of gallstones, but its use has been exclusively in off label use for an orphan disease called CTX, and received Orphan Status in 2010 (discussed below). The company will file for approval for CTX in 2014 and also 1) quickly begin a Phase II/III in primary biliary cirrhosis (PBC) and 2) potentially explore the drug's potential in nonalcoholic steatohepatitis (NASH).

Impact

We are impressed with the acquisition and believe it fits very nicely with the company's business model targeting orphan and catastrophic diseases. We believe it is an understatement to say that the company could have a transformational year based on upcoming news flow. Syntocinon: 1) could be re-launched in 2Q14 for milk letdown, 2) Phase II data in schizophrenia in 3Q14 and 3) initiation of Phase II in 2Q14 in autism. PKAN: 1) 1st patient is being treated with 4-5 more patients in line; data to be released as it comes. Sparsentan: 1) complete enrollment FSGS study in 2014, 2) FSGS data in 1Q15 and 3) initiate study in another proteinuria-related kidney indication.

Action

We reiterate our Buy rating, Focus Pick and are raising our price target to $51 from $41. We believe that this increase in price target is conservative as we only added Chenodal for CTX in our valuation and did not include any contribution from PBC or Vecamyl contribution. We believe this further highlights the signficant upside potential from Retrophin's portfolio, in our belief.

Intraday price: $14.89 at 12:28 ET, 2/13/14

Retrophin's Product Additions from Manchester

Following the January 2014 equity financing, Retrophin has ~$55 million in proforma cash on hand. The company is paying $62.5 million for Manchester with $29.5 million upfront and the remainder to be paid over the course of 2014. RTRX will also pay a royalty to Manchester holders off of product sales of Chenodal and Vecamyl and we project this royalty to be in the 5-8% range.

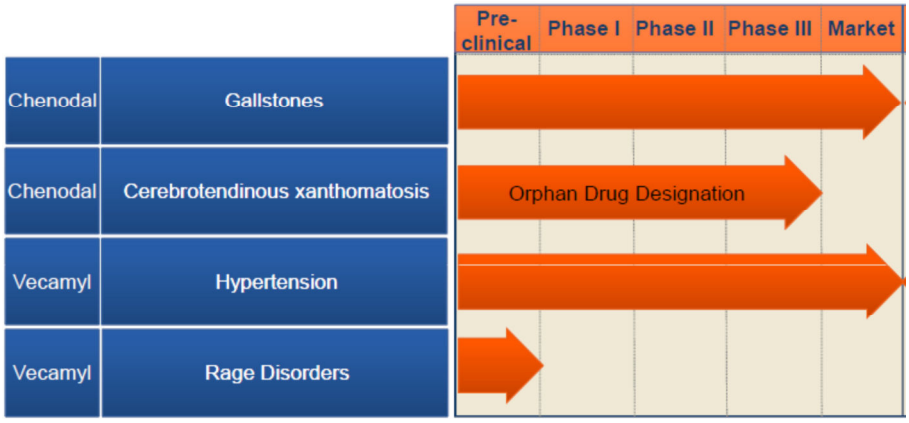
Revenue guidance

Retrophin is providing revenue guidance for the first time, which does not include potential revenues from Syntocinon.

- 2014 - $10-12 million
- 2015 - $19-21 million
- Manchester's EBITDA margins were 75-80%

The figure below provides a snapshot of what is being added to Retrophin's portfolio with the acquisition of Manchester.

What is Being Added?



Source: Retrophin – Mancheter investor presentation – February 13, 2014

Chenodal (chenodeoxycholic acid – CDCA)

Chenodal is a synthetic bile acid. Manchester received FDA approval for Chenodal in 2009 for the treatment of gallstones but was being used almost exclusively off label in an orphan indication called CTX (cerebrotendinous xanthomatosis), which is discussed below. Manchester received Orphan Status in 2010 for CTX and Retrophin will file for approval in CTX in 2014. Chenodal is the only drug available for CTX patients, however has not been available as of late.

