

EXHIBIT III

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

ORACLE CORPORATION, a)	
Delaware corporation,)	
ORACLE USA, INC., a)	
Colorado corporation, and)	
ORACLE INTERNATIONAL)	
CORPORATION, a California)	
corporation,)	
)	
Plaintiffs,)	
)	
vs.)	No. 07-CV-1658 (PJH)
)	
SAP AG, a German)	
corporation, SAP AMERICA,)	
INC., a Delaware)	
corporation, TOMORROWNOW,)	
INC., a Texas corporation,)	
and DOES 1-50, inclusive,)	
)	
Defendants.)	

VIDEOTAPED DEPOSITION OF
PAUL K. MEYER

VOLUME 1; PAGES 1 - 331

WEDNESDAY, MAY 12, 2010

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY
REPORTED BY: HOLLY THUMAN, CSR No. 6834, RMR, CRR
(1-427362)

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15:00:18 15:00:21 15:00:25 15:00:28 15:00:30 15:00:34 15:00:36 15:00:40 15:00:42 15:00:44 15:00:46 15:00:48 15:00:52 15:00:54 15:00:57 15:00:59 15:01:01 15:01:02 15:01:04 15:01:09 15:01:12 15:01:14 15:01:15 15:01:16 15:01:17	15:02:21 15:02:23 15:02:26 15:02:29 15:02:40 15:02:41 15:02:45 15:02:46 15:02:47 15:02:50 15:17:53 15:17:55 15:17:58 15:18:00 15:18:04 15 MR. McDONELL: Q. Mr. Meyer, I want to 15:18:05 16 talk about your use of the Oracle acquisition of 15:18:08 17 PeopleSoft in your analysis. 15:18:10 18 Do you have that in mind? 15:18:11 19 A. Yes. 15:18:16 20 Q. If you turn in your report to paragraph 15:18:18 21 116, there you indicate that Oracle reattained 15:18:34 22 Standard & Poors to value certain PeopleSoft assets 15:18:37 23 and liabilities and allocate them -- or allocate 15:18:40 24 the 11.1 billion dollar acquisition price for 15:18:43 25 financial reporting purposes.
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15:01:18 15:01:20 15:01:23 15:01:27 15:01:30 15:01:32 15:01:35 15:01:38 15:01:40 15:01:41 15:01:42 15:01:45 15:01:46 15:01:47 15:01:50 15:01:53 15:01:57 15:02:00 15:02:03 15:02:05 15:02:07 15:02:10 15:02:16 15:02:18 15:02:19	15:18:44 1 Do you see that? 15:18:45 2 A. Yes. 15:18:47 3 Q. And you did in fact rely on a written 15:18:51 4 report from Standard & Poors as part of your 15:18:54 5 analysis? 15:18:55 6 A. I used some of the data in that analysis, 15:18:56 7 that's correct. 15:18:57 8 Q. I'm showing you what's been marked as 15:18:59 9 Exhibit 403. 15:19:13 10 Is this a copy of document you relied 15:19:15 11 upon? 15:19:39 12 A. Yes, I believe so. 15:19:40 13 Q. Okay. Would you turn to paragraph 122 of 15:19:43 14 your report, please? 15:19:58 15 Do you see there, paragraph 122, and it 15:20:01 16 has several bullet points within it? 15:20:16 17 A. Yes. 15:20:17 18 Q. With respect to your valuation of the 15:20:21 19 value of use of the PeopleSoft license, did you 15:20:29 20 rely primarily on the numbers from the S&P 15:20:33 21 valuation that are in the third bullet point of 15:20:37 22 paragraph 122 -- I'm sorry, fourth bullet point, 15:20:42 23 adding up to the 8.85 billion? 15:20:52 24 MS. HOUSE: Objection. Vague. 15:21:01 25 THE WITNESS: Could I have the question

Page 206			Page 208		
15:21:01	1	read back, please?	15:23:53	1	correct?
15:21:25	2	(Record read as follows:	15:23:53	2	A. That's from the SAP management plans,
15:21:27	3	Question: With respect to your valuation	15:23:55	3	that's correct.
15:21:27	4	of the value of use of the PeopleSoft	15:23:57	4	Q. And then you developed that percentage of
15:21:27	5	license, did you rely primarily on the	15:24:00	5	30.2 percent, and you apply it times the 8.885
15:21:27	6	numbers from the S&P valuation that are in	15:24:05	6	billion. Correct?
15:21:27	7	the third bullet point of paragraph 122 --	15:24:07	7	A. That's correct.
15:21:27	8	I'm sorry, fourth bullet point, adding up to	15:24:07	8	Q. And you come up with a number of 2.67
15:21:27	9	the 8.85 billion?)	15:24:12	9	billion.
15:21:27	10	THE WITNESS: And now you're asking about	15:24:14	10	A. That's correct.
15:21:29	11	the market value approach though. Right?	15:24:21	11	Q. Now, is that 2.67 billion, is that part of
15:21:31	12	MR. McDONELL: Q. Let me try to be more	15:24:24	12	your support for your -- what I think is your
15:21:32	13	clear.	15:24:27	13	conclusion that the value-of-use license for the
15:21:33	14	In paragraph 122, you're -- that's part of	15:24:30	14	PeopleSoft IP at issue is no less than 2 billion?
15:21:36	15	your analysis in the market approach. Right?	15:24:36	15	A. It would be part of that conclusion,
15:21:39	16	A. That's correct.	15:24:39	16	that's correct.
15:21:40	17	Q. And in the third bullet point of paragraph	15:24:40	17	Q. And in fact, I think you told us earlier
15:21:44	18	122, there's the number 8.85 billion. Do you see	15:24:42	18	that your actual opinion on the value-of-use
15:21:48	19	that?	15:24:47	19	damages was 2.156 billion. Correct?
15:21:49	20	A. Yes.	15:24:54	20	A. I think that includes Siebel.
15:21:49	21	Q. And that consists of 2.12 billion of the	15:24:56	21	Q. Right. But the 2.156 included 2 billion
15:21:56	22	PeopleSoft support agreements and related customer	15:25:00	22	for PeopleSoft/JD Edwards. Right?
15:21:59	23	relationships at the time of the acquisition.	15:25:05	23	A. It would be the 2 billion, that's correct.
15:22:01	24	Correct?	15:25:13	24	Q. So just kind of to understand the process
15:22:02	25	A. Yes.	15:25:17	25	here, had you assumed -- instead of 3,000
Page 207			Page 209		
15:22:03	1	Q. It also consists of 250 million dollars of	15:25:21	1	customers, had you assumed 358 customers in this
15:22:06	2	the avoided cost of developing certain new customer	15:25:28	2	calculation, that would have just driven the
15:22:09	3	relationships. Correct?	15:25:31	3	numbers down proportionately. So, you know, I did
15:22:10	4	A. Yes.	15:25:34	4	the math. Instead of 30.2 percent, it would be
15:22:11	5	Q. And it also consists of 6.5 billion of	15:25:37	5	approximately 3.6 percent. Does that sound right?
15:22:15	6	Oracle's recorded goodwill.	15:25:41	6	A. If you're cutting the number of customers
15:22:18	7	All true?	15:25:43	7	that SAP was planning to convert from 3,000 down to
15:22:23	8	A. That is correct.	15:25:49	8	350, that was part of their planning, then you
15:22:27	9	Q. And you summarized those numbers as the	15:25:52	9	would potentially work that into what they
15:22:29	10	8.85 billion, which is a number that you use as	15:25:56	10	basically -- what you're trying to do is figure out
15:22:38	11	part of your analysis under the market approach.	15:25:59	11	what they're acquiring; basically, what's the value
15:22:42	12	Right?	15:26:02	12	here.
15:22:43	13	A. That number is part of the analysis under	15:26:02	13	And so if they're going off 3,000
15:22:45	14	the market approach. It's some components within	15:26:04	14	customers or 4,000 customers, or 350, you would
15:22:49	15	the overall 11 billion dollars.	15:26:08	15	have to work that into your analysis, if it changed
15:23:18	16	Q. Now, in the next bullet point, which is	15:26:13	16	the -- what actually happened back in January 2005.
15:23:20	17	the fourth bullet point of the paragraph 122?	15:26:18	17	Q. All right. So stay with me on this.
15:23:25	18	A. Yes.	15:26:20	18	So if you did the same calculation using
15:23:26	19	Q. You develop a percentage of 30.2 percent?	15:26:25	19	the 8.85 billion dollar amount that you used, but
15:23:33	20	A. Yes. The 3,000 customers divided by the	15:26:31	20	applied it to just the 358 actual TomorrowNow
15:23:35	21	9,920.	15:26:37	21	customers, you'd get this percentage of 3.6
15:23:36	22	Q. And the 3,000 customers, you state, are	15:26:40	22	percent. And multiplying that by the 8.85 billion,
15:23:41	23	the number of customers that SAP indicated it	15:26:46	23	you'd come up with a number of approximately
15:23:46	24	planned to convert from PeopleSoft customers to SAP	15:26:48	24	318 million. Does that sound right?
15:23:49	25	and TomorrowNow support service customers. Is that	15:26:51	25	A. I haven't done the math, but it's about,

