CONSOLIDATED CLASS ACTION COMPLAINT

Lead Plaintiffs B.V. Brooks and Kathryn Brooks, John L. Marocchi, Herbert R. Albert and Sales Marketing Group, MMP (“Lead Plaintiffs”), by their attorneys, on behalf of themselves and all others similarly situated, allege the following based upon the investigation of Lead Plaintiffs’ counsel, except as to allegations specifically pertaining to Lead Plaintiffs, which are based on personal knowledge. The investigation of counsel included, among other things, a review of ProQuest Company’s (“ProQuest” or the “Company”) public filings with the United States Securities and Exchange Commission (“SEC”), press releases issued by the Company, interviews with former employees of ProQuest, public conference calls, media and news reports about the Company, and other publicly available data, including, but not limited to, publicly available trading data relating to the price and trading volume of ProQuest’s publicly traded securities.

I. INTRODUCTION

1. This is a securities class action on behalf of all persons who purchased the publicly traded securities of ProQuest between February 20, 2001 and April 27, 2006 (the "Class Period"), against ProQuest and certain of its officers for violations of the Securities Exchange Act of 1934 (the "1934 Act").
2. As detailed herein, throughout the Class Period, Defendants portrayed ProQuest as a company with consistently growing revenues and earnings. The reported revenues and earnings figures, however, were false – achieved through a variety of improper accounting machinations which resulted in the overstatement of revenues and understatement of expenses – thus resulting in the price of the Company’s stock being artificially inflated.

3. Investors in ProQuest, and the market in general, began to learn of the accounting shenanigans when the Company announced on February 9, 2006, before the market opened, that it had discovered “material irregularities in its accounting” which would cause it to have to restate certain of its previously issued financial statements. Among the irregularities identified at the time were materially understated deferred income and accrued royalty accounts and materially overstated prepaid royalties. The Company further stated that because of the accounting irregularities, it would need to materially reduce previously reported earnings from continuing operations for many of the affected periods and, therefore, the Company’s previously issued financial statements for fiscal years 1999 through 2004 and quarterly periods in 2005, as well as the Company’s guidance for fiscal year 2005, should no longer be relied upon.

4. Investors reacted harshly to the February 9, 2006 revelations, with the price of ProQuest stock dropping that day approximately 18% from $29.41 per share, the closing price of ProQuest shares on February 8, 2006, to $24.19 per share on heavy trading volume. However, the full magnitude of the fraud at ProQuest was still being concealed by Defendants.

5. On April 28, 2006, before the market opened, ProQuest disclosed preliminary details of its expected restatement. Indeed, the Company revealed that it:

expects to restate earnings from continuing operations by reducing previously reported pre-tax earnings by a total of $35 million to $45 million [or between 43% and 78%] for the first three quarters of 2005 and by $45 million to $55 million [or between 47% and 69%] for the full year 2004….
[T]he Company believes it will also restate earnings for fiscal years 2000 through 2003.

(Alterations added).

6. The magnitude of ProQuest’s expected restatement is detailed in the following charts:

<table>
<thead>
<tr>
<th>Originally Reported Pretax Earnings for First Three Quarters of 2005-ended October 1, 2005</th>
<th>Expected Downward Restatement</th>
<th>Expected Restated Pretax Earnings for First Three Quarters of 2005-ended October 1, 2005</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>$81.5 million (earnings from continuing operations before interest and income taxes.)</td>
<td>($35-45 million)</td>
<td>$46-36 million</td>
<td>43-55% decrease in earnings</td>
</tr>
<tr>
<td>$57.7 million (earnings from continuing operations before income taxes.)</td>
<td>($35-45 million)</td>
<td>$23-13 million</td>
<td>60-78% decrease in earnings</td>
</tr>
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<tbody>
<tr>
<td>$96.2 million (earnings from continuing operations before interest and income taxes.)</td>
<td>($45-55 million)</td>
<td>$51-41 million</td>
<td>47-57% decrease</td>
</tr>
<tr>
<td>$79.8 million (earnings from continuing operations before income taxes.)</td>
<td>($45-55 million)</td>
<td>$35-25 million</td>
<td>56-69% decrease</td>
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7. In the same April 28, 2006 announcement, ProQuest also revealed that it was investigating the propriety of its revenue recognition policies relating to approximately $35 million of revenues recognized “for certain one-time sales of published products” and recorded between fiscal years 2002 and 2005.

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ProQuest’s April 28, 2006 press release indicated that the Company expects to restate its “earnings from continuing operations by reducing previously reported pre-tax earnings . . . .” (Emphasis added). The Company did not, however, disclose how the restatement will affect the Company’s previously reported net earnings. Accordingly, the chart above analyzes the impact of the expected restatement on two pre-tax earnings metrics reported by ProQuest during the affected periods: 1) earnings from continuing operations before interest and income taxes; and 2) earnings from continuing operations before income taxes.
8. Once again, investors reacted negatively to the Company’s April 28, 2006 disclosures with the price of ProQuest stock closing at $15.70 per share, a decline of 28% from the prior day’s close of $21.72 per share. The next trading day the stock declined another 22% to close at $12.31 per share.

9. While investors may have been shocked by the Company’s revelations about accounting irregularities, there can be little doubt that Defendants knew of or at least recklessly disregarded the massive accounting irregularities plaguing the Company’s accounting and which were being concealed from the market. Indeed, as confirmed by at least one former ProQuest accounting department employee who was intimately involved in preparing the Company’s SEC filings (and described in more detail herein), Company executives regularly met during the Class Period to discuss wrongfully managing earnings by underreporting expenses. This same former employee had also complained to Company executives about ProQuest’s premature recognition of revenues during the Class Period.

10. Additionally, Defendants’ motivation to engage in the fraud described herein could not be more clear. Indeed, one of the Defendants, James P. Roemer, who throughout the Class Period served as either Chairman, CEO and/or director of ProQuest, sold 100% of his ProQuest stock for proceeds of nearly $24 million during the Class Period. Moreover, Defendants arranged for an offering of 5.9 million shares of artificially inflated ProQuest stock in June 2002, reaping proceeds of more than $123 million for the Company and certain Company insiders, and used artificially inflated ProQuest stock as currency in connection with the acquisition of another company in December 2004.
II. JURISDICTION AND VENUE

11. Jurisdiction is conferred by §27 of the 1934 Act. The claims asserted herein arise under §§10(b) and 20(a) of the 1934 Act and SEC Rule l0b-5.

12. Venue is proper in this District pursuant to §27 of the 1934 Act. Many of the false and misleading statements were made in or issued from this District.

13. The Company's principal executive offices are located at 777 Eisenhower Parkway, Ann Arbor, Michigan. During the Class Period, the Company maintained offices at 300 North Zeeb Road, Ann Arbor, Michigan.

III. THE PARTIES

14. Lead Plaintiffs purchased ProQuest common stock as described in the certifications previously filed with the Court and were damaged thereby.

15. Defendant ProQuest is a Delaware corporation with a principal executive office in Michigan. ProQuest purports to be a leading publisher of information solutions for the education, automotive, and power equipment markets. ProQuest was formerly known as Bell & Howell Co. (“Bell and Howell”) and traded on the NYSE under the symbol “BHW”. On June 6, 2001, the Company changed its name from Bell & Howell to Proquest Company and the Company began trading its stock on the NYSE under the symbol “PQE”.

16. Defendant Alan W. Aldworth (“Aldworth”) is the Chairman of the Board, President and CEO of the Company. Aldworth was named Chairman of the Board of Directors in May 2004 and Chief Executive Officer of ProQuest in January 2003. Aldworth joined the Company in October 2000 as Senior Vice President and Chief Financial Officer and was promoted to President and Chief Operating Officer in January 2002.
17. Defendant Kevin G. Gregory (“Gregory”) was Chief Financial Officer of the Company from June 2002 until at least the end of the period ended October 1, 2005. On May 6, 2005, ProQuest disclosed that Gregory would “step down as CFO by year-end 2005.”

18. Defendant James P. Roemer (“Roemer”) is currently a member of ProQuest’s Board of Directors and served as Chairman of the Board from at least the beginning of the Class Period until May 2004, and Chief Executive Officer from at least the beginning of the Class Period until January 2003. Prior to the Class Period, Roemer was President of the Company from 1995 through January 2001.

19. Defendants Aldworth, Gregory and Roemer, because of their positions with the Company, possessed the power and authority to control the contents of ProQuest's quarterly and annual reports, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, i.e., the market.