The CTX Indication

CTX is a genetic disorder (autosomal recessive) of metabolism. In short, there is a mutation in the gene CYP27A (sterol-27-hydroxylase), which is an enzyme that converts cholesterol to CDCA. Normally CDCA binds to FXR, which downregulates CYP7A1 generating bile acids from cholesterol. Patients with the mutation cannot make CDCA leading to the upregulation of CYP7A1, which causes significant accumulation of toxic substances like cholestanol. This leads to the pathology of the disease, which includes, neonatal cholestatic jaundice, juvenile cataracts, abmormal lipid (fat) deposits and neurological deterioration due to brain deposits as well. 95-97% of CTX patients have neurological symptoms at diagnosis and can be lethal without Chenodal treatments. Patients need the drug back and a significant need exists for better screening. One example is the ability of ophthalmologists to refer children to specialists for screening when kids present with cataracts (should not be happening at early ages). Significant focus will be placed on further raising awareness with doctors, newborn genetic screening and establishing a patient registry in order to identify patients worldwide.

Currently the company believes there are 500-1,000 patients in the U.S. with CTX though believes this numbers is only 5-10% of patients who are diagnoses and treated.

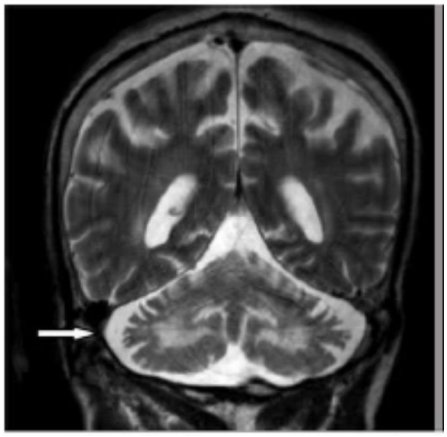
The reason Chenodal is so important to patients and why they are literally yelling for it back is that the replacement therapy is functionally curative for CTX patients. This is measure by the effects on serum cholestenol and seeing drops of ~98% in CTX patients following the drug treatment. CTX has "standard of care" status, though no official clinical trial was ever run, though it was being used off label.

The figures below contain examples of 1) the abnormal lipid deposition and 2) deposition in the brain (contributor to the neurological issues), respectively.

Examples of CTX Patients

Source: Retrophin – Mancheter investor presentation – February 13, 2014

Abnormal "Fatty Cholesterol Distribution" in the Brain of CTX Patients



Source: Retrophin – Mancheter investor presentation – February 13, 2014

A goal of Retrophin for Chenodal is to institute more realistic pricing for the drug. The current cost for Chenodal is ~$110,000 per year and the company looks toward price increases, which can also assist with product expansion and patient identification efforts. The table below focuses on payors and the total cost outlay for a particular product. The balance, or "right sizing" that Retrophin is looking for is based on overall costs, which include supportive care for many indications on top of the cost of the drug. In the case of Chenodal, the drug is functionally curative so the thesis

is that higher pricing is warranted, but would save insurers money over time because of the reduced external costs to the drug.

Does Chenodal Warrant Higher Pricing?

	US Revenue	Cost to HMO	Annual Cost / Life Covered	% of HMOs drug spend	PPPY	Generic Alternative?
Humira	6,668	1,000	24.40	1.334%		YES
Abilify	6,076	911	22.23	1.215%		YES
Januvia	3,120	468	11.41	0.624%		YES
Soliris	560	84	2.05	0.112%	450,000	NO
Fabrazyme	267	40	0.98	0.053%	300,000	NO
Cerezyme	239	36	0.87	0.048%	300,000	NO
Kalydeco	200	30	0.73	0.040%	307,236	NO
Myozyme	168	25	0.61	0.034%	600,000	NO
Elaprase	150	23	0.55	0.030%	500,000	NO
Vpriv	100	15	0.37	0.020%	300,000	NO
Naglazyme	50	8	0.18	0.010%	750,000	NO
Chenodal	5	1	0.02	0.001%	113,520	NO
Total Ultra-Premium Price Segment				**0.348%**		

Source: Retrophin – Mancheter investor presentation – February 13, 2014

Next steps for Chenodal?

Retrophin will seek approval for CTX this year and hopes for a simple process with the agency based on the broad feedback from physicians that the drug is curative and vocal patient complaints when they went off drug. Recall that the drug also has Orphan Status so would enjoy 7-years of market exclusivity. Providing another layer of protection is that the drug is sold through a closed distribution system, which does not allow for generics to penetrate the product ("concierge medicine"). This close system is "invitation only" and should the distributor receive a prescription from a generic company, Retrophin would deny it.