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15:26:54	1	15:29:30	1
15:26:57	2	15:29:32	2
15:27:00	3	15:29:36	3
15:27:05	4	15:29:40	4
15:27:09	5	15:29:42	5
15:27:13	6	15:29:44	6
15:27:16	7	15:29:46	7
15:27:16	8	15:29:47	8
15:27:18	9	15:29:48	9
15:27:23	10	15:29:50	10
15:27:28	11	15:29:51	11
15:27:35	12	15:29:55	12
15:27:41	13	15:29:55	13
15:27:45	14	15:29:55	14
15:27:47	15	15:29:56	15
15:27:50	16	15:29:59	16
15:27:52	17	15:30:01	17
15:27:54	18	15:30:02	18
15:27:58	19	15:30:02	19
15:28:01	20	15:30:04	20
15:28:02	21	15:30:06	21
15:28:04	22	15:30:08	22
15:28:05	23	15:30:11	23
15:28:08	24	15:30:13	24
15:28:11	25	15:30:15	25
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15:28:15	1	15:30:18	1
15:28:17	2	15:30:27	2
15:28:21	3	15:30:30	3
15:28:23	4	15:30:31	4
15:28:25	5	15:30:34	5
15:28:29	6	15:30:37	6
15:28:34	7	15:30:41	7
15:28:35	8	15:30:43	8
15:28:38	9	15:30:46	9
15:28:38	10	15:31:04	
15:28:40	11	15:31:07	
15:28:43	12	15:31:11	
15:28:48	13	15:31:15	
15:28:50	14	15:31:20	
15:28:53	15	15:31:21	
15:29:00	16	15:31:22	
15:29:04	17	15:31:27	
15:29:08	18	15:31:33	
15:29:13	19	15:31:38	
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CERTIFICATE OF REPORTER

I, HOLLY THUMAN, a Certified Shorthand Reporter, hereby certify that the witness in the foregoing deposition was by me duly sworn to tell the truth, the whole truth, and nothing but the truth in the within-entitled cause;

That said deposition was taken down in shorthand by me, a disinterested person, at the time and place therein state, and that the testimony of said witness was thereafter reduced to typewriting, by computer, under my direction and supervision;

That before completion of the deposition review of the transcript [X] was [] was not requested. If requested, any changes made by the deponent (and provided to the reporter) during the period allowed are appended hereto.

I further certify that I am not of counsel or attorney for either or any of the parties to the said deposition, nor in any way interested in the event of this cause, and that I am not related to any of the parties thereto.

DATED: May 19, 2010
Holly Thuman
HOLLY THUMAN, CSR

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

ORACLE CORPORATION, a)	
Delaware corporation,)	
ORACLE USA, INC., a)	
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vs.)	No. 07-CV-1658 (PJH)
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corporation, SAP AMERICA,)	
INC., a Delaware)	
corporation, TOMORROWNOW,)	
INC., a Texas corporation,)	
and DOES 1-50, inclusive,)	
)	
Defendants.)	
)	

VIDEOTAPED DEPOSITION OF
PAUL K. MEYER

VOLUME 2; PAGES 332 - 647

THURSDAY, MAY 13, 2010

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY
REPORTED BY: HOLLY THUMAN, CSR No. 6834, RMR, CRR
(1-427374)

