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IN THE FOURTH JUDICIAL DISTRICT COURT  
UTAH COUNTY, STATE OF UTAH

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RALPH J. YARRO III, an individual,  
DARCY G. MOTT, an individual, and  
BRENT D. CHRISTENSEN, an individual,

Plaintiffs,

**AFFIDAVIT OF DARLA NEWBOLD**

vs.

VAL NOORDA KREIDEL, an individual,  
TERRY PETERSON, an individual,  
WILLIAM MUSTARD, an individual, THE  
NOORDA FAMILY TRUST, a Trust,  
RAYMOND J. NOORDA, an individual  
and a trustee of the Noorda Family Trust,  
LEWENA NOORDA, an individual and a  
trustee of the Noorda Family Trust, and  
JOHN DOES 1 THROUGH 10,

Civil No. 050400205

Honorable Anthony W. Schofield, Div. 8

Defendants.

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STATE OF UTAH            )  
                                  : ss.  
COUNTY OF UTAH        )

DARLA NEWBOLD, being first duly sworn, upon oath, deposes and says:

1. I am over twenty-one years of age and have personal knowledge of the facts stated below.

2. I earned a Legal Secretary Certificate from Salt Lake Community College. I had six years experience working for law firms prior to my employment with The Canopy Group, Inc. (“Canopy”).

3. In January 2001, I was hired as a Legal Assistant at Canopy. I worked closely with Canopy’s corporate counsel, Brent Christensen (“Mr. Christensen”) and certain Canopy portfolio companies’ legal departments. My duties at Canopy were varied, but included, among other things, the following: maintaining the corporate books of Canopy, working on consent resolutions, keeping track of calendars and schedules regarding pending transactions, assisting with due diligence reviews, and assisting certain portfolio companies maintain their corporate books.

4. I became acquainted with Raymond J. Noorda (“Mr. Noorda”) and Lewena Noorda (“Mrs. Noorda”) when I started working at Canopy. I have never heard Mr. or Mrs. Noorda criticize Ralph J. Yarro, III (“Mr. Yarro”), Canopy’s President and Chief Executive Officer, Darcy Mott (“Mr. Mott”), Canopy’s Vice President, Chief Financial Officer and Treasurer, nor Brent Christensen (“Mr. Christensen”), Canopy’s Vice President, Corporate Counsel and Assistant Secretary.

5. I have known Mr. Yarro for approximately four years. Mr. Yarro has treated me with respect as an employee of Canopy. I consider Mr. Yarro to be a skilled businessman. He has provided a tremendous amount of support and advice to the Canopy employees and the Canopy portfolio companies.

6. I was aware that on December 17, 2004, Mr. Yarro was attending a meeting of Canopy’s Board of Directors at ScenicView Center. While Mr. Yarro was gone to attend the

meeting, I saw a group of men enter the Canopy offices. These men escorted Mr. Mott and Mr. Christensen to a conference room and then out of the building. The remaining Canopy employees were then directed to report to a conference room for a meeting.

7. At the meeting on December 17, 2004, a man I had never seen before, William Mustard ("Mr. Mustard") informed Canopy employees that as a result of an action of Canopy's Board of Directors, he was now the President and Chief Executive Officer of Canopy. He told us that Mr. Yarro, Mr. Mott and Mr. Christensen were no longer employees of Canopy. David Watkiss, an attorney with the Law Firm of Ballard Spahr Andrews & Ingersoll, LLP ("Ballard Spahr") was at the meeting. Val Noorda Kreidel came into the meeting after it had started. I was upset by what occurred during that meeting.

8. After the takeover of Canopy by Mr. Mustard, I tried to perform my work duties and assist with the transition. Mr. Mustard rarely spoke with me. In fact, he appeared suspicious of and hostile to me and other of the Canopy employees. Mr. Mustard instructed me to assist Brandon Tidwell, a Ballard Spahr attorney. I assisted Mr. Tidwell in reviewing the corporate records. I explained the corporate books to him and advised him of matters currently of concern with the Canopy portfolio companies. He stated that Mr. Yarro and Mr. Mott were going to be removed from the Board of Directors of all Canopy portfolio companies through consent resolutions whenever possible, and otherwise when necessary, through shareholders meetings.

9. After the takeover of Canopy, the atmosphere at work was tense. I was upset and would like to have spoken to other employees about what was occurring, but was concerned of the suspicions Mr. Mustard would have if I were seen talking to other employees at work.