20. Defendants Aldworth, Gregory and Roemer were provided with copies of the Company's reports and press releases alleged herein to be misleading prior to or shortly after their issuance, and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and their access to material non-public information available to them but not to the public, Aldworth, Gregory and Roemer knew that the adverse facts specified herein had not been disclosed to and were being concealed from the public and that the positive representations being made were then materially false and misleading. Aldworth, Gregory and Roemer are liable for the false statements identified herein.

IV. BACKGROUND CONCERNING PROQUEST’S BUSINESS

21. ProQuest claims to be a leading publisher of solutions for the education, automotive and power equipment markets. In its annual report filed on Form 10-K with the SEC
for its fiscal year ended January 1, 2005, ProQuest stated: “[The Company has] more than 50 years of experience in information, content development, and aggregation. Our predecessor company, Bell & Howell Company, was known for creative, technology-based solutions. It was incorporated in Delaware in 1907. In 2001, we sold our legacy Imaging, Mail and Messaging Technologies and finance-related businesses and changed our name to ProQuest Company.”

22. ProQuest provides products and services to its customers through two business segments: ProQuest Information and Learning (“PQIL”) and ProQuest Business Solutions (“PQBS”). For its fiscal year ended January 1, 2005, approximately 63% of ProQuest’s revenue was reportedly derived from its PQIL segment and approximately 37% of ProQuest’s revenue was reportedly derived from its PQBS segment.

23. ProQuest’s PQIL division primarily serves the education market and ProQuest claims its products are present in most academic research libraries around the world. According to the Company, the PQIL division:

converts information to microfilm and electronic form and add[s] value to this information through our professionally prepared proprietary abstracts and indices. The result is an expansive information vault that includes content from over 18,000 periodical titles and 7,000 newspaper titles, as well as a unique content collection consisting of approximately two million dissertations, 150,000 out-of-print books, 550 research collections, and over 15 million proprietary abstracts.

Along with this expansive information vault, we provide proprietary tools that assist the user in finding the right content. Our ProQuest interface assists users in the navigation of our databases and obtaining productive results by incorporating features such as contextual help, simple search-building tips, intuitive icons, and dropdown menus . . . .

Our library customers generally sign a one year subscription contract to access our proprietary database or receive microform updates.
24. ProQuest claims its PQBS division is the global leader in the development and deployment of parts and service information products and dealer performance applications for the automotive market.

V. FALSE AND MISLEADING STATEMENTS ISSUED DURING THE CLASS PERIOD

A. Financial Results for the Fiscal Quarter and Year Ended December 30, 2000

25. On February 20, 2001, Bell & Howell issued a press release titled “Bell & Howell Announces Strong Results from Continuing Operations for Fourth Quarter 2000; Provides 2001 Financial Guidance” that stated, in part, that for the quarter ended December 30, 2000 earnings before interest and taxes (“EBIT”) were $12.3 million and revenues were $99.7 million and for the year ended December 30, 2000, Bell & Howell reported EBIT of $42.4 million and revenues of $374.3 million.

26. On March 30, 2001, ProQuest filed its annual report on Form 10-K with the SEC for its fiscal year ended December 30, 2000. The annual report, signed by Defendants Roemer and Aldworth stated that ProQuest reported net sales of $374.3 million, earnings from continuing operations before interest, income taxes, equity in earnings (loss) of affiliates and cumulative effect of a change in accounting principle of $40 million and a net loss of $68.7 million or $2.90 per diluted share.

27. The statements above in ¶¶25-26 were materially false and misleading because, as set forth below at ¶¶105, 108 the financial results reported were the product of accounting irregularities, including the material understatement of expenses and premature and/or otherwise wrongful recognition of revenue and violated Generally Accepted Accounting Principles (“GAAP”), including those provisions outlined at ¶¶113-19. ProQuest has admitted that it
expects to restate earnings from continuing operations for the fiscal year ended December 30, 2000 by reducing previously reported pre-tax earnings by a material amount.

B. **Financial Results for the Fiscal Quarter Ended March 31, 2001**


29. On May 15, 2001, ProQuest filed its Quarterly Report Form 10-Q with the SEC for the quarter ended March 31, 2001. The Quarterly Report, signed by Defendants Roemer and Aldworth, reported net sales of $95.9 million, earnings from continuing operations before interest, income taxes, equity in loss of affiliate, and cumulative effect of a change in accounting principle of $14.2 million and net earnings of $45.2 million or $1.91 per diluted share.

C. **Financial Results for the Fiscal Quarter Ended June 30, 2001**

30. On July 18, 2001, ProQuest issued a press released titled “ProQuest Reports 54% Increase in EBIT; Reaffirms Full-Year Guidance Based on Strong New Product Lineup” that stated, in part, that for the quarter ended June 30, 2001, the Company reported EBIT from continuing operations of $16.5 million and revenues of $100.7 million. Defendant Roemer stated that “ProQuest is a focused, growing, highly profitable and predictable enterprise – easy to follow and understand for our investors, and easy to do business with for our customers.”

31. On August 13, 2001, ProQuest filed its Quarterly Report on Form 10-Q with the SEC for the quarter ended June 30, 2001. The Quarterly Report, signed by Defendants Roemer and Aldworth stated that ProQuest reported net sales of $100.7 million, earnings from continuing
operations before interest, income taxes, equity in loss of affiliate, and cumulative effect of a
change in accounting principle of $16.5 million and a net loss of $96,000.

D. Financial Results for the Fiscal Quarter Ended September 29, 2001

32. On October 17, 2001, ProQuest issued a press release titled “ProQuest Company
Reports 33% Increase in EBIT for Third Quarter 2001” that stated, in part, that for the quarter
ended September 29, 2001, ProQuest reported EBIT of $15.7 million, total revenue of $98.6
million, and earnings for the quarter were $5.6 million or $0.23 per fully diluted share.

33. On November 13, 2001, ProQuest filed its Quarterly Report on Form 10-Q with
the SEC for the quarter ended September 29, 2001. The Quarterly Report, signed by Defendants
Roemer and Aldworth, stated that for the period ended September 29, 2001, the Company
reported net sales of $98.6 million, earnings from continuing operations before interest, income
taxes, equity in loss of affiliate and cumulative effect of a change in accounting principle of
$15.7 million, and a net loss of $30.5 million or a loss of $1.28 per fully diluted share.

E. Financial Results for the Fiscal Quarter and Year Ended December 29, 2001

34. On February 13, 2002, ProQuest issued a press release titled “ProQuest
Announces 80% Increase in EBIT Growth for Fourth Quarter 2001; Management Expands
Guidance for 2002” that reported, in part, that for the quarter ended December 29, 2001,
revenues were $106.4 million, EBIT from continuing operations excluding one-time transactions
was $22.2 million, and net earnings from continuing operations for the quarter were $9.8 million
or $0.40 per diluted share. For the fiscal year ended December 29, 2001, the Company reported
revenues of $401.6 million, EBIT of $68.7 million, and net earnings from continuing operations
was $27.1 million or $1.13 per diluted share.
35. On March 29, 2002, ProQuest filed its Annual Report on Form 10-K with the SEC for the fiscal year ended December 29, 2001. The Annual Report, signed by Defendants Roemer and Aldworth, reported net sales of $401.6 million, and earnings from continuing operations before interest, income taxes, equity in loss of affiliate and cumulative effect of a change in accounting principle of $66.4 million and net earnings of $17.8 million or $0.74 per diluted common share. In addition, the Company reported for the quarter ended December 29, 2001, net sales of $106.4 million, earnings from continuing operations before cumulative effect of a change in accounting principle of $8.4 million, and earnings of $0.35 per diluted share.

36. The 2001 annual report stated, in part that “Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States, which requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.”

37. The statements above in ¶¶28-36 were materially false and misleading because, as set forth below at ¶¶105, 108 the financial results reported were the product of accounting irregularities, including the material understatement of expenses and premature and/or otherwise wrongful recognition of revenue and violated GAAP, including those provisions outlined at ¶¶113-19. ProQuest has admitted that it expects to restate earnings from continuing operations for the fiscal year ended December 29, 2001 by reducing previously reported pre-tax earnings by a material amount.

F. Financial Results for the Fiscal Quarter Ended March 30, 2002

38. On April 17, 2002, ProQuest issued a press release titled “ProQuest Announces 27% EBIT Growth, 31% EPS Growth for First Quarter 2002,” that stated, in part, that for the
quarter ended March 30, 2002, ProQuest reported revenues of $102.8 million, EBIT of $20.5 million and net earnings from continuing operations of $8.3 million or $0.34 per fully diluted share.

39. On April 18, 2002, the Company conducted a conference call with investors. During the conference call, defendant Roemer repeated the financial results for the quarter ended March 30, 2002 that had been previously disclosed in the Company’s April 17, 2002 press release.

