

EXHIBIT 15

In The Matter Of:

*Novell v.
Canopy Group*

*Ralph Yarro
September 26, 2001*

*Rocky Mountain Reporting Service, Inc.
Certified Shorthand Reporters
10 Exchange Place
528 Newhouse Building
Salt Lake City, UT 84111
(801) 531-0256 FAX: (801) 531-0263*

*Original File RYARRO.TXT, 208 Pages
Min-U-Script® File ID: 1870955699*

Word Index included with this Min-U-Script®

IN THE FOURTH JUDICIAL DISTRICT COURT OF UTAH COUNTY
STATE OF UTAH
NOVELL, INC., a Delaware corporation, Plaintiff,
-v-
THE CANOPY GROUP, INC., a Utah corporation, Defendant.

: Civil No. 000402011C
: (Judge Anthony W. Schofield)
:
: FILE UNDER SEAL
:
: Deposition of:
: RALPH YARRO
:
Be it remembered that on the 26th day of September, 2001, the deposition of RALPH YARRO was taken pursuant to notice, commencing at 9:00 a.m. of said day at the offices of Novell, Inc., 1800 S. Novell Place, Building B, LaSalle Conference Room, Provo, Utah, before Diane W. Flanagan, a Certified Shorthand Reporter and Notary Public in and for the State of Utah.

[1]	INDEX	
[2]	Witness: RALPH YARRO	Page
[3]	Examination by Mr. Mullen	4
[4]	Examination by Mr. Palumbo	198
[4]	Further Examination by Mr. Mullen	203
[5]		
[6]		
[7]		
[8]		
[9]		
[10]		
[11]		
[12]		
[13]		
[14]		
[15]		
[16]		
[17]		
[18]		
[18]		
[20]		
[21]		
[22]		
[23]		
[24]		
[25]		

[1] APPEARANCES
[2]
[3] For the Plaintiff: John P. Mullen
Scott A. Call
[4] ANDERSON & KARREBERG
50 West Broadway
[5] Suite 700
Salt Lake City, Utah 84101
[6]
[7] For the Defendant: Ralph H. Palumbo
SUMMIT LAW GROUP
[8] 1505 Westlake Avenue North
Suite 300
[9] Seattle, Washington 98109
[10]
Also Present: Jim F. Lundberg
[11] Associate General Counsel
Novell, Inc.
[12]
[13]
[14]
[15]
[16]
[17]
[18]
[19]
[20]
[21]
[22]
[23]
[24]
[25]

[1] September 26, 2001 9:00 a.m.
[2]
[3] PROCEEDINGS
[4]
[5] RALPH YARRO,
[6] called as a witness, having been duly sworn,
[7] was examined and testified as follows:
[8]
[9] EXAMINATION
[10]
[11] BY MR. MULLEN:
[12] Q: Good morning, Mr. Yarro.
[13] A: Morning.
[14] Q: Have you ever had your deposition taken before?
[15] A: No.
[16] Q: You sat in on several of our depositions, so I'm
[17] sure you're familiar with our process. I'll be asking
[18] questions. You'll be providing answers. If I ask
[19] something you don't understand, will you please let me
[20] know?
[21] A: Yes.
[22] Q: You'll need to answer audibly with a yes or no.
[23] Head nods, uh-huhs, or huh-uhs will prompt me to ask is
[24] that a yes or no.
[25] A: Okay.

[1] everything in my power at that time, of course, one of
[2] these documents during the lawsuit.
[3] MR. MULLEN: Why don't we take a short break
[4] here?
[5] (Recess taken)
[6] Q: (By Mr. Mullen) I'm going to hand you what we
[7] marked as Exhibit 50 to Mr. Bentley's deposition,
[8] Mr. Yarro, and can you tell me if you saw at any time this
[9] draft of the asset purchase agreement?
[10] A: I'm not sure.
[11] Q: Did you make any comments or notes on any drafts
[12] that you're aware of?
[13] A: I'm not.
[14] Q: Do you ever recall reviewing a draft that had
[15] bold — or not bold but, excuse me, all capital letter
[16] comments under it as this one does in various sections?
[17] A: Not in particular.
[18] Q: Do you remember reviewing a draft that had that
[19] draft stamp at the top as this one does on page 1134,
[20] Revision No. 1?
[21] A: I'm not sure.
[22] Q: Recognize that as a stamp placed on there by
[23] Mr. Graf's office?
[24] A: I don't know.
[25] Q: Was there any particular draft asset purchase