Page 413		Page 415	
10:57:54		11:01:29	1 the Business Objects acquisition?
10:58:00		11:01:31	2 A. I wouldn't state it the way you have,
10:58:31		11:01:33	3 because even on the PeopleSoft analysis, I focused
10:58:35		11:01:38	4 as I mentioned on the one transaction in January
10:58:37		11:01:40	5 2005. The others provide instruction about the
10:58:40		11:01:44	6 nature of the software transaction and the value.
10:58:42		11:01:47	7 And you say comparable, but I don't sort of view
10:58:44		11:01:50	8 them that directly, and I was clear on that
10:58:49		11:01:53	9 Here, once again, we're talking about
10:58:51		11:01:55	10 acquisitions, acquisition of the CRM technology.
10:58:54		11:02:01	11 And it comes with the software, and the ability
10:58:57		11:02:04	12 sell license and to maintain customers. It's a
10:59:01		11:02:06	13 similar kind of business with similar kinds of
10:59:03		11:02:09	14 metrics.
10:59:06		11:02:09	15 And so I think that's helpful to compare
10:59:08		11:02:12	16 back to the PeopleSoft/Oracle arrangement, and it's
10:59:12		11:02:15	17 also -- the other ones are once again some more
10:59:15		11:02:18	18 information that's instructive.
10:59:19		11:02:27	19 Q. So the Siebel acquisition request, what
10:59:21		11:02:31	20 you learned about the Siebel acquisition you're
10:59:23		11:02:34	21 saying was corroborative of what you concluded
10:59:25		11:02:36	22 about the value of the PeopleSoft value of use?
10:59:28		11:02:41	23 MS. HOUSE: Objection. Vague.
10:59:29		11:02:42	24 THE WITNESS: Well, it was the other way
10:59:32		11:02:43	25 around. That when I looked at the valuation of
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10:59:36		11:02:46	1 Siebel, I was able to think about and use the
10:59:36		11:02:49	2 information I had gathered on the Business Objects
10:59:39		11:02:52	3 arrangement, and on the PeopleSoft -- on the JDE
10:59:41		11:02:56	4 transaction. And then also, I had already analyzed
10:59:45		11:02:59	5 the PeopleSoft/Oracle transaction, which was the
10:59:54		11:03:04	6 big focus in my market approach to the PeopleSoft
10:59:56		11:03:09	7 copyrights.
11:00:02	8 Can you turn to paragraph 265 of your	11:03:10	8 MR. McDONELL: Q. All right. So for your
11:00:04	9 report?	11:03:12	9 value-of-use calculation for Siebel, you relied on
11:00:31	10 Is it correct that in applying the market	11:03:15	10 the Duff & Phelps valuation report that was the
11:00:33	11 approach to Siebel, you've considered the same	11:03:20	11 purchase price allocation in connection with the
11:00:36	12 three acquisition transactions that you considered	11:03:22	12 acquisition. Is that right?
11:00:38	13 for the PeopleSoft and JD Edwards software?	11:03:23	13 A. Well, it was similar to the situation with
11:01:00	14 A. I'm looking for a reference. I'm not sure	11:03:26	14 PeopleSoft. There was an acquisition for 6.1
11:01:02	15 if I referred back to it, but I think in the first	11:03:29	15 billion, and then as part of that, Duff & Phelps
11:01:04	16 paragraph I say something about it.	11:03:32	16 did an analysis of the identified assets. And so I
11:01:06	17 Oh, yeah, we -- in 265. So I think it	11:03:36	17 used some of that information to help understand
11:01:08	18 just says, background. I refer back to the other	11:03:39	18 the contents and assets of the Siebel deal.
11:01:10	19 section.	11:03:41	19 Q. Please take a look at paragraph 273 of
11:01:11	20 Q. So your understanding is what you've done	11:03:43	20 your report.
11:01:14	21 in your market approach analysis of the Siebel	11:03:53	21 A. I'm sorry, 274?
11:01:17	22 software is, you've used as your comparables the	11:04:08	22 Q. 275. I'm sorry, 273.
11:01:22	23 same three acquisitions that you used in your	11:04:24	23 A. 273, I'm with you.
11:01:24	24 analysis of the PeopleSoft software, that being the	11:04:26	24 Q. Okay. Now, in 273, do you identify the
11:01:27	25 PeopleSoft acquisition, the Siebel acquisition, and	11:04:30	25 main values from the Duff & Phelps report that you

Page 417		Page 419
11:04:34	1 used to do your value-of-use calculation for	11:07:03
11:04:36	2 Siebel?	11:07:08
11:04:44	3 A. Yes. Those are summarized in that	11:07:10
11:04:45	4 paragraph.	11:07:12
11:04:46	5 Q. So to summarize it, it is -- the value of	11:07:14
11:04:52	6 Siebel maintenance agreements and customer	11:07:16
11:04:53	7 relationships is 808 million. The avoided costs of	11:07:16
11:04:58	8 developing new customer relationships is	11:07:17
11:04:59	9 108 million. And Oracle's recorded goodwill from	11:07:19
11:05:03	10 the transaction is 2.5 billion. And that adds up	11:07:20
11:05:07	11 to 3.4 billion. Correct?	11:07:26
11:05:09	12 A. That's correct.	11:07:29
11:05:10	13 Q. And that's kind of the baseline you used	11:07:30
11:05:12	14 then to do your value-of-use calculation. Right?	11:07:31
11:05:16	15 A. Some of those -- that information, that's	11:07:34
11:05:18	16 correct, was then used.	11:07:37
11:05:19	17 Q. And then in the next paragraph, paragraph	11:07:38
11:05:21	18 274, you develop a 5 percent number by assuming SAP	11:07:39
11:05:31	19 would get 200 of the Siebel support customers out	11:07:41
11:05:35	20 of 4,000. Right?	11:07:43
11:05:37	21 A. Right. I went to SAP's projections, and	11:07:45
11:05:41	22 their planning, and they had 200 customers as being	11:07:46
11:05:45	23 their projection, and I compared that to Siebel's	11:07:47
11:05:48	24 customers.	11:07:49
11:05:49	25 Q. And so you applied the 5 percent times 3.4	11:07:51
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11:05:53	1 billion, and you came up with your -- what is the	
11:06:01	2 number you came up with?	
11:06:03	3 A. I think it's 170 million. Is that what it	
11:06:05	4 is?	
11:06:06	5 Q. Yeah.	
11:06:06	6 A. At the top of page 186.	
11:06:14	7 Q. And that methodology we just went through,	
11:06:18	8 that's essentially identical to what you went	
11:06:20	9 through on the PeopleSoft methodology. Right?	
11:06:23	10 A. A similar approach, that's correct.	
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11:31:40
11:31:42
11:31:43
11:31:45
11:31:48 7 Q. All right. In paragraph 128 of your
11:31:50 8 report -- I'll give you a minute to get there --
11:31:59 9 under the heading "Income Approach," there you
11:32:06 10 state that the income approach values intellectual
11:32:09 11 property based upon the additional cash flows a
11:32:12 12 business is expected to generate in the future from
11:32:16 13 the exploitation of the technology at issue. The
11:32:19 14 income approach measures the net present value of
11:32:22 15 these future cash flows as of the date of the
11:32:25 16 valuation.
11:32:25 17 Do you see that?
11:32:28 18 A. Yes.
11:32:28 19 Q. And what is the date of the valuation in
11:32:30 20 this instance?
11:32:34 21 A. I don't follow your question.
11:32:36 22 Q. Okay. Well, you are doing a valuation
11:32:40 23 using the income approach. Correct?
11:32:42 24 A. That's correct.
11:32:43 25 Q. And you have to pick a date for the

