

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. MOTI', an individual, and
BRENT D. CHRISTENSEN, an individual,

Plaintiffs,

AFFIDAVIT OF BARBARA JACKSON

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.

STATE OF UTAH)
 ; ss.
COUNTY OF UTAH)

BARBARA JACKSON, 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 have a Bachelor of Science degree from Brigham Young University

3. In September 1995, I was hired as an Executive Assistant at NFT Ventures, Inc., now known as The Canopy Group, Inc. ("Canopy"), for Raymond J. Noorda ("Mr. Noorda") and Ralph J. Yarro, III ("Mr. Yarro"). When I started, I worked closely with Mr. Noorda and Mr. Yarro. I enjoyed working with Mr. Noorda and visiting with him. I worked with Mr. Noorda close enough to gain an understanding of his exceptional business skills and to observe the manner in which he operated Canopy. Later, after Mr. Noorda stopped coming into the office regularly, I worked primarily with Mr. Yarro. My duties at Canopy included, among other things, setting up meetings, working on human resources issues for Canopy and Canopy portfolio companies, dealing with accounts receivables/payables and assisting Canopy portfolio companies as necessary. I handled phone calls to Mr. Noorda and/or Mr. Yarro and determined the urgency of the notifying Mr. Noorda or Mr. Yarro of the phone call.

4. Mr. Noorda was always generous with me. For example, when DKI, a Canopy portfolio company, was sold I heard that Canopy employees may receive a bonus. After Mr. Noorda, Mr. Yarro and another company officer met, I was handed a bonus check of approximately \$6,000.00. My husband and I were thrilled, and we both went into Mr. Noorda's office to thank him. He told us he was happy to do it and that we should spend it wisely.

5. In 1999, Mr. Noorda received a letter from Darcy Mott ("Mr. Mott") inquiring about employment with Canopy. Mr. Noorda had known Mr. Mott from the time that they had worked at Novell together. Mr. Noorda hired Mr. Mott as Canopy's Chief Financial Officer. Shortly after Mr. Mott started working at Canopy, my husband and I were traveling with Mr. and Mrs. Noorda to Snowbird because Mr. Noorda was being inducted into the UTTA's Hall of Fame.

On our way to Snowbird, Mr. Noorda expressed admiration for Mr. Mott and that he would be an asset to Canopy.

6. I always enjoyed working with Mr. Noorda. There was a friendly atmosphere at work and I was always treated as a trusted and valuable employee and friend. As a friend, I helped organize a surprise birthday party for Mr. Noorda's 75th birthday. Mr. and Mrs. Noorda would often share with me personal information about their children and grandchildren, and I would share information about my family. Mr. and Mrs. Noorda told me some of their financial plans, including their plan to make large charitable donations to their church.

7. I have spoken to both Mr. and Mrs. Noorda on numerous occasions through the years. I have never heard Mr. or Mrs. Noorda criticize Mr. Yarro, Mr. Mott nor Brent Christensen ("Mr. Christensen").

8. I recently learned from a person not associated with Canopy that Mr. and Mrs. Noorda had registered to live at Courtyard at Jamestown, an assisted living facility in Provo, Utah.

9. I have known and admired Mr. Noorda and Mr. Yarro the entire time I worked at Canopy. Mr. Noorda and Mr. Yarro treated me with respect as an employee of Canopy. I consider Mr. Yarro to be a skilled businessman, with skills similar to the skills shown by Mr. Noorda when he worked at Canopy.

