

FILED IN  
4TH DISTRICT COURT  
STATE OF UTAH  
UTAH COUNTY

2005 FEB 11 A 10:52

STANLEY J. PRESTON (4119)  
MICHAEL R. CARLSTON (0577)  
MARALYN M. REGER (8468)  
SNOW, CHRISTENSEN & MARTINEAU  
Attorneys for Plaintiffs  
10 Exchange Place, Eleventh Floor  
Post Office Box 45000  
Salt Lake City, Utah 84145  
Telephone: (801) 521-9000

---

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

---

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

vs.

VAL NOORDA KREIDEL, an individual,  
TERRY PETERSON, an individual,  
WILLIAM MUSTARD, an individual, THE  
NOORDA FAMILY TRUST, a Utah 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,

Defendants,

THE CANOPY GROUP, INC., a Utah  
corporation,

Intervenor Defendant.

**PLAINTIFFS' AMENDED  
APPLICATION FOR PRELIMINARY  
INJUNCTION**

**HEARING REQUESTED**

Civil No. 050400205

Honorable Anthony W. Schofield, Div. 8

Pursuant to Rule 65A of the Utah Rules of Civil Procedure, Plaintiffs Ralph J. Yarro III, Darcy G. Mott and Brent D. Christensen (hereafter referred to collectively as “plaintiffs”) respectfully submit this Amended Application for Preliminary Injunction, requesting an injunction and order restoring the parties to the status quo that existed prior to the invalid actions which occurred on December 17<sup>th</sup>, and more specifically, enjoining defendants, and all others acting for and on their behalf or in concert with them, and any person who receives notice of the Court’s Order from: (a) restricting plaintiffs’ access to Canopy buildings, offices, documents, records and computer resources; (b) hindering or restricting plaintiffs from exercising their duties and using their control as officers and employees to continue managing Canopy’s business; (c) interfering in any way with Mr. Yarro’s rights of management in connection with governance of Canopy in accordance with the Shareholder Agreement; (d) issuing any shares of Canopy stock to Mr. and Mrs. Noorda as a result of the purported December 17<sup>th</sup> resolution, or otherwise; (e) making any statements that create uncertainty as to the authority of plaintiffs to act as officers of Canopy; (f) mistreating former or current Canopy employees; (g) acting in any manner inconsistent with the fact that plaintiffs are officers and employees of Canopy; (h) acting in any manner inconsistent with the fact that the actions taken by Canopy’s board of directors on December 17<sup>th</sup> are void; and (i) taking any retaliatory action against any person or entity who provides testimony (through deposition, affidavit or otherwise) related to this litigation. Also an injunction and order declaring that Mr. Noorda is unable to serve as a director of Canopy because

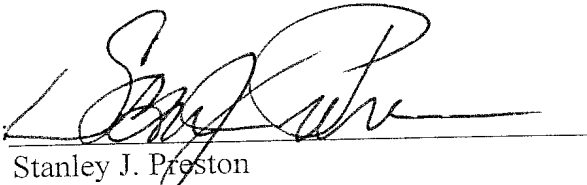
of incapacity and requiring Mrs. Noorda to act in a manner consistent with the purpose of Section 1(b)(iv) of the Shareholder Agreement, to enable the appointment of a third director.

Alternatively, plaintiffs seek an order appointing a neutral custodian to manage the business and affairs of Canopy, until such time as this litigation is resolved or by further order of the Court, granting the neutral custodian the right to exercise all of the powers of Canopy to the extent necessary to manage the affairs of Canopy in the best interests of its shareholders and creditors, if any, and providing that reasonable compensation and expenses are to be paid to the neutral custodian from the assets of Canopy.

In the absence of the entry of a Preliminary Injunction, plaintiffs will incur immediate and irreparable harm. Plaintiffs, therefore, seek injunctive relief without bond, for the reasons set forth in the accompanying Memorandum in Support of Plaintiffs' Motion and Application for Temporary Restraining Order and Preliminary Injunction, in the Complaint, and in a memorandum that will be filed in support of the Amended Application for Preliminary Injunction prior to the hearing set for March 8-11, 2005.

DATED this 9<sup>th</sup> day of February, 2005.

SNOW, CHRISTENSEN & MARTINEAU

By:   
Stanley J. Preston  
Michael R. Carlston  
Maralyn M. Reger  
Attorneys for Plaintiffs

CERTIFICATE OF SERVICE

I hereby certify that I am employed by the law offices of Snow, Christensen & Martineau, attorneys for defendants, and that a true and correct copy of **PLAINTIFFS' AMENDED APPLICATION FOR PRELIMINARY INJUNCTION** (Case No. 050400205, Fourth Judicial District Court, Utah County, for the State of Utah) was served on the following, as indicated below, this 9th day of February, 2005:

David B. Watkiss, Esq. (Hand delivery)  
James W. Stewart, Esq.  
Anthony C. Kaye, Esq.  
Ballard Spahr Andrews & Ingersoll, LLP  
One Utah Center, Suite 600  
201 South Main Street  
Salt Lake City, Utah 84111-2221

*Attorneys for William Mustard, The Noorda Family Trust,  
Raymond J. Noorda, Lewena Noorda, and The Canopy  
Group, Inc.*

Jeffrey S. Facter, Esq. (First-class mail, postage prepaid)  
Shearman & Sterling, LLP  
525 Market Street  
San Francisco, CA 84105

Eric G. Maxfield, Esq. (Hand delivery)  
Holme Roberts & Owen, LLP  
299 South Main, Suite 1800  
Salt Lake City, Utah 84111

*Attorneys for Terry Peterson*

Val Kreidel (First-class mail, postage prepaid)  
6932 Via Carona Drive  
Huntington Beach, CA 92647-6650

  
\_\_\_\_\_