Page 141

[1] A: I would assume.
[2] Q: Why would you make that assumption?
[3] A: That would be good lawyering.
[4] Q: Was there someone at Canopy or Caldera whose job
[5] it was to take the drafts and put them on a computer and
[6] keep track of changes?
[7] A: If that existed, it would have fallen under
[8] Bryan's control.
[9] Q: Tell me about the closing on July 23, 1996. How
[10] long did it last?
[11] A: Better part of the morning.
[12] Q: And you were there for the entire closing?
[13] A: Yes.
[14] Q: Who else was there?
[15] A: Let's see, Paul Graf, myself, Bryan Sparks,
[16] Ransom Love on our side. I know Steve Bentley was there.
[17] As far as — he had some people running in and out, and it
[18] was either Greg Jones or Craig Christensen. I'm leaning
[19] towards Greg Jones. I don't know who else from that side.
[20] Q: Had you met Mr. Jones or Mr. Christensen prior
[21] to that time?
[22] A: Yes.
[23] Q: So you could tell who was who?
[24] A: Right.
[25] Q: Your memory is such you can't remember which of

Page 143

[1] agreement or license agreement that you reviewed that
[2] stands out in your mind?
[3] A: That stands out, no.
[4] Q: Any particular provision before the closing that
[5] you reviewed that stands out in your mind?
[6] A: No.
[7] Q: I'm going to show you what we marked earlier as
[8] Exhibit 52 to Mr. Bentley's deposition. Can you tell me
[9] if that is a draft you saw at any time?
[10] A: I can't recall.
[11] Q: Do you recognize that fax number at the top of
[12] the page?
[13] A: No.
[14] Q: What was your understanding of what the grant
[15] back license was intended to accomplish in this
[16] transaction?
[17] A: Make sure that Novell — my understanding was to
[18] make sure Novell had the appropriate technologies that
[19] were integrated into their NetWare offerings, make sure
[20] they had the appropriate access to those technologies to
[21] continue to sell their flagship products.
[22] Q: Mr. Graf ever make changes to the drafts of
[23] either the asset purchase agreement or license agreement
[24] and circulate those among Caldera personnel or you prior
[25] to sending them to Novell?

Page 142

[1] the two it was?
[2] A: Again, plenty of meetings, Craig, of course, is
[3] the tall one. Greg is not as tall.
[4] Q: If they weren't together, you could still tell
[5] them apart?
[6] A: I could tell them apart.
[7] Q: When did you get there? When did you arrive at
[8] Novell?
[9] A: I believe Bryan and myself drove together.
[10] Q: What time was that?
[11] A: I don't know.
[12] Q: 9:00 a.m., 10:00 a.m., or was it in the
[13] afternoon?
[14] A: I don't know.
[15] Q: How many hours did the closing last?
[16] A: Couple. I think we sat in a room, Building A,
[17] top floor. Only reason that's familiar to me is I've met
[18] in that room many times for other deals and same building
[19] that Bradford offices in. I don't know about the other
[20] gentlemen.
[21] Q: You had your attorneys ready to go and file the
[22] complaint at the courthouse during the closing?
[23] A: That's correct.
[24] Q: So that would be Mr. Steve Hill?
[25] A: That is correct.

Page 144

[1] Q: You gave Mr. Hill a telephone call when the
[2] closing finished and told him to file the complaint?
[3] A: As the final document was prepared and they were
[4] getting ready to ink them, I was on the phone with Steve
[5] Hill; that's correct.
[6] Q: Did Mr. Hill, then, tell you he had filed the
[7] complaint while you were on the phone with him or call you
[8] back and let you know?
[9] A: No. Once he had the news, he filed. And we
[10] assumed he would do that and, of course, it got done.
[11] Q: Why were you waiting for the documents to be
[12] signed to tell him to go ahead and file?
[13] A: In case we didn't come to an agreement.
[14] Q: Tell me, were you presented when you first
[15] showed up with drafts of the agreement?
[16] A: I don't remember having final documents when we
[17] came to that meeting.
[18] Q: No. When you showed up, did somebody present to
[19] you the documents to sign?
[20] A: No. They were still in the process. There were
[21] still things that they were changing and adjusting. I
[22] believe the percentage was adjusted.
[23] Q: Was that something that was negotiated at that
[24] last meeting, or was it negotiated prior to that and being
[25] adjusted?