The company will also look toward additional indications such as primary biliary cirrhosis (PBC) and nonalcoholic steatohepatitis (NASH). The company is planning to start a Phase II/III in PBC shortly. PBC is considered an autoimmune disease affecting the small bile ducts in the liver, leading to their progressive degeneration overtime. The destruction of these ducts causes accumulation and leakage of bile in the liver and subsequent liver tissue damage that leads to biliary fibrosis and impaired liver function. Other symptoms of PBC include chronic fatigue, jaundice, pruritus, pain in bones and abdomen and diarrhea. While the cause of PBC is unknown, PBC patients are usually positive for anti-mitochondrial antibody (AMA) and anti-nuclear antibody (ANA), which serve as diagnostic tools alongside tests of liver functions, such as measuring levels of alkaline phosphatase in blood. There is currently no cure for PBC. Patients may be treated with Ursodiol (Actigall), the only FDA-approved drug for PBC, that helps bile drainage and delays time to liver failure.

Vecamyl (mecamylamine hydrochloride)

Vecamyl is FDA approved for the management of moderately severe to severe essential hypertension and in uncomplicated cases of malignant hypertension. The drug has seen strong growth since its reintroduction to the market with no marketing. Additionally the drug has a level of off label usage in rage associated with autism spectrum disorder. Retrophin plans to continue to make Vecamyl available but does not intend to engage in any marketing activities.

Valuation Changes from Manchester – Only Adding Chenodal for CTX

We are raising our price target to $51 from $41 based on the addition of the Manchester products to our valuation. Our valuation of Retrophin is based on our probability-weighted clinical net present value (NPV) valuation model. We believe this method is appropriate in capturing the value of the clinical stage pipeline. It allows for the flexing of assumptions based on key factors such as chance of success, peak sales estimates, and year of commercial launch.

Our old and new clinical NPV models are highlighted below. The primary highlight in our move is that we have only added Chenodal for CTX into the valuation and conservatively left out the opportunity for PBC and the revenue contribution from Vecamyl in order to show the upside potential from current levels. The additions to our NPV model are shaded below.

Old Retrophin Clinical NPV Valuation Model

Drug name	Indication	Status	Launch	Success	Peak Sales (US$m)	Royalty	Profitability	NPV (US$)
Syntocinon	Milk letdown	Pre-launch	2014	50%	75	100%	30%	3.80
Syntocinon	Schizophrenia	Phase II	2018	5%	500	100%	30%	1.45
Syntocinon	Autism	Phase II	2019	5%	500	100%	30%	1.26
Sparsentan (RE-021)	FSGS	Phase II	2016	55%	375	100%	30%	15.82
RE-034	Infantile spasms	Phase II	2016	30%	350	100%	30%	8.05
RE-034	Nephrotic syndrome	Phase II	2017	30%	350	100%	30%	7.00
RE-024	PKAN	Phase I	2016	15%	320	100%	30%	3.68
							Total	41.07

Source: ROTH Capital Partners estimates

Updated Retrophin Clinical NPV Valuation Model

Drug name	Indication	Status	Launch	Success	Peak Sales (US$m)	Economics	Profitability	NPV (US$)
Syntocinon	Milk letdown	Pre-launch	2014	50%	75	100%	30%	3.80
Syntocinon	Schizophrenia	Phase II	2018	5%	500	100%	30%	1.45
Syntocinon	Autism	Phase II	2019	5%	500	100%	30%	1.26
Sparsentan (RE-021)	FSGS	Phase II	2016	55%	375	100%	30%	15.82
RE-034	Infantile spasms	Phase II	2016	30%	350	100%	30%	8.05
RE-034	Nephrotic syndrome	Phase II	2017	30%	350	100%	30%	7.00
RE-024	PKAN	Phase I	2016	15%	320	100%	30%	3.68
Chenodal	CTX	Filing	2015	75%	150	100%	30%	9.92
Chenodal	Primary biliary cirrhosis	Phase II/III	2018	0%	350	100%	30%	0.00
Vecamyl	Hypertension	Marketed	2014	0%	350	100%	30%	0.00
Vecamyl	Rage disorder - ASD	Preclinical	2021	0%	200	100%	30%	0.00
							Total	50.99