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11:32:45 1 valuation. Right?
11:32:46 2 A. Right. We've been working off of January
11:32:49 3 2005, and then with the income approach, I'll look
11:32:53 4 at the future benefits, and then I will look at
11:32:58 5 that generally over a period of 10 years, and we'll
11:33:04 6 get to those calculations.
11:33:06 7 And so I'm not certain what you're asking
11:33:08 8 me.
11:33:09 9 Q. So basically, you're bringing it back to a
11:33:12 10 value as of January 2005?
11:33:16 11 A. Well, we can -- if we're just talking
11:33:18 12 about the income approach and you're asking about a
11:33:21 13 discounting issue, and if you would ask, you know,
11:33:23 14 a direct question, I could get you right to the
11:33:25 15 answer.
11:33:25 16 I think you're going to an issue about at
11:33:28 17 what point in time should the damages be stated
11:33:31 18 from the standpoint of discounting the cash flows.
11:33:34 19 And if that's your question, I can give an answer
11:33:36 20 to that.
11:33:37 21 Is that the question you're asking?
11:33:38 22 Q. Not really. My question is, you're
11:33:41 23 valuing this use as of what date? And I think
11:33:45 24 you're saying January 2005.
11:33:49 25 A. We're doing an evaluation at January 2005,

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11:33:52 1 that's correct.
11:33:53 2 Q. Okay. In paragraph 128, you say that
11:33:55 3 you've considered two things in your application of
11:33:57 4 the income approach: The net cash flows Oracle
11:34:00 5 would expect to lose to SAP as a result of
11:34:03 6 licensing the copyrighted materials in suit.
11:34:06 7 Right?
11:34:07 8 A. Yes.
11:34:08 9 Q. That's part of it?
11:34:09 10 A. Yes.
11:34:09 11 Q. And the second part is what you call the
11:34:11 12 income approach analyses, performed
11:34:14 13 contemporaneously by SAP or TomorrowNow, indicating
11:34:17 14 either the revenues they expected to receive or the
11:34:20 15 amount of Oracle's business they expected to
11:34:22 16 displace.
11:34:23 17 Correct?
11:34:25 18 A. That's correct.
11:34:26 19 Q. So let's take a look at paragraph 129,
11:34:29 20 please. I want to look at the first sentence.
11:34:48 21 A. On 129?
11:34:50 22 Q. Yes.
11:34:50 23 A. Okay.
11:34:51 24 Q. Are you there?
11:34:52 25 A. Yes.

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11:34:53 1 Q. So there you say that the overall
11:34:59 2 valuation of Oracle's PeopleSoft acquisition was
11:35:01 3 measured using a discounted cash flow model for
11:35:05 4 revenues and profits from PeopleSoft support
11:35:09 5 customers lost to TomorrowNow and SAP, post-October
11:35:14 6 2008, lost incremental license revenue, upsell, and
11:35:22 7 related support, and lost new license revenue,
11:35:26 8 cross-sell, and related support.
11:35:28 9 Do you see that?
11:35:29 10 A. Yes.
11:35:31 11 Q. What did you mean when you say S&P's
11:35:34 12 overall valuation considered support customers lost
11:35:40 13 to TomorrowNow and SAP?
11:35:42 14 A. What I did there -- and to clarify, there
11:35:45 15 was -- the framework basically, there was something
11:35:50 16 called Project Spice, which was done -- it was a
11:35:53 17 discounted cash flow to support the acquisition of
11:35:56 18 PeopleSoft by Oracle. It was the discounted cash
11:35:58 19 flow model that S&P used.
11:36:00 20 And so what I did was, I took that --
11:36:03 21 MS. HOUSE: Slow down.
11:36:08 22 THE WITNESS: So what I did was, I took
11:36:09 23 that model from Project Spice, and I worked with
11:36:13 24 some data from that, and then S&P -- because we're
11:36:18 25 focusing on the Oracle losses now -- and then I

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11:36:38	5	11:39:35	5
11:36:43	6	11:39:38	6
11:36:46	7	11:39:42	7
11:36:48	8	11:39:45	8
11:36:49	9	11:39:48	9
11:36:52	10	11:39:52	10
11:36:55	11	11:39:55	11
11:36:56	12	11:39:58	12
11:37:13	13	11:40:00	13
11:37:21	14	11:40:05	14
11:37:25	15	11:40:08	15
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11:37:35	18	11:40:17	18
11:37:38	19	11:40:20	19
11:37:41	20	11:40:22	20
11:37:46	21	11:40:27	21
11:37:50	22	11:40:30	22
11:37:54	23	11:40:38	23
11:37:57	24	11:40:42	24
11:38:00	25	11:40:45	25
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11:38:07	2	11:40:50	2
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11:38:15	4	11:40:56	4
11:38:16	5	11:41:00	5
11:38:18	6	11:41:03	6
11:38:22	7	11:41:06	7
11:38:24	8	11:41:08	8
11:38:29	9	11:41:10	9
11:38:33	10	11:41:16	10
11:38:35	11	11:41:21	11
11:38:40	12	11:41:25	12
11:38:47	13	11:41:28	13
11:38:49	14	11:41:30	14
11:38:52	15	11:41:32	15
11:38:55	16	11:41:37	16
11:38:58	17	11:41:41	17
11:39:00	18	11:41:44	18
11:39:02	19	11:41:46	19
11:39:05	20	11:41:50	20
11:39:08	21	11:41:53	21
11:39:10	22	11:41:58	22
11:39:12	23	11:42:01	23
11:39:15	24	11:42:03	24
11:39:20	25	11:42:05	25

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11:42:12 1 2,000, and 3,000 customers, are you making any
11:42:16 2 assumption about whether the customers would switch
11:42:20 3 from PeopleSoft software to SAP software?
11:42:26 4 A. Well, we need to break it down. There's
11:42:29 5 two calculations I do. The first one is the impact
11:42:32 6 on Oracle. Okay? So I'll calculate how Oracle was
11:42:35 7 impacted when -- when the infringing activities
11:42:39 8 occur.
11:42:40 9 And then the other side, I look at SAP's
11:42:43 10 gains. So this discussion here is just impact on
11:42:46 11 Oracle, and we should be clear about that;
11:42:47 12 otherwise, we're going to have a -- a transcript
11:42:50 13 that's not very clear.
11:42:51 14 So we're focused on Oracle in these
11:42:53 15 calculations initially.
11:42:54 16 Q. Okay. So when you use your assumptions of
11:42:57 17 1,375, 2,000, and 3,000 customers as an impact on
11:43:03 18 Oracle, you're assuming that those customers leave
11:43:08 19 Oracle for all purposes, and therefore Oracle is
11:43:12 20 never able to cross-sell or upsell anything to them
11:43:15 21 again. Correct?
11:43:15 22 A. No, I -- you haven't listened to my
11:43:18 23 answers. So let's break -- if you give me
11:43:21 24 time, I can break it down for you.
11:43:23 25 Take the 1,375. You'll have the 1,375