40. On May 14, 2002, ProQuest filed its Quarterly Report on Form 10-Q with the SEC for the period ended March 30, 2002. The Quarterly Report, signed by Defendants Aldworth and Gregory, reported net sales of $102.8 million, earnings from continuing operations before interest, income taxes, equity in loss of affiliate, discontinued operations and cumulative effect of a change in accounting principle of $20.5 million, and earnings from continuing operations before discontinued operations and cumulative effect of a change in accounting principle of $8.3 million or $0.34 per share.

G. Financial Results for the Fiscal Quarter Ended June 29, 2002

41. On July 17, 2002, ProQuest issued a press release titled “ProQuest Reports 26% EBIT Growth for Second Quarter 2002” that stated, in part, for the quarter ended June 29, 2002 ProQuest reported revenue of $109 million, EBIT of $23.3 million and net earnings of $10.2 million or $0.40 per diluted share.

42. On July 18, 2002, the Company conducted a conference call with investors during which defendant Gregory repeated the financial results for the quarter ended June 29, 2002 that had been previously reported in the Company’s July 17, 2002 press release.
43. On August 13, 2002, ProQuest filed its Quarterly Report on Form 10-Q with the SEC for the quarter ended June 29, 2002. The Quarterly Report, signed by Defendants Roemer, Aldworth and Gregory, reported that for the quarter ended June 29, 2002, net sales of $109 million, earnings from continuing operations before interest, income taxes, and equity and loss of affiliate of $23.3 million, earnings from continuing operations of $10.2 million and diluted earnings per share of $0.40 per share.

44. The Quarterly Report included a “Certification of Chief Executive Officer and Chief Financial Officer” signed by Defendants Roemer and Gregory, that stated, in part:

In connection with the Quarterly Report of ProQuest Company (the “Company”) on Form 10-Q for the period ending June 29, 2002, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned Chief Executive Officer and Chief Financial Officer of the Company hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002 that based on their knowledge: 1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and 2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of the Company as of and for the periods covered in the Reports.

H. Financial Results for the Fiscal Quarter Ended September 28, 2002

45. On October 22, 2002, ProQuest issued a press release titled “ProQuest Reports 23% EBIT Growth, 39% Pro Forma EPS Growth in the Third Quarter 2002,” that stated, in part, that for the quarter ended September 28, 2002, ProQuest reported revenues of $106.4 million, pro forma EBIT from continuing operations of $21.9 million, and pro forma net earnings of $11.1 million or $0.39 per fully diluted share.

46. On October 22, 2002, ProQuest conducted a conference call with investors during which defendant Gregory repeated ProQuest’s financial results for the quarter ended September 28, 2002 that had been previously reported in the Company’s October 22, 2002 press release.
47. On November 12, 2002, ProQuest filed its Quarterly Report on Form 10-Q with the SEC for the quarter ended September 28, 2002. The Quarterly Report, signed by Defendants Roemer and Gregory, stated that ProQuest reported net sales of $106.4 million, earnings from continuing operations before interest, income taxes and equity and loss of affiliate of $21.9 million, and net earnings of $6.0 million or $0.21 per diluted share.

48. The Quarterly Report contained certifications signed by Defendants Roemer and Gregory pursuant to Section 302 of Sarbanes Oxley Act of 2002 that stated, as follows:

1. I have reviewed this quarterly report on Form 10-Q of ProQuest Company;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

I. Financial Results for the Fiscal Quarter and Year Ended December 28, 2002

49. On February 13, 2003, ProQuest issued a press release titled “ProQuest Reports 17% Increase in EBIT and 23% EPS Growth for 2002,” that stated, in part, that for the fiscal year ended December 28, 2002, ProQuest reported revenues of $428.3 million, earnings before interest, income taxes, depreciation and amortization (“EBITDA”) were $137.2 million, EBIT of $89.6 million, and pro forma net earnings for the year of $43.9 or $1.65 per fully diluted share. The press release stated that for the fourth quarter ended December 29, 2002, ProQuest reported revenues of $110.2 million, EBITDA of $36.4 million, EBIT of $23.9 million, and pro forma net earnings of $14.4 million, or earnings of $0.51 per share.

50. On March 27, 2003, ProQuest filed its annual report on Form 10-K with the SEC for the fiscal year ended December 28, 2002. The annual report, signed by Defendants Roemer, Aldworth and Gregory, stated that for the year ended December 28, 2002, ProQuest reported net sales of $428.3 million, earnings from continuing operations before interest, income taxes, equity
in loss of affiliate and cumulative effect of a change in accounting principle of $89.6 million, and
net earnings of $43.0 million or $1.61 per diluted share.

51. The 2002 annual report stated “Our consolidated financial statements are prepared
in accordance with accounting principles generally accepted in the United States of America,
which require management to make estimates and assumptions that affect the reported amounts
of assets, liabilities, revenue and expenses and related disclosure of contingent assets and
liabilities.”

52. The 2002 annual report also contained certifications, signed by Defendants
Aldworth and Gregory, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 that stated
the following:

1. I have reviewed this annual report on Form 10-K of ProQuest Company;

2. Based on my knowledge, this annual report does not contain any untrue
statement of a material fact or omit to state a material fact necessary to make the
statements made, in light of the circumstances under which such statements were
made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the Consolidated Financial Statements, and other
financial information included in this annual report, fairly present in all material
respects the financial condition, results of operations and cash flows of the
registrant as of, and for, the periods presented in this annual report;

4. The registrant’s other certifying officers and I are responsible for
establishing and maintaining disclosure controls and procedures (as defined in
Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

   a) designed such disclosure controls and procedures to ensure that material
information relating to the registrant, including its consolidated subsidiaries, is
made known to us by others within those entities, particularly during the period in
which this annual report is being prepared;

   b) evaluated the effectiveness of the registrant’s disclosure controls and
procedures as of a date within 90 days prior to the filing date of this annual report
(the “Evaluation Date”); and
c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant’s other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant’s ability to record, process, summarize and report financial data and have identified for the registrant’s auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal controls; and

6. The registrant’s other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

53. The statements above in ¶¶38-52 were materially false and misleading because, as set forth below at ¶¶105, 108, the financial results reported were the product of accounting irregularities, including the intentional and/or reckless material understatement of expenses and premature and/or otherwise wrongful recognition of revenues, which violated GAAP, including those provisions of GAAP set forth at ¶¶113-19. Indeed, ProQuest has admitted that among the accounting improprieties it is investigating relating to the aforementioned financial results is the propriety of revenue recognition relating to certain one time sales which could have the effect of reducing revenues by approximately $35 million for sales recorded by the Company for the fiscal years 2002 through 2005. Accordingly, ProQuest has admitted that it expects to restate earnings from continuing operations for the fiscal year ended December 28, 2002 by reducing previously reported pre-tax earnings by a material amount.
J. **Financial Results for the Fiscal Quarter Ended March 29, 2003**

54. On April 22, 2003, ProQuest issued a press release titled “ProQuest Reports 35 Percent Net Earnings Growth and Continued Strong Cash Flow for the First Quarter of 2003,” that stated, in part, that for the quarter ended March 29, 2003, ProQuest reported revenues of $111.8 million, EBIT of $22.2 million, net earnings of $11.2 million, or $0.40 per fully diluted share.

55. On April 22, 2003, the Company conducted a conference call with investors. Defendant Gregory repeated the Company’s reported financial results that had been previously reported in the Company’s April 22, 2003 press release, which the Company represented were presented in accordance with GAAP.

56. On May 13, 2003, ProQuest filed its Quarterly Report on Form 10-Q with the SEC for the quarter ended March 29, 2003. The Quarterly Report, signed by Defendants Aldworth and Gregory, stated that for the period ended March 29, 2003, ProQuest reported net sales of $111.8 million, earnings from operations before interest and income taxes of $22.2 million, earnings before income taxes of $17.6 million, and net earnings of $11.2 million or $0.40 per diluted common share.

57. The quarterly report contained certifications, signed by Defendants Aldworth and Gregory, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 that made the same certifications as alleged above in ¶48.

K. **Financial Results for the Fiscal Quarter Ended June 28, 2003**

58. On July 22, 2003, ProQuest issued a press released titled “ProQuest Reports Revenue Growth of 6 Percent and Earnings Per Share of $0.43 for the Second Quarter of 2003” that stated, in part, that quarter ended June 28, 2003, ProQuest reported revenues of $115.1
million, EBIT of $23.7 million, and net earnings of $12.3 million or $0.43 per fully diluted share. The press release also stated that the “financial results in this press release are presented in accordance with generally accepted accounting principles (GAAP), except for references to earnings before interest and taxes (EBIT), which excludes interest and income taxes; earnings before interest, taxes, depreciation and amortization (EBITDA), which excludes interest, income taxes, depreciation and amortization; debt net of cash and cash equivalents (net debt); and free cash flow.”