Source: ROTH Capital Partners estimates

Valuation upside potential – Our valuation of Retrophin as mentioned, is now based on what we consider to be modest projections for the totality of the pipeline. We see upside potential on multiple fronts to our valuation, based on increasing the chance of success for a particular indication and increasing the peak sales numbers should any of the products gain more market traction than expected. As additional therapeutic indications are addressed, this could also have a beneficial impact on our valuation methodology. For example, Sparsentan has the potential to address multiple other indications which we currently do not include in our valuation. Also, adding other future pipeline programs into our valuation mix should also positively impact our NPV.

Valuation downside potential – As with the majority of companies in clinical development, there exists the risk of failed or inconclusive clinical trials, which could lead to downward pressure on the stock. We believe that Retrophin helps to mitigate this risk by evaluating therapeutic agents with potential in multiple indications. Cancer is an important example, where failure in one malignancy type and one particular line of treatment does not preclude success in other tumor types.

VALUATION

We reiterate our Buy rating, Focus Pick and are raising our price target to $51 from $41. We believe our price target increase is conservative as we only added Chenodal for CTX in our valuation and did not include any contribution from PBC or any Vecamyl contribution, thought the product is generating revenue.

Our valuation of Retrophin is based on our probability-weighted clinical net present value (NPV) valuation model. We believe this method is appropriate in capturing the value of the clinical stage pipeline. It allows for the flexing of assumptions based on key factors such as chance of success, peak sales estimates, and year of commercial launch. Factors which could impede shares of RTRX from reaching our price target include negative results from ongoing clinical trials as well as an inability to continually fund operations as a nonprofitable biotechnology company.

RISKS

· **Clinical and regulatory risk.** Drug development company's valuations are highly dependent on the outcomes of clinical trials. When considering Retrophin, the company targets indications with clear unmet medical needs. We believe that one of the continuing perceived risks is the regulatory path for RE-021 in FSGS and the planned primary endpoint of proteinuria. This appears to be a recurring concern for investors, in our belief, though Retrophin has received a letter from the FDA confirming its comfort level with having proteinuria as a primary endpoint. Additionally, while the PKAN program has a potential rapid development pathway, it is only about to enter the clinic, so therefore has increased risk from both a clinical and valuation standpoint.

· **Financing risk**. As with a majority of development-stage biotechnology companies, the ability to maintain sufficient funding is critical to the progress of pipeline candidates. Should Retrophin experience problems raising sufficient capital, its development programs' progress could be significantly impeded, leading to both delays in development timelines as well as potential negative effects on investor confidence. Each of these could have a negative impact on the share price. Retrophin has multiple clinical, in-licensing and potential acquisition plans in play right now. We believe that an important concern of investors is how the company is going to fund all of these initiatives.

· **Perceptions of "accelerated regulatory pathways".** Accelerated paths to potential FDA approval represent an attractive approach for companies that choose the right diseases. While clinical development plans may be clear, Retrophin must be vigilant in its discussions with the FDA to ensure agreement on all points associated with a potential approval path. Should the FDA require additional information or clinical trials, the perception of delays could negatively impact the stock.

· **Manufacturing and operational risks.** We expect Retrophin to continue to outsourcing its manufacturing. Dependence on a third party adds an additional layer of risk and any delays or disruptions in drug supply for trials or commercialization could significantly impact the stock. The stock is currently listed OTC, and we believe this limits the potential investor base and trading liquidity. We believe an uplisting to NASDAQ would help alleviate these issues.

COMPANY DESCRIPTION

Retrophin, Inc., a biopharmaceutical company, engages in the discovery, development, and commercialization of orphan drugs for the treatment of rare and life-threatening diseases. The company develops treatments for Focal Segmental Glomerulosclerosis (FSGS), Pantothenate Kinase-Associated Neurodegeneration (PKAN), Duchenne Muscular Dystrophy and other catastrophic diseases. Its products include RE-021, a small molecule angiotensin receptor blocker and selective endothelin receptor antagonist for the treatment of FSGS; and RE-024, a drug that restores the disruption in the biochemical Coenzyme A pathway caused by the non-functioning PANK2 encoded enzyme. The company also develops RE-001, a recombinant fusion protein that substitutes the dystrophin that is lacking in DMD patients; and RE-003, an investigational agent for spinal muscular atrophy. The company was founded in 2011 and is based in New York, New York.