10. I was aware that on December 17, 2004 at 10 a.m., that there was a meeting of the Board of Directors at ScenicView Center and that Mr. Yarro was attending. Mr. Yarro had not been given an agenda before the meeting, although it had been requested. Shortly after 10 a.m., Darla Newbold asked me why there were security guards in the lobby. A few minutes later, I

was told that attorneys from the Law Firm of Ballard Spahr Andrews & Ingersoll, LLP ("Ballard Spahr") and some security guards had escorted Mr. Mott and Mr. Christensen into a conference room. I was concerned that all of Canopy's employees would be asked to leave the building without being allowed to take their personal items, so I hurriedly gathered some Christmas presents I had for my husband, and took them to my car. When I returned, I saw Frankie Gibson sitting at my desk sobbing. Shortly after Ms. Gibson returned to her desk, I was told that the security guards had escorted Mr. Mott and Mr. Christensen out of the building.

11. David Watkiss, an attorney from Ballard Spahr, came and asked me where he could find Robert Penrose, a Canopy employee. I told him and the men who were with him how to find Robert Penrose's office. A few minutes later, Mr. Watkiss asked me to tell all Canopy employees to meet in the front conference room. At that time, I noticed that there were security guards by both doors that lead out of Canopy's offices.

12. At the meeting on December 17, 2004, a man I had never seen before, William Mustard ("Mr. Mustard"), in a matter-of-fact manner, 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 and that we should not talk to them. Mr. Watkiss was at the meeting. Val Noorda Kreidel ("Ms. Kreidel") entered the conference room after the meeting had started. At the meeting I was told that I should refer all callers asking to speak with Mr. Yarro to Mr. Mustard. Joyce Wiley told Mr. Mustard that the office was scheduled to close from noon on December 22, 2004 to January 3, 2005. Mr. Mustard confirmed that the Christmas break schedule would remain. During the meeting I informed Mr. Mustard that there was a letter that

one of the portfolio companies needed signed so it could continue talks with a company that wanted to acquire it.

13. I was shocked and upset by the information that we had been given in the meeting. After the meeting I wanted to talk to the other Canopy employees, but did not do so because it appeared to me that the employees were being watched very closely.

14. Later that day I met with Mr. Mustard and Ms. Kreidel. I gave Mr. Mustard the calendar, a list of Canopy portfolio companies, and the letter one of the portfolio companies needed signed. Mr. Mustard asked me whether the acquisition was "a done deal." Ms. Kreidel assured him that she was aware of the deal and that the deal had been in the works for several months. I then returned to my desk.

15. At Mr. Mustard's request, I then arranged for the presidents of many of the Canopy portfolio companies to meet with Mr. Mustard and Ms. Kreidel. It was difficult for me to explain why they needed to come to Canopy's office because Mr. Mustard had directed all Canopy employees that they were not allowed to tell anyone of the purported changes in management.

16. Later, on December 22, 2004, Mr. Mustard met with Robert Penrose for almost one hour. I did not hear what was said during the meeting because the door to Mr. Mustard's office was closed.

17. On December 22, 2004, I was told that Mr. Mustard wanted to have a meeting with all Canopy employees before the office closed at noon. At that meeting, Mr. Mustard gave each Canopy employee a document. The document I was given to sign was dated December 17, 2004. Mr. Mustard told the employees that we were to sign the document and return it to him.

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." Darla Newbold took a little longer to read the document than the other employees. Mr. Mustard, in an angry voice, asked Darla Newbold whether she had a problem with the document. I was intimidated by Mr. Mustard's attitude and felt coerced to sign the document. Mr. Mustard then became angry with Mr. Baker because Mr. Baker had crossed off the date of December 17, 2004 on the document. Mr. Baker tried to explain that the reason why he had crossed out that date was because Canopy employees were not told everything that was in the document on December 17, 2004. Mr. Mustard got very angry and would not listen to Mr. Baker's explanation. Mr. Mustard repeatedly asked Mr. Baker, in a raised and 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 extremely upset and frightened by Mr. Mustard's 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. Even though that would be the last time Mr. Mustard would see the employees before the Christmas break, Mr. Mustard did not extend any holiday greetings to the employees.