59. On July 22, 2003, ProQuest conducted a conference call with investors. Defendant Gregory repeated the financial results that the Company had previously reported in its July 22, 2003 press release, which the Company represented were presented in accordance with GAAP.

60. On August 11, 2003, ProQuest filed its Quarterly Report on Form 10-Q with the SEC for the quarter ended June 28, 2003. The Quarterly Report, signed by Defendants Aldworth and Gregory, stated that for the period ended June 28, 2003, ProQuest reported net sales of $115.1 million, earnings from operations before interest and income taxes of $23.7 million, earnings before income taxes of $19.2 million, and net earnings of $12.3 million or $0.43 per fully diluted share.

61. The quarterly report contained certifications, signed by Defendants Aldworth and Gregory, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 that made the same certifications as alleged above in ¶48.

L. **Financial Results for the Fiscal Quarter Ended September 27, 2003**

62. On October 21, 2003, ProQuest issued a press released titled “ProQuest Reports Revenue Growth of 10 Percent and Earnings Per Share of $0.41 for the Third Quarter of 2003,”
that stated, in part, for the quarter ended September 27, 2003, ProQuest reported revenues of $116.7 million, EBIT of $22.3 million, net earnings of $11.7 million or $0.41 per fully diluted share.

63. On October 21, 2003, ProQuest conducted a conference call with investors. During the call defendant Gregory repeated ProQuest’s financial results for the quarter ended September 27, 2003 that had been previously disclosed in the Company’s October 21, 2003 press release, which the Company represented were presented in accordance with GAAP.

64. On November 10, 2003, ProQuest filed its Quarterly Report on Form 10-Q with the SEC for the quarter ended September 27, 2003. The Quarterly Report, signed by Defendants Aldworth and Gregory, repeated that for the quarter ended September 27, 2003 ProQuest reported net sales of $116.7 million, earnings from operations before interest and income taxes of $22.3 million, net earnings of $11.7 million or net earnings per diluted common share of $0.41 per share.

65. The quarterly report contained a certification signed, by Defendants Aldworth and Gregory, pursuant to Section 302 of Sarbanes Oxley Act of 2002, that stated the following:

1. I have reviewed this quarterly report on Form 10-Q of ProQuest Company;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial
reporting (as defined in Exchange Act Rules 13a-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

M. Financial Results for the Fiscal Year and Quarter Ended January 3, 2004

66. On February 19, 2004, ProQuest issued a press release titled “ProQuest Company Reports Growth and Revenue, Earnings and Operating Cash flow for 2003,” that stated, in part,
for the fiscal year ended January 3, 2004, ProQuest reported revenue of $469.7 million, EBIT of $94.7 million, and net earnings of $49.8 million or $1.75 per fully diluted share. In addition, the press release stated that for the quarter ended January 3, 2004, ProQuest reported revenue of $126.0 million, EBIT of $26.5 million and net earnings of $14.6 million or $0.51 per fully diluted share. The press release stated that “The financial results in this press release were presented in accordance with generally accepted accounting principles (GAAP). . . .”

67. On February 19, 2004, ProQuest conducted a conference call with investors. Defendant Gregory repeated ProQuest’s financial results for the fiscal year and quarter ended January 3, 2004 that had previously been reported in the Company’s February 19, 2004 press release, which the Company represented were prepared in accordance with GAAP.


69. The Annual Report stated, in part, that “our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the U.S., which require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and related disclosure of contingent assets and liabilities”

70. The annual report contained certifications, signed by Defendants Aldworth and Gregory, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 that stated the following:

1. I have reviewed this annual report on Form 10-K of ProQuest Company;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

71. The statements above in ¶¶54-70 were materially false and misleading because, as set forth below at ¶¶105, 108, the financial results reported were the product of accounting irregularities, including the intentional and/or reckless material understatement of expenses and
premature and/or otherwise wrongful recognition of revenues, which violated GAAP, including those provisions of GAAP set forth at ¶113-19. Indeed, ProQuest has admitted that among the accounting improprieties it is investigating relating to the aforementioned financial results, is the propriety of revenue recognition relating to certain one time sales which could have the effect of reducing revenues by $35 million for sales recorded by the Company for the fiscal years 2002 through 2005. Accordingly, ProQuest has admitted that it expects to restate earnings from continuing operations for the fiscal year ended January 3, 2004 by reducing previously reported pre-tax earnings by a material amount.

N. Financial Results for the Fiscal Quarter Ended April 3, 2004

72. On April 20, 2004, ProQuest issued a press release titled “ProQuest Company Reports Growth in Revenue and Net Earnings for the First Quarter of 2004,” that stated, in part, for the quarter ended April 3, 2004, ProQuest reported revenue of $116.2 million, EBIT of $21.9 million, EBITDA of $38.3 million and net earnings of $11.5 million or $0.40 per fully diluted share.

73. The press release stated, in part, “the financial results in this press release are presented in accordance with generally accepted accounting principles (GAAP), except for references to earnings before interest and taxes (EBIT), which exclude interest and income taxes; earnings before interest, taxes, depreciation and amortization (EBITDA), which excludes interest, income taxes, depreciation and amortization; debt net of cash and cash equivalents (net debt); and free cash flow.”

74. On April 20, 2004, ProQuest conducted a conference call with investors concerning the Company’s financial results for the quarter ended April 3, 2004. Defendant Gregory repeated ProQuest’s financial results for the quarter ended April 3, 2004 that had been
previously reported in the Company’s April 20, 2004 press release, which the Company
represented were presented in accordance with GAAP.

75. On May 13, 2004, ProQuest filed its Quarterly Report in Form 10-Q with the SEC
for the quarter ended April 3, 2004. The Quarterly Report, signed by Defendants Gregory and
Aldworth, stated that for the quarter ended April 3, 2004 ProQuest reported financial results that
had been previously disclosed in the Company’s April 19, 2004 press release.

76. The quarterly report contained certifications, signed by Defendants Aldworth and
Gregory, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 that stated the following:

1. I have reviewed this quarterly report on Form 10-Q of ProQuest
   Company;

2. Based on my knowledge, this quarterly report does not contain any untrue
   statement of a material fact or omit to state a material fact necessary to make the
   statements made, in light of the circumstances under which such statements were
   made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial
   information included in this report, fairly present in all material respects the
   financial condition, results of operations and cash flows of the registrant as of,
   and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for
   establishing and maintaining disclosure controls and procedures (as defined in
   Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial
   reporting (as defined in Exchange Act Rules 13a-15(f)) for the registrant and
   have:

   a) Designed such disclosure controls and procedures, or caused such
disclosure controls and procedures to be designed under our supervision, to ensure
that material information relating to the registrant, including its consolidated
subsidiaries, is made known to us by others within those entities, particularly
during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant’s disclosure controls and
   procedures and presented in this report our conclusions about the effectiveness of
   the disclosure controls and procedures, as of the end of the period covered by this
   report based on such evaluation; and
c) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

O. Financial Results for the Fiscal Quarter Ended July 3, 2004

77. On July 22, 2004, ProQuest issued a press release titled “ProQuest Company Reports 13 Percent Earnings Growth for the Second Quarter of 2004” that stated, in part, that for the quarter ended July 3, 2004 ProQuest reported revenues of $112.2 million, EBIT from continuing operations of $23.7 million, and earnings from continuing operations of $12.9 million or $0.45 per fully diluted share. The press release stated, in part, that “the financial results in this press release are presented in accordance with GAAP, except for references to earnings from continuing operations before interest and income taxes (EBIT), which excludes interest, income taxes and gain on sale of discontinued operations; earnings from continuing operations before interest, income taxes and depreciation and amortization (EBITDA), which excludes interest, income taxes, depreciation and amortization and gain on sale of discontinued operations; and free cash flow.”
78. On July 23, 2004, ProQuest conducted a conference call with investors concerning the Company’s financial results for the quarter ended July 3, 2004. Defendant Gregory stated that for the period ended July 3, 2004, ProQuest reported revenues of $112.2 million and earnings from continuing operations of $12.9 million, which the Company represented were presented in accordance with GAAP.


80. The quarterly report contained certifications, signed by Defendants Aldworth and Gregory, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 in which they made the same certifications as set forth in ¶76.