10. On December 22, 2004, I was told that Mr. Mustard wanted to convene a meeting

with all Canopy employees. At that meeting, Mr. Mustard gave each Canopy employee a document, and told us to read and sign the document. When Dan Baker (“Mr. Baker”), a Canopy employee, stood up to get a pen to sign the document, Mr. Mustard told him in a raised voice to “SIT DOWN.” The document I was given to sign was dated December 17, 2004. While I was carefully reading the document, Mr. Mustard asked me in a stern voice if I had a problem with the document. I told him I was just trying to read it carefully. I felt intimidated by his attitude and coerced to sign the document. Mr. Mustard then became angry with Mr. Baker, asking him why he had crossed off the date of December 17, 2004. Mr. Baker started to explain, but Mr. Mustard interrupted him. Mr. Mustard repeatedly asked Mr. Baker, in an angry voice, whether Mr. Baker had spoken to others about what had occurred on December 17, 2004. When Mr. Baker tried to answer, Mr. Mustard interrupted him and repeatedly told him, with a raised voice, that he wanted a “yes” or “no” answer. Mr. Baker finally replied “no.” I was upset by Mr. Mustard’s hostile and threatening conduct. Other employees were also visibly upset by Mr. Mustard’s conduct. The employees did not say anything to Mr. Mustard after that heated exchange. After the meeting, I cleaned off my desk, as Mr. Mustard had demanded that all employees do, and then left for the Canopy Christmas luncheon.

11. Mr. Mustard did not attend the Canopy Christmas luncheon. At the Canopy Christmas luncheon, the employees discussed how upset they were with the recent events and what had occurred during the meeting. Rob Penrose was very distraught. He kept repeating that he shouldn’t have signed the paper. We tried to reassure Rob Penrose that we all knew that we had been coerced and intimidated, and that we had not been given an option to not sign the document.

12. After the Christmas luncheon, Canopy's offices were scheduled to be closed until January 3, 2005.

13. Two days after the Christmas luncheon, I was told that Rob Penrose had committed suicide. I was very distraught to learn this.

14. On Monday, January 3, 2005, the first day Canopy's offices were open after the Christmas break, Mr. Mustard did not speak to Canopy's employees about the death of Rob Penrose.

15. Throughout the next few weeks, Mr. Mustard continued to treat me and other Canopy employees in a rude, untrusting and intimidating manner. For example, on one occasion I was startled when I heard Mr. Mustard yell "NO" in an angry voice. I heard him loudly even though I was on the other side of the office complex at the time. I later learned that he was yelling at Mr. Baker, a Canopy employee.

16. Mr. Mustard did not appear to have a plan as to how to manage the affairs of Canopy and the Canopy portfolio companies. Under Mr. Yarro's direction I clearly understood that two of the purposes of Canopy was to provide good quality jobs and to build businesses. Mr. Mustard's vision seemed to be the opposite. Furthermore, Mr. Mustard was reluctant and very slow to make decisions, even urgent decisions. I considered the working conditions at Canopy to be intolerable.

17. I resigned my employment with Canopy on January 18, 2005.

18. I have not obtained other employment. To my knowledge, Canopy has not hired someone to fill my position. If Mr. Yarro, Mr. Mott, and Mr. Christensen are permitted to continue as officers of Canopy, and if I have not found other employment, I would like to resume

my employment with Canopy.

19. I am concerned that my resignation from Canopy will adversely affect Canopy and Canopy portfolio companies. No one has specific knowledge of the corporate books to the extent Mr. Christensen and I do. Also, no one, other than the attorneys at Ballard Spahr (which some of the portfolio companies will not be able to afford) are available to assist the portfolio companies with, among other things, maintaining their corporate books, preparing proper notices, doing due diligence, keeping track of options and assisting with the legal papers involving business transactions.

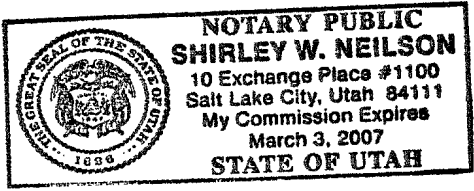
20. I also believe that Canopy and the portfolio companies have been adversely affected by the actions purportedly taken on December 17, 2004. The portfolio companies relied upon Mr. Yarro for business advice, support, and guidance. Mr. Yarro knew everyone in management of the portfolio companies and whether the portfolio companies were making reasonable progress in implementing their business plans. Also, I know that Mr. Mott prepared and maintained capitalization tables that were relied upon by Canopy and the portfolio companies. No one remaining at Canopy knows, to the extent Mr. Mott knows, the historical background of the portfolio companies and the financial documents.

21. I have exercised my options for Class A Voting stocks in Canopy, to the extent they have vested. To my knowledge there have been no Canopy shareholders meetings or shareholders consent resolutions since February 2004. I am not aware of any Canopy shareholders meetings set to be held in 2005.

*Darla Newbold*

DARLA NEWBOLD

SUBSCRIBED AND SWORN TO before me this 26<sup>th</sup> day of January, 2005.



*Shirley W. Neilson*

Notary Public  
Residing in Salt Lake County, Utah

My Commission Expires:

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