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11:43:27 1 customers shift out. Okay? Switch.
11:43:30 2 Then you'll have a percent of those, if
11:43:33 3 you're Oracle, would have taken an upsell license,
11:43:38 4 and a percent would take a cross-sell license. So
11:43:41 5 this means if you lose customers, you lose that
11:43:44 6 opportunity to make that. It's not a
11:43:46 7 dollar-for-dollar thing, but you have an
11:43:48 8 expectation of your business model.
11:43:50 9 So even though when we get to the SAP
11:43:52 10 side, they're going to gain maintenance, and then
11:43:54 11 they are going to gain potential upsell and
11:43:57 12 cross-sell, they being SAP.
11:44:00 13 Here, what Oracle's going to lose is
11:44:02 14 maintenance, and then some cross-sell and upsell.
11:44:04 15 we can look at the dynamics of calculations, but I
11:44:16 16 took Oracle's Spice cash flow model from the
11:44:18 17 PeopleSoft transaction and used their metrics in
11:44:21 18 figuring out the impact on Oracle.
11:44:24 19 Q. What I was trying to get at, though, is,
11:44:26 20 is it your assumption in assessing the impact on
11:44:30 21 Oracle of 1,375 customers going to TomorrowNow that
11:44:34 22 Oracle would lose its opportunity to make upsales
11:44:38 23 and cross-sales?
11:44:41 24 A. That would be one aspect of the loss. I
11:44:44 25 agree with that.

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11:44:50 1 Q. Did you also assume in the income approach
11:44:52 2 that the 1,375 customers that you assumed would go
11:44:58 3 to TomorrowNow would purchase SAP software?
11:45:04 4 A. Okay. Let's break it down. Now we're
11:45:07 5 getting to the SAP side. So if we stay -- so let's
11:45:09 6 be clear. Oracle side, SAP side.
11:45:11 7 So if you're asking about SAP side, yes.
11:45:14 8 There's also a calculation of that, which is a
11:45:16 9 different calculation, and it's not the first one I
11:45:19 10 do. This is Oracle's expected losses.
11:45:21 11 Q. Okay. So staying with your paragraph 130,
11:45:31 12 for your income approach on the PeopleSoft
11:45:35 13 calculation, you do assume that 3,000 customers
11:45:41 14 would switch from PeopleSoft support to TomorrowNow
11:45:43 15 support between January '05 and October '08.
11:45:48 16 Correct?
11:45:49 17 A. Okay. And under one calculation, that's
11:45:53 18 correct. I do three calculations. And so in each
11:45:56 19 calculation, I make an assumption about
11:45:59 20 maintenance, and it's consistent for maintenance.
11:46:03 21 it's 3,000 switch over that period of time. I
11:46:09 22 think we use '05 to '07, and then we extend it a
11:46:14 23 little bit. But that's the amount of customers
11:46:16 24 that go to support at TomorrowNow based on the
11:46:18 25 projections.

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11:46:20 1 Q. So just to be clear, in all of those
11:46:22 2 scenarios, you assume 3,000 customers would leave
11:46:25 3 support from PeopleSoft and get their support from
11:46:28 4 TomorrowNow?
11:46:30 5 A. That's correct.
11:46:33 6 Q. And you got -- that's the same 3,000
11:46:36 7 customer number you used in your market approach,
11:46:38 8 Right?
11:46:39 9 A. Yes. Same source of data, that's correct.
11:46:44 10 Q. And the source of that data -- well, can
11:46:53 11 you grab Exhibit 447, please?
11:47:36 12 Okay. Turn to Bates page ending -288. Do
11:47:40 13 you have that in front of you?
11:47:41 14 A. Yes.
11:47:42 15 Q. Is that the source for your assumption of
11:47:43 16 1,375 customers?
11:47:45 17 A. It would be the source, that's correct.
11:47:47 18 Q. So you added the 250 to 375 and the 750?
11:47:54 19 A. Yes.
11:47:55
11:47:55
11:47:57
11:48:04
11:48:07
11:48:08

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12:15:50		12:17:48	1 page Bates number ending -288? I know you're
12:15:52		12:17:52	2 having trouble reading it, but can you make it out?
12:15:55		12:17:57	3 A. Yes. I can see it now.
12:15:58		12:17:58	4 Q. So in performing your income assumption --
12:16:02		12:18:01	5 sorry, your income approach for the PeopleSoft
12:16:04		12:18:03	6 license, you relied on certain customer
12:16:07		12:18:06	7 assumptions. Right?
12:16:10		12:18:07	8 A. Yes.
12:16:13		12:18:07	9 Q. And you relied on 1,375 as one assumption
12:16:16		12:18:13	10 about how many customers would upswitch. Is that
12:16:19		12:18:17	11 right?
12:16:21		12:18:19	12 A. I do various calculations, but one
12:16:23		12:18:22	13 calculation would work into it, the number of
12:16:26		12:18:25	14 customers that would upswitch, that's correct.
12:16:28		12:18:27	15 Q. And by upswitch, what do you mean there?
12:16:30		12:18:33	16 A. Well, from Oracle's perspective, that's
12:16:32		12:18:36	17 their ability for an existing customer -- if they
12:16:34		12:18:38	18 have a customer under maintenance, they know from
12:16:36		12:18:41	19 their historical data and operations that a
12:16:39		12:18:44	20 percentage of those customers will take a license
12:16:42		12:18:47	21 to additional Oracle applications. That's how
12:16:45		12:18:52	22 Oracle views upswitch.
12:16:46		12:18:54	23 Q. Okay. In paragraph 130, when you say that
12:16:49		12:19:02	24 one model assumes 1,375 customer upswitches, what
12:16:49		12:19:07	25 does that mean?
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12:16:51		12:19:08	1 A. Well, it means basically we're within the
12:16:53		12:19:11	2 impact on Oracle. So if we're setting aside
12:16:56		12:19:14	3 maintenance for a second, with upswitch, what we've
12:16:58		12:19:17	4 done is basically says, over the period -- over the
12:17:00		12:19:26	5 period from 2005 through 2007, there will be
12:17:01		12:19:31	6 customers that leave Oracle and that go to SAP.
12:17:04		12:19:36	7 And therefore, they're not available in Oracle's
12:17:07		12:19:40	8 business for an upswitch opportunity.
12:17:12		12:19:44	9 So I use 250 customers in 2005, 375
12:17:13		12:19:48	10 customers in 2006, and 750 customers in 2007. So
12:17:15		12:19:53	11 since they've gone to SAP, they're not available to
12:17:15		12:19:58	12 have an upsell opportunity for Oracle. Because I
12:17:17		12:20:03	13 mentioned --
12:17:18		12:20:03	14 Q. Well, why not? Why can't Oracle sell them
12:17:20		12:20:05	15 something?
12:17:21		12:20:06	16 A. They've lost the customer. The customer's
12:17:22		12:20:09	17 gone on to another application.
12:17:24		12:20:11	18 Q. Give them a call. So that was my question
12:17:26		12:20:14	19 before, whether you were assuming that all of these
12:17:29		12:20:16	20 customers switched to SAP software and replaced
12:17:31		12:20:20	21 their Oracle software. And you said no, you
12:17:33		12:20:23	22 weren't assuming that. That was the second part of
12:17:36	23 MR. McDONELL: Q. Let's go back to	12:20:25	23 the analysis.
12:17:36	24 Exhibit 447, please.	12:20:26	24 So now let me go back to that.
12:17:46	25 Are you familiar with the data that's on	12:20:28	25 Are you assuming that all 1,375 customers