P. Financial Results for the Fiscal Quarter Ended October 2, 2004

81. On October 21, 2004, ProQuest issued a press release titled “ProQuest Company Reports 11 Percent Earnings Growth for the Third Quarter of 2004,” that stated, in part, that ProQuest reported for the quarter ended October 2, 2004 revenue of $113.1 million, EBIT from continuing operations of $22.5 million and earnings from continuing operations of $12.2 million or $0.42 per fully diluted share. The press release also stated “the financial results in this press release are presented in accordance with GAAP, except for references to earnings from continuing operations before interest and income taxes (EBIT), which excludes interest, income taxes and discontinued operations; earnings from continuing operations before interest, income taxes, depreciation and amortization (EBITDA), which excludes interest, income taxes, depreciation and amortization and discontinued operations; and free cash flow.”
82. On October 21, 2004, ProQuest conducted a conference call with investors concerning the Company’s financial results for the quarter ended October 2, 2004. Defendant Gregory repeated the Company financial results for the quarter ended October 2, 2004 that had been previously disclosed in the Company’s October 21, 2004 press release, which the Company represented were presented in accordance with GAAP.

83. On November 12, 2004, ProQuest filed its Quarterly Report on Form 10-Q with the SEC for the quarter ended October 2, 2004. The Quarterly Report, signed by Defendants Aldworth and Gregory, included the financial results for the quarter ended October 2, 2004 that had been previously disclosed in the Company’s October 21, 2004 press release.

84. The quarterly report contained certifications, signed by Defendants Aldworth and Gregory, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 in which they made the same certifications as set forth in ¶76.

Q. Financial Results for the Fiscal Year and Quarter Ended January 1, 2005

85. On February 24, 2005, ProQuest issued a press release titled “ProQuest Company Reports 13 Percent Increase in Earnings for 2004, Fourth Quarter Revenue Increased 5 Percent and earnings increased 23 Percent,” that stated, in part, that for the year ended January 1, 2005 ProQuest reported revenue of $462.8 million, EBIT from continuing operations of $96.2 million and earnings from continuing operations of $52.7 million or $1.83 per fully diluted share. In addition, the press release disclosed that for the quarter ended January 1, 2005, ProQuest reported revenue of $126.7 million, EBIT of $29.2 million and earnings from continuing operations of $16.8 or $0.58 per fully diluted share.

86. The press release also stated, in part, “the financial results in this press release are presented in accordance with GAAP, except for references to earnings from continuing
operations before interest and income taxes (EBIT) which excludes interest, income taxes and discontinued operations; earnings from continuing operations before interest, income taxes, depreciation and amortization (EBITDA), which excludes interest, income taxes, depreciation and amortization in discontinued operations; and free cash flow.”

87. On February 24, 2005, ProQuest conducted a conference call with investors. Defendant Gregory repeated the financial results for the year and quarter ended January 1, 2005 that had been previously disclosed in the Company’s February 24, 2005 press release, which the Company represented were presented in accordance with GAAP.


89. The Annual Report contained certifications, signed by Defendants Aldworth and Gregory, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 that stated the following:

1. I have reviewed this annual report on Form 10-K of ProQuest Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

90. The statements above in ¶¶72-89 were materially false and misleading when made and Defendants knew and/or recklessly disregarded such fact. Indeed, according to a former ProQuest corporate accounting department employee (hereinafter referred to as “Confidential
Informant 1” or “CI 1”), ProQuest engaged in a number of accounting improprieties in order to wrongfully manage earnings including the following:

(a) ProQuest improperly recognized material amounts of revenues prematurely, in violation of GAAP and, specifically, American Institute of Certified Public Accountants (“AICPA”) Statement of Position (“SOP”) No. 99-1, from transactions entered into between ProQuest and General Motors, one of the Company’s top five customers. In fact, CI 1 verbally brought such improprieties to the attention of superiors, including the Director of Financial Reporting and the Corporate Controller several times during CI 1’s tenure with the Company during the Class Period. While employed at ProQuest, CI 1 also drafted a position paper detailing how and why the Company was violating GAAP by wrongfully recognizing revenues from General Motors. CI 1 gave the position paper to at least the Corporate Controller and learned that

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2 CI 1 was employed as a Senior Financial Analyst in ProQuest’s corporate accounting department at the Company’s headquarters in Ann Arbor, Michigan from October 2003 through November 2004. CI 1 was responsible for preparing income statements and consolidated earnings for ProQuest’s various divisions and was intimately involved in preparing various reports including the Company’s annual and quarterly filings with the SEC, board of director packages and packages of materials for ProQuest’s auditor, KPMG.

CI 1 was one of only approximately 12-15 employees in the corporate accounting department and reported to the Company’s Director of Financial Reporting, Corporate Controller and defendant Gregory, ProQuest’s CFO. CI 1 had almost daily interaction with these individuals, as well as met with them in more formal discussions held in connection with the preparation of year-end and quarterly financial reports.

Upon resigning from the Company in November 2004, CI 1 told ProQuest’s Director of Human Resources that CI 1 believed the Company was improperly managing earnings and that CI 1’s superiors, including defendant Gregory, were wrongfully omitting information from the Company’s SEC filings.
the Corporate Controller and defendant Gregory\(^3\) reviewed the paper, yet ignored its conclusions.

(b) CI 1 had frequent conversations with the CFO of ProQuest’s PQIL division who, according to CI 1, acknowledged on multiple occasions during CI 1’s tenure with the Company that the revenue numbers CI 1 was receiving for the PQIL division for incorporation into Company reports were wrong.

(c) When preparing SEC filings for each quarter, CI 1 met with Gregory, as well as CI 1’s other superiors where discussions would revolve around directing divisional CFO’s to “scrub the numbers” which was known to essentially be a euphemism for manipulating the accounting records by finding ways to understate expenses.

(d) CI 1 also believed that the Company artificially understated expenses, and thereby increased reported earnings, by utilizing a lower than appropriate tax rate to calculate the Company’s reportable taxes. Indeed, CI 1 brought this issue to the attention of superiors but never received a response.

(e) CI 1’s frustration with the Company’s earnings management were further highlighted to CI 1’s superiors when CI 1 noted on an internal certification form concerning the Company’s Form 10-Q for the fiscal quarter ended October 2, 2004 that CI 1 believed, among other improprieties, that ProQuest was improperly recognizing revenues on certain transactions. CI 1 refused to comply with the request of superiors that CI 1 delete the comments concerning improper accounting.

\(^3\) According to CI 1, Gregory was known by Company employees to be an intimidating figure who bullied subordinates into compliance with his directives concerning financial reporting.
91. Indeed, the Company’s statements in ¶¶72-89 above were, in fact, materially false and misleading when issued as the Company has now admitted, as noted in ¶¶105, 108, because the Company was materially understating expenses and overstating revenues by various means, including the premature recognition of revenue. The statements were also materially false and misleading because the Company’s reported financial results were prepared in violation of GAAP, including those provisions of GAAP set forth at ¶¶113-19.

R. Financial Results for the Fiscal Quarter Ended April 2, 2005

92. On April 28, 2005, ProQuest issued a press release titled “ProQuest Company’s First Quarter Revenue up 9 Percent” that stated, in part, that for the quarter ended April 2, 2005, ProQuest reported revenue of $121.1 million, EBIT from continuing operations of $18.8 million and earnings from continuing operations of $7.8 million or $0.26 per fully diluted share. The press release stated, in part, that “the financial results in this press release are presented in accordance with generally accepted accounting principles (GAAP), except for references to earnings from continuing operations before interest and income taxes (EBIT), which excludes interest, income taxes, depreciation and amortization (EBITDA), which excludes interest, income taxes, depreciation and amortization and discontinued operations; and free cash flow.”

93. On April 28, 2005, ProQuest conducted a conference call with investors concerning the Company’s financial results for the quarter ended April 2, 2005. Defendant Gregory repeated the Company’s financial results for the quarter ended April 2, 2005 that were previously disclosed in the Company’s press release dated April 28, 2005, which the Company represented were presented in accordance with GAAP.

94. On May 12, 2005, ProQuest filed its Quarterly Report on Form 10-Q with the SEC for the quarter ended April 2, 2005. The Quarterly Report, signed by Defendants Gregory
and Aldworth, included ProQuest’s financial results for quarter ended April 2, 2005 that had been previously disclosed in the Company’s April 28, 2005 press release.

95. The quarterly report contained certifications, signed by Defendants Aldworth and Gregory, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 that made the same certifications as alleged above in ¶89, but with changes to reflect that the certifications applied to the quarterly report.

S. **Financial Results for the Fiscal Quarter Ended July 2, 2005**

96. On July 28, 2005, ProQuest issued a press release titled “ProQuest Company Reports 25 Percent Revenue Growth for the Second Quarter of 2005,” that stated, in part, that for the quarter ended July 2, 2005, ProQuest reported revenue of $140.4 million, EBIT from continuing operations of $27.4 million, and earnings from continuing operations of $12.3 million or $0.41 per fully diluted share. The press release represented that “the financial results in this press release are presented in accordance with generally accepted accounting principles (GAAP), except for references to earnings from continuing operations before interest and income taxes (EBIT), which excludes interest, income taxes and discontinued operations; earnings from continuing operations before interest, income taxes, depreciation and amortization (EBITDA), which excludes interest, income taxes, depreciation and amortization and discontinued operations; and free cash flow.”