18. After the employee meeting, Mr. Mustard called me into his office and asked me whether I thought Mr. Baker had lied to him in the meeting. I told Mr. Mustard that I had known Mr. Baker for years and I knew that he was not lying. Mr. Mustard, in a mocking manner, said that I believed people because of my upbringing and religion but that he did not believe people until they had proven themselves to be believable.

19. Before I left for the Christmas luncheon, Rob Penrose told me to turn off my computer because he had been instructed to shut down the computer system during the Christmas break. I shut off my computer and cleaned off my desk, as Mr. Mustard had demanded of all employees. Ms. Kreidel then came in the office and we discussed her getting a badge so that she could enter Canopy without checking in at the front desk. Rob Penrose took her downstairs so she could get a badge. I then left for the Canopy Christmas luncheon.

20. Mr. Mustard did not attend the Canopy Christmas luncheon. When I arrived at the luncheon I was in tears. Rob Penrose was also crying at the luncheon. Throughout the luncheon, the employees discussed how upset they were with the recent events and what had occurred during the meeting. Rob Penrose was particularly distraught and kept repeating that he should not have signed the paper. We tried to reassure Rob Penrose and told him that we all felt threatened and that we had all signed the document under duress.

21. Two days after the Christmas luncheon, I was told that Rob Penrose had committed suicide. That news broke my heart.

22. Mr. Mustard called me a few times during the Christmas break and asked me what I had heard about Rob Penrose's suicide. During one phone call he told me that Rob Penrose's brother wanted to speak to him, but that I should tell him that Mr. Mustard will talk to him "at an appropriate time." At the viewing, Rob Penrose's family told me that Rob had committed suicide because the workplace at Canopy had become so hostile and had placed him under a tremendous amount of pressure. They told me that on the day Rob died, he had said that he felt threatened and had asked for security guards to watch his home.

23. I expected that Mr. Mustard would meet with the employees the first day

Canopy's offices were open after the Christmas break to express sympathies to us for the loss of our friend and colleague. However, Mr. Mustard did not do so.

24. The working conditions at Canopy had become intolerable after December 17, 2004. Prior to that date I had been treated as a trusted and loyal employee. Mr. Mustard treated me very differently. He was demeaning and threatening to me and other Canopy employees. He liked to make people wait for him, and was slow to respond to telephone messages or requests for meetings.

25. I resigned my employment with Canopy on January 7, 2005.

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

27. I am concerned that my resignation from Canopy will adversely affect Canopy and Canopy portfolio companies. Through my years of experience with Canopy, I have developed a great deal of knowledge regarding Canopy and Canopy portfolio companies. That knowledge was an important resource in providing support to Canopy and Canopy's portfolio companies.

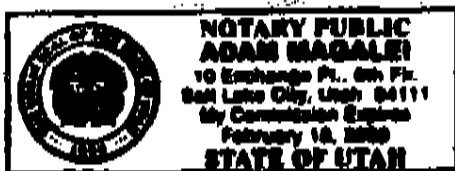
28. I also believe that Canopy and Canopy's portfolio companies have been seriously and adversely affected by the actions purportedly taken on December 17, 2004. I am aware of major transactions in the works that Mr. Yarro, Mr. Mott and Mr. Christensen were very knowledgeable about. Mr. Mustard does not have the knowledge to step into their places. The portfolio companies will be required to spend considerable time and effort explaining the transactions to Mr. Mustard and attempting to gain his support for the transactions. Some of the transactions may be delayed or canceled. Several officers of Canopy portfolio companies have

told me that they are concerned that they will not get the same level of support from Mr. Mustard as they had with Mr. Yarro, Mr. Mott and Mr. Christenson.

29. 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.

Barbara Jackson
BARBARA JACKSON

SUBSCRIBED AND SWORN TO before me this 27th day of January, 2005.



Adam Magalei
Notary Public
Residing in Davis County

My Commission Expires:

18 February 2008

NA22405\IA\Utah\Utah Jackson Affidavit.wpd