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12:20:31 1 completely replaced their PeopleSoft software with
12:20:34 2 SAP software?
12:20:36 3 A. Over a time period, yes.
12:20:38 4 Q. What time period?
12:20:39 5 A. So -- well, let me -- you keep
12:20:41 6 interrupting me.
12:20:42 7 MS. HOUSE: Please.
12:20:42 8 THE WITNESS: You want a complete
12:20:43 9 transcript, and I'm trying to give you the
12:20:45 10 information. It's very detailed. You know,
12:20:46 11 there's hundreds of schedules, there's lots of
12:20:48 12 information, and I want to give you the best
12:20:50 13 answers.
12:20:51 14 And so on my Schedule 11, 250 customers,
12:20:54 15 250 in 2005, 375 in 2006, 750 in 2007. So by 2008,
12:21:04 16 1,375 customers have gone to SAP.
12:21:08 17 So if you're Oracle's business, they're
12:21:10 18 not in your system to be part of an upswitch
12:21:14 19 effort, because an upswitch, I use a factor of 14
12:21:18 20 percent. That becomes the calculation. So of
12:21:20 21 those 250 customers, only 14 percent take the
12:21:24 22 upswitch in my model. So it's not like 250 become
12:21:28 23 lost revenue. It's only 14 percent of that in the
12:21:30 24 calculations.
12:21:35 25 MR. McDONELL: Q. Okay. So you're

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12:21:36 1 assuming, for example, for 2005, that 250 customers
12:21:41 2 left PeopleSoft and completely replaced their
12:21:44 3 PeopleSoft software with SAP software.
12:21:48 4 A. That's right. For those applications,
12:21:49 5 that's correct.
12:21:50 6 Q. And you're assuming 375 for 2006 and 750
12:21:54 7 for 2007.
12:21:56 8 A. That's correct.
12:21:57 9 Q. Okay. And then in paragraph 130 --
12:22:06 10 A. And just to clarified, because I don't
12:22:08 11 know when you're being general or specific, in my
12:22:10 12 model, I start that lost upsell revenue in 2006.
12:22:14 13 So 250 switch to SAP in 2005 and become part of an
12:22:19 14 upsell loss in 2006.
12:22:21 15 Q. Okay. So the -- in paragraph 130, you're
12:22:27 16 identifying scenarios, three different scenarios.
12:22:31 17 One assumes 1,375 of these customer upswitches, one
12:22:36 18 assumes 2,000 customer switches, and one assumes
12:22:39 19 3,000 customer switches. Right?
12:22:41 20 A. That's correct.
12:22:42 21 Q. And what is your basis for assuming that
12:22:44 22 3,000 customers would leave PeopleSoft support, go
12:22:50 23 to TomorrowNow, and completely replace their
12:22:52 24 PeopleSoft applications with SAP applications?
12:23:01 25 A. That would be under the scenario that --

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12:23:06 1 in all the scenarios, there's the question of
12:23:08 2 maintenance, and if 3,000 change maintenance.
12:23:15 3 So in the last scenario, which is
12:23:17 4 basically my Schedule 13, I have the number of lost
12:23:20 5 maintenance customers equal the number of lost
12:23:25 6 customers available for an upswitch or a
12:23:27 7 cross-sell.
12:23:28 8 So the other two scenarios don't reflect
12:23:30 9 the 3,000, but that's the ultimate Scenario 13.
12:23:34 10 Q. Okay. So the -- that's my question,
12:23:36 11 though.
12:23:37 12 In your scenario in which you assume 3,000
12:23:40 13 PeopleSoft customers would leave PeopleSoft, go to
12:23:45 14 TomorrowNow for support, and completely replace
12:23:49 15 their PeopleSoft applications with SAP
12:23:50 16 applications, what is your basis for that
12:23:53 17 assumption?
12:23:54 18 A. Well, there's two bases. One, the -- this
12:23:57 19 document, 447, takes us through 2007. So I would
12:24:02 20 add another year onto that, and basically, at these
12:24:05 21 switch rates, if you switch the 750 in 2007, and
12:24:10 22 you switch another 750, you're at 3,000 by 2008.
12:24:14 23 But if you ask what the support is for that last
12:24:16 24 scenario, which is the -- it was just the highest
12:24:19 25 scenario, then I would turn back to the phone call

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12:24:21 1 and the other projections that are done by SAP in
12:24:25 2 that month that talk about upwards of 4,000 or
12:24:28 3 6,000 customers.
12:24:29 4 But I would agree, that's the highest
12:24:31 5 scenario, and so it's there for consideration, but
12:24:33 6 I would probably, you know, focus on all three of
12:24:36 7 them. But the middle one, the first one.
12:24:39 8 Q. I didn't quite follow you. How did you
12:24:41 9 get to the 3,000 in 2008?
12:24:44 10 A. Well, we know that -- okay. Let's go back
12:24:46 11 to 447 and 288. We know in 2005, 250 customers go
12:24:54 12 to mySAP application. And then 2006, it's
12:24:58 13 another -- it's at 375, and in 2007, it's 750.
12:25:04 14 Then we keep -- and then we go down to
12:25:09 15 what I guess would you call the cross-switch, which
12:25:12 16 we go from 500 customers in 2005 to 750 in 2006 to
12:25:18 17 a thousand in 2007. And then by the last year,
12:25:22 18 2008, you add 750 more on to get to 3,000.
12:25:30 19 Q. And what are you interpreting the
12:25:33 20 cross-switch number to be?
12:25:34 21 A. Well, there's two things. And we're
12:25:36 22 using -- remember, we're using the planning of SAP
12:25:42 23 and putting it back on Oracle's business. And so
12:25:46 24 what SAP's thoughts were was they could upswitch a
12:25:52 25 certain number of customers, and they could