97. On July 28, 2005, ProQuest conducted a conference call with investors during which Defendant Gregory repeated the Company’s financial results for the quarter ended July 2, 2005 that had been previously disclosed in the Company’s press release on July 28, 2005, which the Company represented were presented in accordance with GAAP.

The quarterly report contained certifications, signed by Defendants Aldworth and Gregory, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 in which they made the same certifications as set forth in ¶95.

T. Financial Results for the Fiscal Quarter Ended October 1, 2005

On October 27, 2005, ProQuest issued a press release titled “ProQuest Reports Revenue of $159.4 Million Earnings Per Share of $0.60 for the Third Quarter of 2005, Announces Intent to Divest Periodical Microfilm Business and Other Assets,” that stated, in part, that for the quarter ended October 1, 2005, ProQuest reported revenue of $159.4 million, EBIT from continuing operations of $35.3 million and earnings from continuing operations of $18.2 million or $0.60 per fully diluted share. The press release represented that “the financial results in this press release are presented in accordance with generally accepted accounting principles (GAAP), except for references to earnings from continuing operations before interest and income taxes (EBIT), which excludes interest, income taxes and discontinued operations; earnings from continuing operations before interest, income taxes, depreciation and amortization (EBITDA), which exclude interest, income taxes, depreciation and amortization and discontinued operations, and free cash flow.”

On October 22, 2005, ProQuest conducted a conference call with investors concerning the Company’s financial results for the quarter ended October 1, 2005. Defendant Gregory repeated the Company’s financial results for the quarter ended October 1, 2005 as
previously disclosed in the Company’s October 27, 2005 press release, that the Company represented were presented in accordance with GAAP.

102. On November 10, 2005, ProQuest filed its Quarterly Report on Form 10-Q with the SEC for the period ending October 1, 2005. The Quarterly Report included financial results for the quarter ended October 1, 2005 that had been previously disclosed in the Company’s October 27, 2005 press release.

103. The quarterly report contained certifications, signed by Defendants Aldworth and Gregory, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 in which they made the same certifications set forth in above in ¶95.

104. The statements above in ¶¶92-103 were materially false and misleading when issued, because, as the Company has now admitted (see ¶¶ 105, 108) ProQuest expects to restate earnings from continuing operations by reducing previously reported pre-tax earnings by a total of $35 million to $45 million for the first three quarters of 2005 and ProQuest is reviewing its revenue recognition for certain one-time sales of published products, whereby if a change to the accounting treatment for these one-time sales is necessary, it would have the effect of decreasing revenue for the period from fiscal 2002 to fiscal 2005 by up to approximately $35 million and, accordingly, result in the material decrease in reported earnings related to these overstated revenues. Moreover, the reported financial results were prepared in violation of GAAP, including those provisions of GAAP set forth in ¶¶113-19.

VI. THE TRUTH IS SLOWLY REVEALED

105. On February 9, 2006, prior to the market opening, ProQuest issued the following press release titled “ProQuest Company to Restate Historical Financial Statements”:

ANN ARBOR, Mich., Feb 09, 2006 /PRNewswire-FirstCall via COMTEX News Network/ -- ProQuest Company (NYSE: PQE), a publisher of information and
education solutions, announced that during a review related to its internal controls assessment required by the Sarbanes-Oxley Act of 2002, the company discovered material irregularities in its accounting. As a result, the company intends to restate certain of its previously issued financial statements.

The accounting irregularities that have been identified primarily affect ProQuest's Information and Learning division . . . .

Based upon its initial findings, the company believes that its deferred income and accrued royalty accounts are materially understated in previously issued financial statements. It also believes that its prepaid royalty account is materially overstated. It anticipates that as a result it will be required to recognize amounts of royalty and other expenses as well as reduce a portion of revenues previously reported for its Information and Learning business, the effect of which will materially reduce earnings from continuing operations for many of the affected periods . . . .

Until the review is complete, the company's previously issued financial statements for fiscal years 1999 through 2004, quarterly periods in 2005, and the company's guidance for fiscal 2005, should no longer be relied upon. In addition, the company's review is ongoing and there can be no assurance additional material irregularities or errors will not be identified.

(Emphasis added).

106. The price of ProQuest stock declined $5.22 per share or 18% on heavy trading volume on February 9, 2006, from a prior day closing price of $29.41 per share, to close at $24.19 per share.

107. On March 8, 2006, ProQuest issued a press release titled “ProQuest 10-K Filing for Fiscal 2005 Will Be Delayed; Earnings Release Also Delayed Pending Audited 2005 Financials” that stated, in part, that:

ANN ARBOR, Mich., March 8 /PRNewswire-FirstCall/ -- ProQuest Company (NYSE: PQE), a publisher of information and education solutions, today announced that as a result of the ongoing review related to its previously announced earnings restatement, it will not file its Form 10-K for the fiscal year ended December 31, 2005 within the prescribed time period.

As a result of the 10-K filing delay, the company will postpone its fourth quarter and full year 2005 earnings announcement, previously scheduled for Thursday, March 9, 2006 . . . .
Defendant, however, were still concealing the true extent of the accounting improprieties at the Company.

108. Then, on April 28, 2006, prior to the market opening, ProQuest issued a press release titled “ProQuest Provides Preliminary Restatement Estimates For Fiscal 2004 and First Nine Months of Fiscal 2005; Provides 2006 Revenue and EBIT Guidance; Company Initiates Cost Reduction Measures and Commences Initial Exploration of Strategic Alternatives” that shocked investors even more, stating, in part, that:

ANN ARBOR, Mich., April 28, 2006 /PRNewswire-FirstCall via COMTEX News Network/ -- ProQuest Company (NYSE: PQE), a publisher of information and education solutions, today announced preliminary findings from its ongoing accounting review and provided 2006 revenue and EBIT guidance . . . .

Accounting Restatement Update

ProQuest anticipates its accounting review will result in the restatement of previously reported earnings for fiscal years 2000 to 2004 and for the first three quarters of 2005. The accounting irregularities identified to date do not affect the company's cash balances, the amounts invoiced to customers, cash receipts from customers, or disbursements to publishers and suppliers.

Preliminarily, the company expects to restate earnings from continuing operations by reducing previously reported pre-tax earnings by a total of $35 million to $45 million for the first three quarters of 2005 and by $45 million to $55 million for the full year 2004. Based upon information available to date, the company believes it will also restate earnings for fiscal years 2000 through 2003. ProQuest currently estimates the aggregate reduction for these four years will be materially less than the total adjustment for 2004 and 2005 . . . .

Separately, the company and its independent registered public accounting firm are reviewing accounting principles with respect to Information and Learning's revenue recognition for certain one-time sales of published products. The preliminary findings contained in this press release do not include any impact associated with any potential change in revenue recognition policies. If a change to the accounting treatment for these one-time sales is necessary, it would have the effect of decreasing revenue and earnings for the period from fiscal 2002 to fiscal 2005. Revenue from these one-time sales between 2002 and 2005 was approximately $35 million. Any revenue that is impacted would be deferred and recognized in future periods.
The accounting irregularities that have been identified primarily affect ProQuest's Information and Learning division . . . . While the company has made substantial progress on the restatement investigation, the review is ongoing and there can be no assurance additional issues will not be identified.

(Emphasis Added).

109. In response to the Company’s revelations of April 28, 2006, the price of ProQuest stock declined another $6.02 per share or 28% on unusually high trading volume, from a prior day close of $21.72 per share to close at $15.70 per share. On May 1, 2006, the next trading day, the stock price continued its downward spiral, declining another $3.39 per share or 22% on heavy trading volume, to close at $12.31 per share.

110. On June 30, 2006, Proquest issued a press release stating that the Company would not be able to complete its investigation by the end of June. The release, titled “ProQuest Company Provides Updated Timing for Completion of Investigation” stated, in part, that the Company:

"As a result of unavoidable scheduling delays in the process, we are revising our expected timeline for completion of the restatement investigation," said Alan Aldworth, chairman and chief executive officer of ProQuest Company. "ProQuest's Audit Committee presented a preliminary report to the company's Board of Directors earlier this month. We anticipate that the final investigation will be complete by the end of July. The scope of the accounting review and restatement has not changed from our previous disclosures, and we remain committed to moving as expeditiously as possible through this process," Aldworth added.

