

Judge Carol L. Mittlesteadt Issues Public Apology for Her Role in Lawsuit that "Lacked Legal Basis" Against Thomas M. Siebel

Mittlesteadt Agrees to Pay \$100,000 Settlement After Losing Appeals in California Supreme Court and State Court of Appeals

PALO ALTO, Calif.—May 1, 2008—San Mateo County Judge Carol L. Mittlesteadt has issued a public apology to Silicon Valley businessman Thomas M. Siebel for bringing a civil lawsuit seeking financial damages from him that was determined to be without merit. The apology is part of an agreement reached between Mittlesteadt and Mr. Siebel to settle a malicious prosecution case filed by Siebel in July 2000. In addition to her apology, Judge Mittlesteadt agreed to a financial settlement of \$100,000, which Mr. Siebel will donate to the Stanford University Law School to support the study of legal ethics.

Mr. Siebel initiated the malicious prosecution case against Mittlesteadt in 2000 in response to a wrongful termination and gender discrimination claim that Mittlesteadt filed in 1996 on behalf of a former employee of Siebel Systems, Inc. Mittlesteadt filed her suit while Siebel Systems was preparing for its initial public offering, and thus was particularly vulnerable to disclosable litigation claims. Mr. Siebel prevailed in that case when the court determined that all claims against him were unfounded.

In an effort to set a precedent that would prevent similar lawsuits in the future, Mr. Siebel filed a malicious prosecution suit against Judge Mittlesteadt and her co-counsel, E. Rick Buell II. The suit stated that they had misused the legal process, in violation of the law and in violation of legal ethics, to pursue claims that they knew to be false in the hope of extracting a large financial settlement from Mr. Siebel and Siebel Systems.

Mittlesteadt attempted to block Mr. Siebel's malicious prosecution suit, claiming that he had no right to sue. The California Supreme Court disagreed in a ruling last year. The court's ruling cleared the way for Mr. Siebel's suit to proceed, and set a precedent that will make it easier for companies and individuals to pursue malicious prosecution claims and defend themselves against unfounded, economically damaging lawsuits.

"This case was a private effort at tort reform," said Mr. Siebel. "My hope is that other plaintiff's lawyers will look at this outcome and think twice before seeking to extort settlements by filing lawsuits they know have no basis in fact."

Lisa A. Rickard, President, U.S. Chamber Institute for Legal Reform, applauded Mr. Siebel for pursuing his malicious prosecution suit against Judge Mittlesteadt.

"It is courageous people like Mr. Siebel who, by taking a stand, make it easier for individuals, small businesses and corporations to fight back against malicious lawsuits rather than be extorted into a settlement," Rickard said.

Settlement in the case was reached following arbitration by former California Supreme Court Judge Edward A. Pinelli.

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In her letter of apology to Mr. Siebel, Judge Mittlesteadt said:

“I write to express my sincere regret for pursuing claims against you that were determined to be without merit. I accept the ruling of the California Appellate Court that the litigation contained claims for which there was no legal foundation. I acknowledge that my actions may have caused substantial expense and inconvenience, and damage to your reputation and good name, for which I apologize.”

Mittlesteadt originally sued Mr. Siebel in 1996. Mittlesteadt’s co-counsel, E. Rick Buell II, settled with Mr. Siebel last year, apologizing for his role in the case in a letter to Mr. Siebel:

“I am writing to you to publicly express an apology for my part in participating in the litigation captioned *Christoffers v. Siebel Systems, et. al.*, against you. I sincerely regret participating in this clearly intemperate and ill-advised action, and accept the California Supreme Court’s and California Appellate Court’s opinion that the litigation contained claims for which there was no legal foundation. Accordingly I ask that you accept my apology. I thank you for your wise and gracious effort to put this unpleasant and unnecessary event in the past and for allowing the parties to move on with their lives.”

Mittlesteadt is now a Superior Court judge in San Mateo County, an appointment she received while Mr. Siebel’s litigation was still pending.

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