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12:25:54	1	cross-sell other customers. Okay?	12:28:39	1	comfortable with the scenarios and the logic, but
12:25:56	2	And so we're using those dynamics back on	12:28:42	2	I've not selected any one, but I believe that this
12:25:59	3	Oracle. And I laid out the basis of the first	12:28:44	3	method supports my opinion.
12:26:02	4	scenario, the upswitch, and then we just modify	12:28:45	4	Q. And is that based on the 1,375-customer
12:26:07	5	those scenarios to reflect other projections made	12:28:49	5	assumption?
12:26:12	6	by SAP.	12:28:49	6	A. Well, we can go through the numbers. But
12:26:14	7	Q. So I still don't quite see how you got	12:28:51	7	basically, the first scenario, which produces the
12:26:16	8	from 1,375 upswitch customers in 2007 to 3,000 in	12:28:57	8	result of 1.97 billion, so basically, 1.98 billion,
12:26:23	9	2008. Can you explain that to me?	12:29:10	9	that relates to 1,375 customers switching, and
12:26:27	10	A. Yes. So the numbers that I use on my	12:29:14	10	3,000 lost maintenance customers. And that's the
12:26:36	11	Schedule 13 for upsell, it's 500 customers in 2005,	12:29:18	11	first scenario.
12:26:43	12	it's a thousand customers in 2006, and it becomes	12:29:18	12	The second scenario, which is predicate on
12:26:47	13	1500 customers in 2007, which would be consistent	12:29:21	13	the 3,000 lost maintenance customers and 2,000
12:26:53	14	with the 3,000 customers that are on maintenance.	12:29:28	14	customers switching to SAP, comes up with 2.6
12:26:57	15	So that's the source.	12:29:31	15	billion dollars, approximately.
12:26:58	16	I had to interpolate there to get to that	12:29:33	16	And then lastly, the scenario we've been
12:27:01	17	number, which would be consistent with management's	12:29:35	17	talking about, which there's 3,000 support
12:27:03	18	plans to switch the customers.	12:29:40	18	maintenance customers lost, and then that's matched
12:27:08	19	Q. Okay. In paragraph 131 of your report,	12:29:43	19	with 3,000 customers switching to SAP applications.
12:27:14	20	you kind of summarize these findings, and you note	12:29:48	20	That's a 3.76 value.
12:27:17	21	that the results of these calculations indicate	12:30:02	21	MR. McDONELL: (Directed to the court
12:27:24	22	that under various assumptions, Oracle would lose	12:30:02	22	reporter.) Holly, in his answer where you've
12:27:29	23	to SAP as a result of licensing the copyright	12:30:05	23	written it was a part of what I had to do, I think
12:27:31	24	materials between 2 billion and 3.8 billion	12:30:09	24	he said it was not a part of what I had to do. Is
12:27:35	25	dollars.	12:30:11	25	that correct.
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12:27:36	1	Do you see that?	12:30:38	1	(Discussion off the record.)
12:27:37	2	A. That's correct.	12:31:23	2	MR. McDONELL: Q. Mr. Meyer, again
12:27:37	3	Q. Okay. That's a range of 1.8 billion	12:31:24	3	referring to your report, paragraph 131, in which
12:27:42	4	dollars. Am I correct?	12:31:37	4	you report the number is 2.0 billion to 3.8
12:27:45	5	A. Yes, based on the different assumptions in	12:31:45	5	billion, let's take the 2.0 billion.
12:27:47	6	the scenarios about the level of upswitch and	12:31:47	6	Can you tell me roughly what portion of
12:27:50	7	cross-sell.	12:31:49	7	that relates to Oracle's expected losses
12:27:51	8	Q. And do you consider that to be an	12:31:53	8	attributable to support, lost support revenues?
12:27:52	9	acceptably precise range?	12:32:02	9	A. The numbers on my Schedule 11 -- and
12:27:56	10	MS. HOUSE: Objection. Vague.	12:32:07	10	they're not all present valued, but I can give them
12:27:56	11	THE WITNESS. Well, I think if you read my	12:32:10	11	to you sort of as I have them.
12:27:59	12	report and look at my schedules and you see how the	12:32:12	12	So the total is ultimately 1.9 billion
12:28:01	13	variables change, and as you change the number of	12:32:16	13	dollars. And so the -- on my summary schedule, I
12:28:04	14	customers that are lost for maintenance, upswitch	12:32:27	14	do the present value sort of in total, but I'll
12:28:08	15	and cross-sell, the results make total sense.	12:32:29	15	read you the nominal amounts so you can get a sense
12:28:11	16	And so you would expect to see this kind	12:32:33	16	of the relative values before present value.
12:28:13	17	of difference if you change the number of customers	12:32:35	17	So on Schedule 11, the support customers
12:28:16	18	in the calculations.	12:32:38	18	that are lost to TomorrowNow -- so this is the loss
12:28:18	19	MR. McDONELL: Q. Have you formed an	12:32:43	19	through 2008 -- that's 607 million, 607. Then the
12:28:18	20	opinion about what the best assumption is for the	12:32:50	20	support -- the value of the support customers lost
12:28:21	21	number of upswitch customers?	12:32:52	21	post October 2008, that's 739 million, the -- the
12:28:25	22	A. It wasn't part of what I had to do. But	12:33:01	22	value of the upsell license, the license that -- so
12:28:27	23	as you know, I've come to the opinion of, it's a	12:33:06	23	upsell -- the license value lost is 119 million.
12:28:30	24	2-billion-dollar market value, so that's certainly	12:33:09	24	Then the lost support on that license, that upsell
12:28:34	25	supported by all three scenarios. And I'm	12:33:14	25	license, is 112 million. And then when it comes to