111. On July 6, 2006, the Company disclosed that on June 29, 2006, the Company received a letter from KPMG LLP (“KPMG”), the Company’s auditor, in which KPMG stated
that “its opinion on management’s assessment and the effectiveness of the Company’s internal control over financial reporting as of January 1, 2005, should no longer be relied upon.”

112. ProQuest’s stock price has not recovered. As of July 14, 2006, ProQuest shares closed at $12.02 per share – down from $29.41 per share on February 8, 2006 – the day before ProQuest began to disclose information it previously concealed from the market about its true financial condition.

VII. PROQUEST’S FALSE FINANCIAL REPORTING DURING THE CLASS PERIOD

113. In order to inflate the price of ProQuest's stock, Defendants caused the Company to falsely report its results for fiscal year 2000 through the first three quarters of fiscal year 2005 through material irregularities in its accounting. In particular, the Company’s deferred income and accrued royalty accounts were materially understated and its prepaid royalty account was materially overstated. Also, the Company improperly recognized revenue for certain one-time sales of published products. The Company has now admitted that these financial statements should not be relied upon.

114. The results for fiscal 2000 through the first three quarters of fiscal year 2005 were included in Forms 10-Q and 10-K filed with the SEC during the Class Period. The results were also included in press releases disseminated to the public.

115. ProQuest has now admitted that the Company expects to restate earnings from continuing operations by reducing previously reported pre-tax earning by a total of $35 to $45 million for the first three quarters of fiscal year 2005 and by $45 to $55 million for fiscal 2004 and will restate earnings for fiscal years 2000 through 2003. In addition, the Company indicated that with respect to revenue recognized from certain one time sales of published products, the Company may decrease revenue (and, therefore, associated earnings) for the period from fiscal
2002 to fiscal 2005. As a result, ProQuest’s financial statements issued during the Class Period were not a fair presentation of ProQuest's results and were presented in violation of GAAP and SEC rules.

116. GAAP are those principles recognized by the accounting profession as the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. SEC Regulation S-X (17 C.F.R. §210.4-01(a)(1)) states that financial statements filed with the SEC which are not prepared in compliance with GAAP are presumed to be misleading and inaccurate, despite footnote or other disclosure. Regulation S-X requires that interim financial statements must also comply with GAAP, with the exception that interim financial statements need not include disclosure which would be duplicative of disclosures accompanying annual financial statements. 17 C.F.R. §210.10-01(a).

117. The fact that ProQuest will restate its financial statements is an admission that the financial statements originally issued were false and that the overstatement of revenues and income was material. GAAP and specifically Accounting Principles Board Opinion ("APB") No. 20 governs the type of restatement announced by ProQuest. See APB No. 20, ¶¶7-13. Indeed, the restatement of past financial statements is a disfavored method of recognizing an accounting change as it dilutes confidence by investors in the financial statements, it makes it difficult to compare financial statements and it is often difficult, if not impossible, to generate the numbers when restatement occurs. See APB No. 20, ¶14. Thus, GAAP provides that financial statements should only be restated in limited circumstances, i.e., when there is a change in the reporting entity, there is a change in accounting principles used or to correct an error in previously issued financial statements. According to the APB, errors in financial statements can result from “mathematical mistakes, mistakes in the application of accounting principles, or
oversight or *misuse of facts that existed at the time the financial statements were prepared.*”

APB No. 20 at ¶13 (emphasis added). ProQuest's restatement is not due to a change in reporting entity, a change in accounting principles used or to correct an error, *but, rather, due to misuse of facts known at the time the financial statements were originally prepared.*

118. Due to these accounting improprieties, the Company presented its financial results and statements in a manner which violated GAAP, including the following fundamental accounting principles:

a. The principle that interim financial reporting should be based upon the same accounting principles and practices used to prepare annual financial statements was violated (APB No. 28, ¶10);

b. The principle that financial reporting should provide information that is useful to present and potential investors and creditors and other users in making rational investment, credit and similar decisions was violated (FASB Statement of Concepts No. 1, ¶34);

c. The principle that financial reporting should provide information about the economic resources of an enterprise, the claims to those resources, and effects of transactions, events and circumstances that change resources and claims to those resources was violated (FASB Statement of Concepts No. 1, ¶40);

d. The principle that financial reporting should provide information about how management of an enterprise has discharged its stewardship responsibility to owners (stockholders) for the use of enterprise resources entrusted to it was violated. To the extent that management offers securities of the enterprise to the public, it voluntarily accepts wider responsibilities for accountability to prospective investors and to the public in general (FASB Statement of Concepts No. 1, ¶50);

e. The principle that financial reporting should provide information about an enterprise's financial performance during a period was violated. Investors and creditors often use information about the past to help in assessing the prospects of an enterprise. Thus, although investment and credit decisions reflect investors' expectations about future enterprise performance, those expectations are commonly based at least partly on evaluations of past enterprise performance (FASB Statement of Concepts No. 1, ¶42);
f. The principle that financial reporting should be reliable in that it represents what it purports to represent was violated. That information should be reliable as well as relevant is a notion that is central to accounting (FASB Statement of Concepts No. 2);

g. The principle of completeness, which means that nothing is left out of the information that may be necessary to insure that it validly represents underlying events and conditions was violated (FASB Statement of Concepts No. 2, ¶79); and

h. The principle that conservatism be used as a prudent reaction to uncertainty to try to ensure that uncertainties and risks inherent in business situations are adequately considered was violated. The best way to avoid injury to investors is to try to ensure that what is reported represents what it purports to represent (FASB Statement of Concepts No. 2).

119. Further, the undisclosed adverse information concealed by Defendants during the Class Period is the type of information which, because of SEC regulations, regulations of the national stock exchanges and customary business practice, is expected by investors and securities analysts to be disclosed and is known by corporate officials and their legal and financial advisors to be the type of information which is expected to be and must be disclosed.

VIII. ADDITIONAL SCIENTER ALLEGATIONS

120. As alleged herein, Defendants acted with scienter in that Defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, Defendants, by virtue of their receipt of information reflecting the true facts regarding Proquest, their control over, and/or receipt and/or modification of ProQuest’s allegedly materially misleading misstatements and/or
their associations with the Company which made them privy to confidential proprietary
information concerning Proquest, participated in the fraudulent scheme alleged herein.

121. Defendants knew and/or recklessly disregarded the falsity and misleading nature
of the information which they caused to be disseminated to the investing public. The ongoing
fraudulent scheme described in this complaint could not have been perpetrated over a substantial
period of time, as has occurred, without the knowledge and complicity of the personnel at the
highest level of the Company, including Defendants Roemer, Aldworth and Gregory.

122. In addition, Defendants had motivation to engage in the accounting fraud
described above, including engaging in insider selling, issuing a secondary stock offering, and
buying another company with ProQuest’s artificially inflated common stock.

a. Defendant Roemer Sells Proquest Stock In Unusual Amounts And At
Suspicious Times

123. During the Class Period, defendant Roemer did not purchase a single share of
ProQuest stock. However, during the Class Period, he sold 100% of his artificially inflated
ProQuest shares for proceeds of approximately $23,616,750, as follows:

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124. Of particular note is the fact that Roemer sold his last 65,561 of artificially inflated ProQuest shares for proceeds of approximately $1,851,814 less than approximately three months before the Company disclosed its financial statements would be restated because of material accounting irregularities.
b. ProQuest’s Offering of Artificially Inflated Common Stock

125. Defendants were motivated to inflate the value of ProQuest common stock during the Class Period in order to maximize the proceeds obtained in a secondary public offering of ProQuest common stock.

126. Specifically, on June 18, 2002, ProQuest sold 5.9 million shares (including the underwriters exercise of the over-allotment option) in a secondary public offering (the “Offering”) of the Company’s common stock at $35.40 per share. The offering garnered proceeds of approximately $123 million for the Company.

127. In particular, defendant Roemer sold 50,522 artificially inflated ProQuest shares in the Offering for proceeds of $1,788,478.88.

128. This Offering would not have been accomplished at this price but for the artificial inflation of the stock caused by the Defendants’ wrongful conduct.

c. ProQuest’s Acquisition of Voyager with Artificially Inflated ProQuest Common Stock

129. On December 14, 2004, ProQuest disclosed that it signed a definitive merger agreement to acquire Voyager Expanded Learning.

130. On December 14, 2004, the Company issued a press release that stated, in part, that under the terms of the agreement, ProQuest would acquire the stock of Voyager for $340 million in cash and $20 million in ProQuest Company stock.