Retrophin

Mar. 11, 2011 inception through Dec. 31, 2011
($ in millions except per share data) DGTE trading prior to Dec. 17, 2012 - merger

Profit & Loss	**2011A**	**2012A**	**2013E**	**2014E**	**2015E**	**2016E**
Licensing	0.0	0.0	0.0	0.0	0.0	0.0
R&D collaborations	0.0	0.0	0.0	0.0	0.0	0.0
Product and Royalties	0.0	0.0	0.0	11.0	20.0	33.0
Other revenues	0.0	0.0	0.0	0.0	0.0	0.0
Revenues	**0.0**	**0.0**	**0.0**	**11.0**	**20.0**	**33.0**
CoGS	0.0	0.0	0.0	1.7	3.0	5.0
Gross Profit	**0.0**	**0.0**	**0.0**	**9.4**	**17.0**	**28.1**
Gross margin	*0%*	*0%*	*0%*	*85%*	*85%*	*85%*
G&A	3.3	30.3	15.1	18.2	21.4	24.6
R&D	0.0	0.0	3.0	9.5	14.2	19.8
Other op ex	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	**(3.3)**	**(30.3)**	**(18.1)**	**(18.3)**	**(18.6)**	**(16.4)**
EBIT margin	*nm*	*nm*	*nm*	*nm*	*nm*	*nm*
Non operating expenses	0.0	0.0	0.0	0.0	0.0	0.0
Net Interest Income/Other	(0.0)	0.0	(10.0)	(0.8)	0.1	0.1
Interest expense	0.0	0.1	0.1	0.0	0.0	0.0
EBT	**(3.3)**	**(30.3)**	**(28.2)**	**(19.1)**	**(18.5)**	**(16.3)**
EBT margin	*nm*	*nm*	*nm*	*nm*	*nm*	*nm*
Provision for taxes	0.0	0.0	0.0	0.0	0.0	0.0
Net Income	**(3.3)**	**(30.3)**	**(28.2)**	**(19.1)**	**(18.5)**	**(16.3)**
Participation of preferred stock	(0.0)	(0.0)	0.0	0.0	0.0	0.0
Net Income to common	**(3.3)**	**(30.3)**	**(28.2)**	**(19.1)**	**(18.5)**	**(16.3)**
net margin	*nm*	*nm*	*nm*	*nm*	*nm*	*nm*
NoSH	2.1	3.7	25.0	25.3	26.0	27.0
EPS - basic	**(1.59)**	**(8.29)**	**(1.13)**	**(0.75)**	**(0.71)**	**(0.60)**
EPS - diluted		**(8.29)**	**(1.13)**	**(0.75)**	**(0.71)**	**(0.60)**

