**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

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| In the Matter of the Joint Application of  HYDRO ONE LIMITED and AVISTA CORPORATION  For an Order Authorizing Proposed Transaction | DOCKET U-170970  DECLARATION OF DAVID J. MEYER IN SUPPORT OF HYDRO ONE LIMITED AND AVISTA CORPORATION’S OPPOSITION TO LAUREN FINK AND CHADWICK L. WESTON’S PETITION TO INTERVENE |

I, David J. Meyer, declare under penalty of perjury and in accordance with the laws of the State of Washington, that:

I am Vice President and Chief Counsel for Regulatory and Governmental Affairs for Avista Corporation (Avista). I make this declaration based on my own personal knowledge, am competent to testify to the matters stated herein, and make this declaration in support of Hydro One Limited and Avista Corporation’s Opposition to Lauren Fink and Chadwick L. Weston’s Petition to Intervene.

2. On September 15, 2017, Lauren Fink, purporting to act on behalf of Avista’s shareholders, filed a lawsuit, *Fink v. Morris, et al.*, case no. 17203616-6, in the Superior Court for the State of Washington for Spokane County. (Attached here to marked as **Exhibit A** is a true and correct copy of the Class Action Complaint Based Upon Breach of Fiduciary Duty, dated September 15, 2017, in *Fink v. Morris, et al.*, case no. 17203616-6, in the Superior Court for the State of Washington in and for Spokane County.) Fink’s Superior Court suit named Scott L. Morris, Kristianne Blake, R. John Taylor, Erik J. Sanderson, Heidi B. Stanley, Marc Racicot, Rebecca A. Klein, Donald C. Burke, Janet D. Widman, and Scott H. Maw (the “Avista Directors”), as well as Hydro One, Olympus Holding Corp., and Olympus Corp. as defendants. (*Id.*) The suit alleged that the Avista Directors breached their fiduciary duties in relation to the merger, aided and abetted by Hydro One, Olympus Holding Corp., and Olympus Corp., and sought to enjoin the merger. (*Id.*)

3. On September 25 and 26, 2017, four different plaintiffs’ law firms filed three separate actions in the U.S. District Court for the Eastern District of Washington: (i) *Jenß v. Avista Corp., et al.*, case no. 2:17-cv-333 (E.D. Wash. filed Sept. 25, 2017), (ii) *Samuel v. Avista Corp., et al.*, case no. 2:17-cv-334 (E.D. Wash. filed Sept. 26, 2017), and (iii) *Sharpenter v. Avista Corp., et al.*, case no. 2:17-cv-336 (E.D. Wash. filed Sept. 26, 2017). The suits were substantially similar, each alleging that the proxy statement filed by Avista in connection with the merger omitted material facts necessary to make the statements therein not false or misleading, in violation of federal securities laws. *See* Compl., *Jenß*, case no. 2:17-cv-333; Compl., *Samuel*, case no. 2:17-cv-334; Compl., *Sharpenter*, case no. 2:17-cv-336. The suits named as defendants Avista and the Avista Directors (Sharpenter also named Hydro One, Olympus Holding Corp., and Olympus Corp. as defendants) and sought to enjoin the merger. *See id.*

4. In Fink’s Superior Court suit, plaintiffs subsequently filed two amended complaints. (Attached hereto as **Exhibits B and C** are true and correct copies of the Amended and Second Amended Class Action Complaint Based Upon Breach of Fiduciary Duty in *Fink v. Morris, et al.*, case no. 17203616-6, in the Superior Court for the State of Washington in and for Spokane County.) The first, filed on October 10, 2017, included new allegations attacking the sales process undertaken by the Avista Board and sought damages. (Exh. B.) It also added defendant Bank of America Merrill Lynch and another plaintiffs’ law firm—Robbins Geller Rudman & Dowd LLP. (*Id.*) The second amended complaint, filed on October 26, 2017, added a second plaintiff. (Exh. C.)

5. Despite seven plaintiffs’ law firms filing four separate actions seeking to enjoin the merger, not one actually filed a motion or sought a hearing seeking an injunction to stop Avista’s shareholder vote. On November 21, Avista’s shareholders voted their shares overwhelmingly to approve the transaction—with the holders of 98% of the shares voting supporting the merger (reflecting the support of holders of 78% of all the outstanding shares). *See* Avista Corporation News Releases, *Avista Shareholders Approve Acquisition by Hydro One* (Nov. 21, 2017), http://avistacorp.mwnewsroom.com/press-releases/avista-shareholders-approve-acquisition-by-hydro-o-nyse-ava-gnw\_1949431\_001. *See also* Spokane Public Radio, An NPR Member Station, *Avista Shareholders Approve Acquisition by Hydro One* (Nov. 21, 2017, http://spokanepublicradio.org/post/avista-shareholders-approve-acquisition-hydro-one (“[T]he vote was nearly unanimous, with shareholders representing nearly 80% of Avista’s outstanding stock casting ballots.”).