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12:33:19	1	cross-sell, the value of the lost license is	12:36:09	1	A. Yes. The number of customers that switch,
12:33:22	2	199 million. And then the lost support on that	12:36:12	2	and that are part of the cross-sell, would drive
12:33:27	3	cross-sell license, because if you lose a license	12:36:14	3	that range.
12:33:29	4	sale, you'll lose the support of that, that's	12:36:16	4	Q. Do you have, for this issue, an opinion
12:33:32	5	293 million.	12:36:21	5	about what the best number is to use, whether it's
12:33:33	6	So the total is basically 2 billion, but	12:36:24	6	the 881 or the 2.7 or something different?
12:33:37	7	that's in nominal dollars. So when I -- when I put	12:36:28	7	A. Similar to my response on the Oracle side
12:33:43	8	that in present value, it's 1.2. So we'd have to	12:36:31	8	of the impact here, I believe that it's appropriate
12:33:47	9	reduce those numbers accordingly if you wanted me	12:36:36	9	to consider all three of these. And if you look at
12:33:50	10	to do it on an individual basis.	12:36:39	10	the results, obviously one is 881 billion. The
12:33:52	11	Q. Thank you. Okay.	12:36:45		
12:33:55	12	In paragraph 133 of your report, you	12:36:50		
12:33:58	13	describe how you've used the income approach to	12:36:56		
12:34:01	14	calculate SAP's expected gains. Correct?	12:37:00		
12:34:05	15	A. Yes.	12:37:14		
12:34:07	16	Q. And in doing so, you've used the same	12:37:21		
12:34:09	17	three scenarios of 1,375, 2,000, and 3,000 upswitch	12:37:27		
12:34:13	18	customers. Is that correct?	12:37:31		
12:34:37	19	A. It's generally similar, but now we're	12:37:37		
12:34:40	20	focusing on the gains of SAP, the benefits, as	12:37:40		
12:34:42	21	opposed to Oracle's losses. And we -- we use one	12:37:43		
12:34:47	22	calculation with 1,375 switched customers, and then	12:37:46		
12:34:52	23	we do two calculations at the 2,000 switched	12:37:48		
12:34:57	24	customers.	12:37:50		
12:34:59	25	Q. Okay. And the -- as indicated in	12:37:53		
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12:35:01	1	paragraph 134 of your report, you end up with a	12:37:59		
12:35:06	2	range of gains between 881 million and 2.7 billion.	12:38:03		
12:35:12	3	Is that correct?	12:38:07		
12:35:13	4	A. One second. I was grabbing the	12:38:27		
12:35:15	5	calculation.	12:38:37		
12:35:20	6	I'm sorry, could I have the question read	12:38:40		
12:35:22	7	back, please?	12:38:42		
12:35:23	8	Q. Yes. In paragraph 134, in your	12:38:46		
12:35:25	9	application of the income approach to SAP's	12:38:47		
12:35:29	10	expected gains, you come up with a range between	12:38:49		
12:35:33	11	881 million and 2.7 billion dollars. Is that	12:38:51		
12:35:36	12	right?	12:38:55		
12:35:36	13	A. That's correct.	12:38:57		
12:35:38	14	Q. It's a range of approximately 2 billion	12:39:00		
12:35:39	15	dollars?	12:39:04		
12:35:41	16	A. That's correct.	12:39:07		
12:35:41	17	Q. And do you consider that to be an	12:39:09		
12:35:43	18	acceptably precise range for your purposes?	12:39:18		
12:35:46	19	A. Yes. Because once again, once you break	12:39:29		
12:35:48	20	it down by the various inputs, changing the number	12:39:30		
12:35:51	21	of customers that are part of the switch and	12:39:34		
12:35:57	22	cross-sell revenues, it makes perfect logical	12:39:36		
12:36:00	23	economic sense to have a range like that.	12:39:38		
12:36:03	24	Q. Okay. And is the thing that drives that	12:40:54		
12:36:05	25	range the assumption about the number of customers?	12:40:55		

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14:17:50 14:17:51 14:17:54 14:18:00 14:18:19 14:18:23 14:18:30 14:18:34 14:18:39 14:18:42 14:18:45 14:18:45 14:18:47 14:18:52 14:18:56 14:18:57 14:18:59 14:19:04 14:19:07 14:19:28 14:19:31 14:19:43 14:19:49 14:19:56 14:20:01	14:21:44 14:21:49 14:21:50 14:21:52 14:21:54 14:21:58 14:21:58 14:22:00 14:22:01 14:22:02 14:22:12 11 Q. I want to turn next to the income approach 14:22:17 12 for Siebel. Do you have that concept in mind? 14:22:20 13 A. One moment, please. 14:22:37 14 MS. HOUSE: Is there a paragraph? 14:22:39 15 MR. McDONELL: Q. It's page 186. You 14:23:21 16 know, you're looking for schedules. I don't think 14:23:23 17 you're going to need them. My questions are pretty 14:23:26 18 general. 14:23:26 19 A. Okay. 14:23:26 20 Q. So you did perform an income approach 14:23:29 21 analysis for the value of use of the Siebel license 14:23:35 22 you're talking about. Correct? 14:23:36 23 A. That's correct. 14:23:38 24 Q. Is it fair to say that you applied the 14:23:41 25 same basic approach that you used in the income
Page 502	Page 504
14:20:01 14:20:18 14:20:20 14:20:21 14:20:24 14:20:28 14:20:29 14:20:33 14:20:36 14:20:38 14:20:40 14:20:42 14:20:47 14:20:51 14:20:55 14:20:56 14:20:59 14:21:02 14:21:05 14:21:10 14:21:12 14:21:14 14:21:17 14:21:20 14:21:21	14:23:44 1 approach in connection with the PeopleSoft 14:23:48 2 copyrighted material? 14:23:49 3 A. I would say generally that is correct. 14:24:02 4 Q. And that would include -- it also included 14:24:05 5 your same number of customer assumptions that you 14:24:09 6 relied on in connection with your market approach 14:24:11 7 for Siebel? 14:24:15 8 A. Yes. The 200 support customers were the 14:24:18 9 basis, and then we used 200 switch customers, and 14:24:22 10 that's similar to the market approach. 14:24:24 14:24:40 14:25:10 14:25:13 14:25:15 14:25:17 14:25:21 14:25:26 14:25:29 14:25:35 14:25:40 14:25:43 14:25:48 14:25:53 14:25:59

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CERTIFICATE OF REPORTER

I, HOLLY THUMAN, a Certified Shorthand Reporter, hereby certify that the witness in the foregoing deposition was by me duly sworn to tell the truth, the whole truth, and nothing but the truth in the within-entitled cause;

That said deposition was taken down in shorthand by me, a disinterested person, at the time and place therein state, and that the testimony of said witness was thereafter reduced to typewriting, by computer, under my direction and supervision;

That before completion of the deposition review of the transcript was [] was not requested. If requested, any changes made by the deponent (and provided to the reporter) during the period allowed are appended hereto.

I further certify that I am not of counsel or attorney for either or any of the parties to the said deposition, nor in any way interested in the event of this cause, and that I am not related to any of the parties thereto.

DATED: May 25, 2010
Holly Thuman
HOLLY THUMAN, CSR