Page 145

[1] A: It was always a concern that the percentage was
[2] too high. We, of course, didn't agree with the larger
[3] numbers, yet I believe it was again Steve Bentley who had
[4] great concerns that a percentage higher than 20 percent
[5] would be viewed as participating in a lawsuit. Pretty
[6] standard practice for consolidated tax type issues in
[7] ownership of company that a 19.9 percent interest in
[8] anything would exclude you from a consolidated tax
[9] perspective. And I assume they picked that number because
[10] that was similar -- or around those numbers because that
[11] was similar. I don't know.
[12] Q: When you got to the closing and went into the
[13] room at Novell, did any negotiations take place?
[14] A: Nothing material. I remember -- when I say
[15] nothing material, I mean nothing that would impact things
[16] that Canopy would be interested in, you know, so they
[17] weren't discussed with me. The percentage coming down, of
[18] course, was beneficial to us. That didn't create any
[19] cause of panic from my perspective that I would have to
[20] get on the phone and talk to Ray about. As far as other
[21] things, I think they were passing pages as they were
[22] coming off the printer to Graf. He didn't signal anything
[23] out of the ordinary to me, so I would say that is the best
[24] way I can answer that.
[25] Q: Did you review any drafts of any agreement

Page 146

[1] before the final one was signed at the closing?
[2] A: At the closing, no. Paul was the one reviewing
[3] them.
[4] Q: Did Mr. Sparks, then, and Mr. Love rely on
[5] Mr. Graf to review the documents?
[6] A: I don't know what they were thinking. I don't
[7] know if -- what parts they saw and what they reviewed.
[8] Q: Did you get there before or after Mr. Graf?
[9] A: I don't know.
[10] Q: Before or after Mr. Love?
[11] A: As far as I know Love came with Bryan and I
[12] coming from the same location. Paul, of course from Salt
[13] Lake, drove himself, but I'm not sure.
[14] Q: Tell me to the best of your recollection
[15] everything that was said by everybody from Novell that you
[16] overheard at the closing.
[17] MR. PALUMBO: Objection. Vague and ambiguous.
[18] A: The only thing that popped up that was somewhat
[19] humorous and discussed was that nobody was present to ink
[20] the document. Bob conveniently was not available.
[21] Bradford wasn't going to sign, and Bentley was concerned
[22] that here he was stuck having to sign this thing. And
[23] jokes about Microsoft coming after those who were inking
[24] this document, things like that were discussed. Anyways,
[25] Bentley was a little distressed that he was the one who

Page 147

[1] was going to be signing it, at least my interpretation of
[2] the event.
[3] Q: Who was the first one to raise the issue that
[4] nobody was there to ink the document for Novell, and what
[5] did they say?
[6] A: Don't know who raised it. I do know that --
[7] again, that Bentley felt like he was caught off guard.
[8] That's the impression I received from it, that he was
[9] shocked that moment that he would be the one putting his
[10] name on it.
[11] Q: What was it that led you to believe he was
[12] shocked? What gave you that impression?
[13] A: Jokes and mannerisms of discussion. Bob can't
[14] get here now, Bradford is not around, Bob told me on the
[15] phone I now have full authority. So it made it -- at
[16] least my understanding based on what he said when he
[17] walked in the door, and he was going in and out, that Bob
[18] gave him authority over the phone to sign it and that
[19] caught him off guard.
[20] Q: When Mr. Bentley brought that up, was that near
[21] the end, near the beginning, or in the middle of the
[22] closing?
[23] A: Right before we inked this document.
[24] Q: And other than that discussion about who is
[25] going to ink the document, was there any discussion by any

Page 148