6. In light of the overwhelming support for the transaction by the Avista shareholders, the plaintiffs in *Jenß*, *Samuel*, and *Sharpenter* decided not to proceed with their lawsuits. Although Shareholders Fink and Weston had no prior involvement with any of these three cases, on December 13, 2017, they sought to insert themselves in the actions by filing a Motion for Consolidation, Appointment as Lead Plaintiff, and Approval of Lead Plaintiff’s Section of Lead Counsel. *See, e.g.*, D.E. 15, *Jenß*, case no. 2:17-cv-333. The plaintiffs in *Jenß*, *Samuel*, and *Sharpenter*, on the other hand, filed stipulations of voluntary dismissal in each action. *See* D.E. 18, *Jenß*, case no. 2:17-cv-333; D.E. 7, *Samuel*, case no. 2:17-cv-334; D.E. 6, *Sharpenter*, case no. 2:17-cv-336. On December 20, the Court entered all three stipulations, dismissing the *Jenß*, *Samuel*, and *Sharpenter* actions, including dismissing as moot the motion filed by Shareholders Fink and Weston. *See* D.E. 19, *Jenß*, case no. 2:17-cv-333; D.E. 8, *Samuel*, case no. 2:17-cv-334; D.E. 7, *Sharpenter*, case no. 2:17-cv-336.

7. Shareholders Fink and Weston nevertheless continue to pursue post-closing damages claims relating to the merger, having stated their intent to file yet another amended complaint after the close of the transaction. In light of the anticipated timing of the closing of the transaction, which is not expected until the latter half of 2018, on January 5, 2018, Shareholders Fink and Weston, and the other parties to their superior court suit, filed a stipulation with the court seeking to stay all proceedings: “all proceedings in [the] case should be stayed until after Plaintiffs’ claims are framed in their operative complaint.” (Attached here to marked as **Exhibit D** is a true and correct copy of the Stipulation and Order Regarding Case Schedule, dated January 5, 2018, in *Fink v. Morris, et al.*, case no. 17203616-6, in the Superior Court for the State of Washington in and for Spokane County.) The superior court entered the stipulation that same day. (*Id.*) The stipulation calls for Shareholders Fink and Weston to file a third amended complaint no later than 30 days after Avista or Hydro One publicly announces that the transaction has closed or the suit will be dismissed with prejudice. (*Id.*)

8. Fink and Weston have not suggested their interests differ from those of other shareholders and, while they purport to represent a class of shareholders, class certification has not been sought by Fink and Weston in the Superior Court and the Superior Court has not certified a class.

9. Shareholders Fink and Weston stated in their Second Amended Class Action Complaint that the Superior Court “has jurisdiction over” all of their claims. (Exh. C at 6.)

10. Shareholder Fink filed her first Class Action Complaint Based Upon Breach of Fiduciary Duty on September 15, 2017. (Exh. A at 22.) In her complaint, Shareholder Fink claimed she would be “irreparably injured” if the merger closed and demanded “injunctive relief” including “[e]njoining the Defendants . . . from consummating the Proposed Transaction, unless and until [Avista] adopts and implements a procedure reasonably designed to provide the best possible value for stockholders….” (*Id.* at 21.) On October 10, 2017, Shareholder Fink amended her complaint and made the same demands for injunctive relief and to halt the merger. (Exh. B at 35.) On October 25, 2017, Shareholder Weston joined Shareholder Fink in a Second Amended Class Action Complaint Based Upon Breach of Fiduciary Duty, in which they made the same demands for injunctive relief and to halt the merger. (Exh. C at 35-36.) Notwithstanding their three separate demands to enjoin the merger, Shareholders Fink and Weston never sought to actually halt the merger by moving for a temporary injunction, seeking a hearing, or for any other relief prior to the Avista shareholder vote on November 21, 2017. Likewise, following the Avista shareholder vote on November 21, 2017, Shareholders Fink and Weston have not sought an injunction; rather, they moved the Superior Court to stay “all proceedings in” the case until *after* the transaction closes. (Exh. D at 1.)

I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

DATED this \_\_\_\_\_\_ day of January, 2018.

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|  | By:  David J. Meyer, WSBA No. 8717  Chief Counsel for Regulatory and Governmental Affairs  Avista Corporation  1411 E. Mission Ave., MSC-27  Spokane, WA 99220-3727  David.meyer@avistacorp.com |

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