

*** FOR IMMEDIATE RELEASE ***

UTAH SUPREME COURT AFFIRMS \$122,000,000 THEFT OF TRADE SECRETS JUDGMENT AGAINST ROCKY MOUNTAIN POWER

Salt Lake City, Utah: Today, May 16, 2016, the Salt Lake City, Utah, law firm of MAGLEBY CATAXINOS & GREENWOOD (formerly Magleby & Greenwood) announced the issuance of a unanimous decision from the Utah Supreme Court, affirming an award of damages and attorney fees of more than \$114,000,000, arising from a jury verdict against PacifiCorp for theft of trade secrets from the firm's client USA Power, LLC and related entities. With accrued interest, the amount due is more than \$122,500,000. PacifiCorp, which does business in Utah as Rocky Mountain Power, is a wholly-owned subsidiary of Berkshire Hathaway Energy Company.

The case arose out of USA Power's development of an air-cooled, natural gas-fired power plant project, with a particular configuration, to be built in Mona, Utah. In 2002, PacifiCorp and USA Power entered into a written confidentiality agreement, after which USA Power shared with PacifiCorp its confidential and trade secret materials for the plant, including its internal financial calculations regarding the project. In the spring of 2003, PacifiCorp abruptly terminated negotiations, and issued a Request for Proposals ("RFP"), seeking bids for projects to meet the company's power needs. In 2003, PacifiCorp awarded itself the bid, for a power plant in the same location, with characteristics virtually identical to those disclosed by USA Power's trade secrets. USA Power did not learn that PacifiCorp's bid was virtually identical to USA Power's project, until after PacifiCorp had awarded itself the bid. USA Power brought suit in 2005.

USA Power's lawyer Peggy A. Tomsic stated that "this decision sends an important message to those who would try to take advantage of their size and superior resources, to steal the fruits of labor by hard-working entrepreneurs without permission or compensation. The jury system levels the playing field, so that smaller companies like our clients can find first their day in court, and then justice."

"This unanimous decision by the Utah Supreme Court comes after more than eleven years of hard-fought litigation, against a multi-billion dollar opponent, resulting in a unanimous jury verdict after a five-week trial," said co-counsel James E. Magleby. "Our clients are relieved that this matter is now behind them, and that justice has finally prevailed despite the David-versus-Goliath odds in this case."

The claims against PacifiCorp were originally filed in October 2005. After years of litigation, the trial court granted summary judgment in favor of the defendants, leading to an appeal in 2008. In 2010, the Utah Supreme Court reversed the trial court's ruling, and remanded the case for a jury trial. That trial took place in April and May 2012.

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Today, the Utah Supreme Court affirmed the jury's finding that PacifiCorp violated a confidentiality agreement and stole USA Power's vision and other trade secrets, and used the information to develop PacifiCorp's Currant Creek power plant in Mona, Utah. Among other things, the Court ruled that "it was reasonable for the jury to conclude [] that [USA Power's] confidential economic information and business strategies were valuable to PacifiCorp in the RFP process." Regarding PacifiCorp's access to USA Power's internal financial calculations, the Court specifically noted that "in a bidding contest, for one competitor to have access to another competitor's internal financial calculations that will certainly bear upon that competitor's ultimate bid—would have obvious value. Such financial information is a paradigmatic example of a trade secret."

"We are grateful to our lawyers, who always believed in our case and never gave up, even when the trial court threw out all the claims," said USA Power's representative. "The ruling validates the original vision of the founding members of USA Power," said attorney Tomsic, "we are proud to have vindicated the hard work of these entrepreneurs and their small company. The case is not only a victory for our clients, but also shows that our legal system can truly level the playing field, no matter how big the opponent."

The USA Power verdict was one of the Top 100 Verdicts of 2012, according to The National Law Journal. <u>http://www.mcgiplaw.com/Press/Top100Verdicts.pdf</u>. It is also believed to be the largest trade secret verdict in the United States in 2012, and the largest trade secret verdict ever issued in Utah.

USA Power was represented at trial and on appeal by attorneys Peggy A. Tomsic, James E. Magleby, and by Eric K. Schnibbe, all partners at the Salt Lake City law firm of MAGLEBY CATAXINOS & GREENWOOD.

MAGLEBY CATAXINOS & GREENWOOD is a full-service intellectual property law firm, located in Salt Lake City, Utah. The firm's Intellectual Property Group is led by registered patent attorney Edgar R. Cataxinos and offers patent, trademark and copyright prosecution services for small-cap to billion-dollar clients, with particular emphasis in the areas of pharmaceuticals and biotechnology. The firm's Trial Group is led by James E. Magleby, and handles all types of complex business disputes, including patent infringement, theft of trade secrets, trademark and false advertising, real estate and construction cases.

MAGLEBY CATAXINOS & GREENWOOD considers contingency or partial contingency cases with damages in excess of \$25 million. The firm has obtained awards and settlements for its clients in the hundreds of millions of dollars.