

# Exhibit B

1           IN THE UNITED STATES DISTRICT COURT  
2                           DISTRICT OF COLUMBIA

3  
4 CIVIL ACTION NUMBER: 1:21-cv-02886-FYP

5  
6 UNITED STATES OF AMERICA,  
7                           Plaintiff,

8 vs.

9 BERTELSMANN SE & Co. KGaA, PENGUIN  
10 RANDOM HOUSE, LLC, et al.,  
11                           Defendants.

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13  
14  
15                   VIDEO DEPOSITION TESTIMONY OF  
16                           NICHOLAS HILL  
17                           FRIDAY, JULY 1, 2022  
18                                   9:14 A.M.

19  
20  
21 COURT REPORTER:  
22 MELANIE PETIX BEASLEY, CCR  
23 JOB No. 5282164

1 mechanisms.

2 Q. Were you aware of the GUPPI model  
3 before your reply report?

4 A. I was aware that CRA had presented  
5 it and that they had a white paper, but I  
6 had not considered it particularly beyond  
7 that.

8 Q. So you just decided to include the  
9 GUPPI model in response to Dr. Snider's  
10 criticisms of your second score approach?

11 A. Right. Again, I think that the  
12 second score auction model is a reasonable  
13 way to estimate the loss of competition. He  
14 disagrees and so I looked for another  
15 alternative.

16 Q. Have you -- would you agree that  
17 the model, the second score model is set up  
18 in a way that absent efficiencies, it will  
19 always show harm when two merging parties  
20 merge?

21 A. I would say that it is like  
22 Bertrand model or other economic models. It  
23 will show an effect, and the size of the

1 modifications to them?

2 A. Other than changing the inputs to  
3 be the more updated estimates of margins and  
4 diversions.

5 Q. Did the Defendants' GUPPI use the  
6 same advance cutoff or a different one?

7 A. I don't know.

8 Q. Why didn't you run the GUPPI in  
9 conjunction with your second score model?

10 A. When you say in conjunction, do  
11 you mean why didn't I put it in my initial  
12 report?

13 Q. Yes.

14 A. So I think that the second score  
15 auction model is a reasonable way to  
16 approach this. Dr. Snyder criticized me for  
17 not looking at other mechanisms. And the --  
18 the GUPPI model was derived by the parties  
19 looked at different mechanisms. As I said,  
20 I also tried at first to price auction and  
21 it -- it didn't -- it didn't end up working.

22 Q. You -- let's look at Figure 22 in  
23 your reply report. It's on Page 44.