IX. LOSS CAUSATION/ECONOMIC LOSS

131. By misrepresenting its financial statements, the Defendants presented a misleading picture of ProQuest's business and prospects. Thus, instead of truthfully disclosing during the Class Period that ProQuest's business was not as healthy as represented, ProQuest falsely overstated its financial results.
132. These claims of profitability caused and maintained the artificial inflation in ProQuest's stock price throughout the Class Period and until the truth was revealed to the market.

133. Defendants' false and misleading statements had the intended effect and caused ProQuest stock to trade at artificially inflated levels throughout the Class Period, trading as high as $42.59 per share.

134. On February 9, 2006, Defendants disclosed certain material irregularities in its accounting and that the Company intended to restate certain of its previously issued financial statements.

135. As a direct result of Defendants' admissions and the public revelations regarding some of the truth about ProQuest's material accounting irregularities during the Class Period, ProQuest's stock price declined 18%, declining from $29.41 per share to $24.19 per share on February 9, 2006, a drop of $5.22 per share.

136. On April 28, 2006, ProQuest disclosed in part, the preliminary findings from its ongoing accounting review, as detailed herein. As a direct result of Defendants’ disclosure, ProQuest shares declined from $21.72 per share, to close at $15.70 per share. On May 1, 2006, the following trading day, ProQuest shares declined an additional $3.39 per share or approximately 22% to close at $12.31 per share, as the investing public continued to digest the news of ProQuest’s massive restatement.

137. These declines in February and April 2006 removed the artificial inflation from ProQuest's stock price, causing real economic loss to investors who had purchased the stock during the Class Period.
X. FRAUD-ON-THE-MARKET DOCTRINE

138. At all relevant times, the market for Proquest securities was an efficient market for the following reasons, among others:

   a) The Company’s common stock met the requirements for public listing and was listed and actively traded on the NYSE, a highly efficient market;

   b) As a regulated issuer, the Company filed periodic public reports with the SEC; and

   c) The Company regularly issued press releases which were carried by national news wires. Each of these releases was publicly available and entered the public marketplace.

139. As a result, the market for Company’s publicly traded securities promptly digested current information with respect to Proquest from all publicly available sources and reflected such information in the price of the Company’s common stock. Under these circumstances, all purchasers of the Company’s publicly traded securities during the Class Period suffered similar injury through their purchase of the publicly traded securities of Proquest at artificially inflated prices and a presumption of reliance applies.

XI. NO SAFE HARBOR

140. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this complaint. Many of the specific statements pleaded herein were not identified as “forward-looking statements” when made. To the extent there were any forward-looking statements, there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. Alternatively, to the extent that the statutory safe harbor does apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those
forward-looking statements was made, the particular speaker knew that the particular forward
looking statement was false, and/or the forward-looking statement was authorized and/or
approved by an executive officer of Proquest who knew that those statements were false when
made.

XII. CLASS ACTION ALLEGATIONS

141. Lead Plaintiffs bring this action as a class action pursuant to Rule 23 of the
Federal Rules of Civil Procedure on behalf of all persons who purchased the publicly traded
securities of ProQuest on the open market during the Class Period (the "Class"). Excluded from
the Class are Defendants.

142. The members of the Class are so numerous that joinder of all members is
impracticable. The disposition of their claims in a class action will provide substantial benefits to
the parties and the Court. ProQuest has more than 29 million shares of stock outstanding, owned
by hundreds if not thousands of persons.

143. There is a well-defined community of interest in the questions of law and fact
involved in this case. Questions of law and fact common to the members of the Class which
predominate over questions which may affect individual Class members include:

(a) whether the 1934 Act was violated by Defendants;
(b) whether Defendants omitted and/or misrepresented material facts;
(c) whether Defendants' statements omitted material facts necessary to make
   the statements made, in light of the circumstances under which they were
   made, not misleading;
(d) whether Defendants knew or deliberately disregarded that their statements
   were false and misleading;
(e) whether the price of ProQuest's publicly traded securities were artificially
   inflated; and
(f) the extent of damage sustained by Class members and the appropriate
   measure of damages.
144. Lead Plaintiffs’ claims are typical of those of the Class because Lead Plaintiffs and the Class sustained damages from Defendants' wrongful conduct.

145. Lead Plaintiffs will adequately protect the interests of the Class and has retained counsel who are experienced in class action securities litigation. Lead Plaintiffs have no interests which conflict with those of the Class.

COUNT I
For Violation of §10(b) of the 1934 Act and Rule 10b-5 Against All Defendants

146. Lead Plaintiffs incorporate paragraphs ¶¶1-145 by reference.

147. During the Class Period, Defendants disseminated or approved the false statements specified above, which they knew or deliberately disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

148. During the Class Period, Defendants, directly or indirectly, engaged in a common plan, scheme, and unlawful course of conduct, pursuant to which they knowingly or recklessly engaged in acts, transactions, practices, and courses of business which operated as a fraud and deceit upon Lead Plaintiffs and the other members of the Class, and made various deceptive and untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading to Lead Plaintiffs and the other members of the Class. The purpose and effect of said scheme, plan, and unlawful course of conduct was to induce Lead Plaintiffs and the other members of the Class to purchase ProQuest securities during the Class Period at artificially inflated prices.

149. During the Class Period, defendants, pursuant to said scheme, plan, and unlawful course of conduct, knowingly and recklessly issued, caused to be issued, participated in the preparation and issuance of deceptive and materially false and misleading statements to the
investing public which were contained in or omitted from various documents and other
statements, as particularized above.

150. Defendants each knew and intended to deceive Lead Plaintiffs and the other
members of the Class, or in the alternative, acted with reckless disregard for the truth when they
failed to disclose or cause the disclosure of the true facts to Lead Plaintiffs and the other
members of the Class.

151. As a result of the dissemination of the false and misleading statements set forth
above, the market price of ProQuest securities was artificially inflated during the Class Period.
In ignorance of the false and misleading nature of the representations described above and the
deceptive and manipulative devices and contrivances employed by said defendants, Lead
Plaintiffs and the other members of the Class relied to their detriment on the integrity of the
market price of the stock in purchasing ProQuest securities. Had Lead Plaintiffs and the other
members of the Class known of the materially adverse information misrepresented or not
disclosed by defendants, they would not have purchased ProQuest securities at the artificially
inflated prices that they did.

152. Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that they:

a. employed devices, schemes and artifices to defraud;

b. made untrue statements of material facts or omitted to state material facts
necessary in order to make the statements made, in light of the
circumstances under which they were made, not misleading; or

c. engaged in acts, practices and a course of business that operated as a fraud
or deceit upon Lead Plaintiffs and others similarly situated in connection
with their purchases of ProQuest’s publicly traded securities during the
Class Period.
153. As a direct and proximate result of these Defendants' wrongful conduct, Lead Plaintiffs and the other members of the Class suffered damages in connection with their purchases of ProQuest publicly traded securities during the Class Period.

**COUNT II**

*For Violation of §20(a) of the 1934 Act Against Defendants Aldworth, Gregory and Roemer*


155. Defendants Aldworth, Gregory and Roemer acted as controlling persons of ProQuest within the meaning of §20(a) of the 1934 Act. During the Class Period, Defendants Aldworth, Gregory and Roemer each signed SEC filings, including 10-Ks and 10-Q that included materially false and misleading financial statements, participated in conference calls with investors, made statements on behalf of the Company in press releases about the Company’s financial performance, and signed Sarbanes-Oxley certifications.

156. By reason of their positions at the Company and their ownership of ProQuest stock, Aldworth, Gregory and Roemer had the power and authority to cause ProQuest to engage in the wrongful conduct complained of herein and were culpable participants in the fraud alleged herein. By reason of such conduct, Defendants are liable pursuant to §20(a) of the 1934 Act.

**PRAYER FOR RELIEF**

**WHEREFORE,** Lead Plaintiffs, on behalf of themselves and the members of the Class, pray for judgment as follows:

(i) declaring this action to be a proper class action and certifying Lead Plaintiffs as the representatives of the Class under Rule 23 of the Federal Rules of Civil Procedure;
(ii) awarding damages in favor of Lead Plaintiffs and the other members of the Class against all Defendants, jointly and severally, for the damages sustained as a result of the wrongdoings of Defendants, together with interest thereon,

(iii) awarding Lead Plaintiffs and the Class their costs and expenses incurred in this action, including reasonable allowance of fees for their attorneys, accountants, and experts, and reimbursement of plaintiff’s expenses; and

(iv) granting such other and further relief as the Court may deem just and proper.

JURY DEMAND

Lead Plaintiffs demand a trial by jury.

Dated: July 17, 2006.

THE MILLER LAW FIRM

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on July 17, 2006, I electronically filed the foregoing paper with the Clerk of the Court using the ECF System which will send notification of such filing to the following:

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