Source: SEC Filings and ROTH Capital Partners estimates

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Quarterly P&L

	Q1'13A	Q2'13A	H1'13A	Q3'13A	9M'13A	Q4'13E	FY'13E	Q1'14E	Q2'14E	H1'14E	Q3'14E	9M'14E	Q4'14E	FY'14E
Licensing	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.0
R&D collaborations	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.0
Product and Royalties	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.00	1.10	1.10	2.85	3.95	7.05	11.0
Other revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.0
Revenues	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.0**	**0.00**	**1.10**	**1.10**	**2.85**	**3.95**	**7.05**	**11.0**
CoGS	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.00	0.19	0.19	0.45	0.64	1.01	1.7
Gross Profit	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.0**	**0.00**	**0.91**	**0.91**	**2.40**	**3.31**	**6.04**	**9.4**
Gross margin	*nm*	*nm*	*nm*	*nm*	*nm*	*nm*	*0%*	*nm*	*nm*	*nm*	*nm*	*nm*	*nm*	*85%*
G&A	2.25	5.10	7.35	3.75	11.10	4.02	15.1	4.19	4.29	8.48	4.48	12.96	5.19	18.2
R&D	0.00	0.00	0.00	1.40	1.40	1.60	3.0	1.66	2.00	3.66	2.68	6.34	3.11	9.5
Other op ex	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.0
EBITDA	**(2.3)**	**(5.1)**	**(7.4)**	**(5.2)**	**(12.5)**	**(5.6)**	**(18.1)**	**(5.9)**	**(5.4)**	**(11.2)**	**(4.8)**	**(16.0)**	**(2.3)**	**(18.3)**
EBITDA margin							*nm*							*nm*
Non operating expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.0
Net Interest Income/Other	(2.45)	0.06	(2.39)	(5.74)	(8.13)	(1.87)	(10.0)	(0.20)	(0.20)	(0.40)	(0.20)	(0.60)	(0.20)	(0.8)
Interest expense	0.04	0.00	0.05	0.00	0.05	0.00	0.1	0.00	0.00	0.00	0.00	0.00	0.00	0.0
EBT	**(4.7)**	**(5.0)**	**(9.8)**	**(10.9)**	**(20.7)**	**(7.5)**	**(28.2)**	**(6.1)**	**(5.6)**	**(11.6)**	**(5.0)**	**(16.6)**	**(2.5)**	**(19.1)**
EBT margin							*nm*							*nm*
Provision for taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.0
Participation of preferred stock														
Net Income to common	**(4.7)**	**(5.0)**	**(9.8)**	**(10.9)**	**(20.7)**	**(7.5)**	**(28.2)**	**(6.1)**	**(5.6)**	**(11.6)**	**(5.0)**	**(16.6)**	**(2.5)**	**(19.1)**
net margin							*nm*							*nm*
NoSH	10.7	12.3	11.48	15.37	12.77	25.00	25.00	25.3	25.3	25.30	25.30	25.30	25.30	25.30
EPS - diluted	**(0.44)**	**(0.41)**	**(0.85)**	**(0.71)**	**(1.62)**	**(0.30)**	**(1.13)**	**(0.24)**	**(0.22)**	**(0.46)**	**(0.20)**	**(0.66)**	**(0.10)**	**(0.75)**

Source: SEC Filings and ROTH Capital Partners estimates

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Shares of Retrophin, Inc. may be subject to the Securities and Exchange Commission's Penny Stock Rules, which may set forth sales practice requirements for certain low-priced securities.

Shares of Retrophin, Inc. may not be eligible for sale in one or more states.

On September 28, 2010, ROTH changed its rating system in order to replace the Hold rating with Neutral.

On May 26, 2011, ROTH changed its rating system in order to incorporate coverage that is Under Review.

Each box on the Rating and Price Target History chart above represents a date on which an analyst made a change to a rating or price target, except for the first box, which may only represent the first note written during the past three years. **Distribution Ratings/IB Services** shows the number of companies in each rating category from which Roth or an affiliate received compensation for investment banking services in the past 12 month.

Distribution of IB Services Firmwide

			IB Serv./Past 12 Mos. as of 02/13/14	
Rating	**Count**	**Percent**	**Count**	**Percent**
Buy [B]	**182**	**78.11**	**101**	**55.49**
Neutral [N]	**32**	**13.73**	**11**	**34.38**
Sell [S]	**1**	**0.43**	**0**	**0**
Under Review [UR]	**18**	**7.73**	**7**	**38.89**

Our rating system attempts to incorporate industry, company and/or overall market risk and volatility. Consequently, at any given point in time, our investment rating on a stock and its implied price movement may not correspond to the stated 12-month price target.

Ratings System Definitions - ROTH employs a rating system based on the following:

Buy: A rating, which at the time it is instituted and or reiterated, that indicates an expectation of a total return of at least 10% over the next 12 months.

Neutral: A rating, which at the time it is instituted and or reiterated, that indicates an expectation of a total return between negative 10% and 10% over the next 12 months.

Sell: A rating, which at the time it is instituted and or reiterated, that indicates an expectation that the price will depreciate by more than 10% over the next 12 months.

Under Review [UR]: A rating, which at the time it is instituted and or reiterated, indicates the temporary removal of the prior rating, price target and estimates for the security. Prior rating, price target and estimates should no longer be relied upon for UR-rated securities.

Not Covered [NC]: ROTH does not publish research or have an opinion about this security.

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