

CALIFORNIA SUPREME COURT SIDES WITH SIEBEL IN MALICIOUS PROSECUTION RULING

Decision Will Have Sweeping Ramifications on Frivolous Lawsuit Actions

San Francisco, Calif. – July 17, 2007 – The California Supreme Court yesterday issued a ground-breaking ruling that clearly defines "favorable termination" in malicious prosecution cases, allowing individuals to settle claims during the appeals process without waiving their right to sue "unscrupulous" lawyers. The opinion of the court paves the way for Thomas Siebel, former CEO of Siebel Systems, to move forward with his case against the lawyers who represented a disgruntled ex-employee of his former company for claims that were deemed baseless at trial.

"This is a private effort at tort reform," said Siebel. "This ruling will make lawyers think twice before seeking to extort settlements from vulnerable targets by filing lawsuits they know are frivolous. Victims of frivolous litigation will now find it easier to have their day in court, bypassing what could potentially be years in the costly appeals process."

Siebel was represented at the Court by Robin Meadow, a partner in the appellate firm Greines, Martin, Stein & Richland LLP. According to Meadow, after the Siebel case prevailed in the Court of Appeal, lawyers flooded the Supreme Court with requests for it to hear the case.

"This is a groundbreaking decision because Mr. Seibel was able to settle with the plaintiff who sued him, while retaining his right to pursue the attorneys who he believes were the ones really behind the lawsuit," Meadow said. "He avoided the time and expense of perhaps several years of appellate litigation. The Supreme Court's ruling benefits both plaintiffs who are ready to give up claims they do not believe in and the court system whose resources can be better spent elsewhere."

The defendants in Siebel's malicious prosecution case had tried to have the case thrown out of court, stating that Siebel had waived his right to such action by reaching a settlement with the plaintiff in the original case.

The high court disagreed, stating in their opinion, "Adopting defendant's position would foreclose a malicious prosecution action whenever a case is resolved by agreement. Such a conclusion would run counter to the policy favoring negotiated dispositions. A blanket rule could also bar legitimate malicious prosecution actions, allowing unscrupulous parties and/or their attorneys to hide behind its shield."

Siebel's victory means that individuals, small businesses, and corporations will be able to defend themselves against malicious prosecution without spending years caught up in the appeals process, effectively saving themselves time and costly legal fees after already being exonerated from frivolous claims.

In July 2000, Mr. Siebel filed a malicious prosecution claim against lawyers Carol Middlestadt, now a sitting judge in San Mateo County, and Richard Buell. Siebel asserts that the attorneys misused the legal process, in violation of the law and in violation of legal ethics, to pursue claims that they both knew to be false and participated in fabricating in the hope of extracting a large financial settlement from Mr. Siebel and the company he founded. However, recovering damages from Middlestadt and Buell is not a motive in this case, Siebel said. “What I would like to see is a public apology for their actions, compensation to the judicial system for the waste of its resources, and a significant contribution to charity.”

The Court’s decision allows Siebel's malicious prosecution case to move forward, and a prompt trial date will be sought.

To see the Court's opinion in its entirety, go to

<http://www.courtinfo.ca.gov/opinions/documents/S125590.PDF>.

Link to appellate court decision at www.courtinfo.ca.gov/opinions/revpub/H025069.PDF

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