



BACKGROUND AND TIMELINE OF LAWSUITS INVOLVING WAYNE DON AND TIFFANY PHILLIPS

Calista Corporation continues to remain in litigation with Wayne Don and Tiffany Phillips. Board Chair Robert Beans and President/CEO Andrew Guy feel that providing a full background on these lawsuits for Shareholders is now appropriate.

Shareholders will see that Calista does not and will not tolerate harassment of any type. And that Calista's strong Employee Code of Conduct and Board Code of Conduct and Business Ethics will hold each person accountable, no matter his or her role.

Background and Timeline

2017 July

A. Guy's First Knowledge Of Tiffany Phillips

- The first that Andrew Guy heard about Tiffany Phillips was after a meeting that took place July 9, 2017 in Calista's offices.
- In that meeting were A. Guy, Wu Dang Chen and George Owletuck.
- G. Owletuck's daughter, Fiona, was in Calista's offices at the time.
- W. Chen, G. Owletuck and A. Guy talked about W. Chen's relationship with G. Owletuck's village corporation – Maserculiq, Inc.
- At the meeting with W. Chen and G. Owletuck, G. Owletuck talked about his and W. Chen's plans for Fiona to move to Colorado and live at W. Chen's mountain lodge retreat in Estes, Colorado.
- After that meeting, G. Owletuck told A. Guy about T. Phillips, who is W. Chen's ex-wife and who lives near Estes, Colorado.

A. Guy's First Knowledge Of Universal Praxis Opportunity

- G. Owletuck told A. Guy that T. Phillips had a business that she was interested in selling and that she would like to present to Calista.
- Guy responded to G. Owletuck that Calista would consider the acquisition if T. Phillips submitted a written proposal.

2017 August

A. Guy's First Knowledge Of Universal Praxis Opportunity (continued)

- On August 22, 2017, T. Phillips emailed to A. Guy a proposal to sell to Calista her company, called "Universal Praxis," for more than \$50,000,000 (\$50M) plus future licensing royalty payments.



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- In accordance with Calista's policies, A. Guy immediately forwarded the proposal, without comment, to Calista's investment committee (Calista's COO, Monica James; CFO, Sharon Lechner; Director of Business Development, Jim St. George; and President of Yulista Holdings, LLC, Joshua Herren).
- The Calista investment committee rejected the proposal because the proposal indicated that Universal Praxis was not an operating business.

Potential Universal Praxis Opportunity

- The next day, August 23, 2017, A. Guy emailed T. Phillips to advise her that the asking price of \$50M was a nonstarter and asked if she were interested in discussing a partnership.
- On August 24, 2017, T. Phillips sent an email to A. Guy stating that she agreed with Calista's position regarding her proposal, and that she would like to discuss a "less than comfortable experience" she had with Calista; T. Phillips asked for a time she could call A. Guy to have a private discussion.

A. Guy's Communications With T. Phillips

- Following T. Phillips' Thursday, August 24, email, A. Guy and T. Phillips had difficulty arranging a call, due in part to A. Guy being out of the office Friday, August 25.

Potential Universal Praxis Opportunity

- On Monday, August 28, 2017, when A. Guy returned to his office, he emailed T. Phillips and asked her to call him that day.
- T. Phillips responded that she was not available for a call until the following day.
- Guy and T. Phillips spoke by phone on August 29, 2017.
- In that phone call, T. Phillips acknowledged that the value of Universal Praxis was not \$50M, as she had set out in her proposal.
- T. Phillips explained to A. Guy that the value of her company was \$1.75M to \$5M. She told A. Guy that the \$50M price came from G. Owletuck.
- Also in the call on August 29, T. Phillips told A. Guy that she was upset by the 1,142 contacts from G. Owletuck, and also by the fact that when G. Owletuck took his daughter to Colorado for school, they stopped by T. Phillips' house uninvited.
- T. Phillips told A. Guy that G. Owletuck's numerous texts and emails were about G. Owletuck's daughter, Fiona, moving to Colorado and G. Owletuck wanting T. Phillips to mentor Fiona while she was going to school in Colorado.
- T. Phillips **did not** tell A. Guy that there was anything sexual or sexually suggestive about G. Owletuck's emails and texts to her.
- T. Phillips **did not** mention anything about G. Owletuck having sent T. Phillips gifts.



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- However, T. Phillips did tell A. Guy that she did not want to get G. Owletuck in trouble.
- Guy then told T. Phillips that she did not need to have any further communication with G. Owletuck.
- Guy told her that Jim St. George, who was the Calista Director of Business Development, was the appropriate individual for her to deal with on her proposal – not G. Owletuck, and that J. St. George would be her point of contact regarding her proposal to sell Universal Praxis.

A. Guy's Discussion With J. St. George

- Immediately following his call with T. Phillips, A. Guy told J. St. George to follow up with T. Phillips regarding her proposal.
- Guy also told J. St. George what T. Phillips had told A. Guy about the large number of emails and texts she had received from G. Owletuck.
- Guy told J. St. George that J. St. George was to be T. Phillips' sole point of contact from that point and that G. Owletuck was no longer to have any involvement with the proposed business transaction with T. Phillips.

2017 September

A. Guy Moose Hunting With G. Owletuck

- Immediately after A. Guy went to J. St. George's office and directed J. St. George to follow up with T. Phillips, A. Guy went to G. Owletuck and told him that the Universal Praxis deal was dead.
- Later that week, A. Guy and G. Owletuck traveled to Marshall on Calista business.
- Following the business meetings in Marshall, on September 2, 2017, A. Guy went moose hunting with G. Owletuck.
- Calista did not pay for the moose hunting trip.
- At the time of the moose hunting trip, A. Guy was unaware of the sexual nature of G. Owletuck's gifts and communications to T. Phillips.

J. St. George's Follow-Up With T. Phillips

- Immediately after A. Guy told J. St. George (on August 29th) to follow up with T. Phillips, J. St. George sent her an email to set up a time for them to have a phone call.
- But J. St. George had trouble connecting with T. Phillips.
- When J. St. George finally reached T. Phillips (later in September), T. Phillips told J. St. George about the sexual nature of G. Owletuck's contacts with her (e.g., Victoria's Secret gifts).



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What J. St. George Did With The Information From T. Phillips

- J. St. George did not tell A. Guy what T. Phillips had said to him about the sexual nature of G. Owletuck's contacts with her (e.g., Victoria's Secret gifts).
- On September 27 or 28, J. St. George stopped by the office of Heather Spear, Calista's Human Resources Director, and told H. Spear there was an issue but he "didn't know whether to bring it forward or not." J. St. George told H. Spear that it had to do with potential sexual harassment but he had to think more about it because it involved someone close to A. Guy and he was worried about retaliation if he brought it forward.

2017 October

J. St. George Finally Reports Information He Received From T. Phillips

- On or about October 1st, J. St. George talked to Monica James (G. Owletuck's supervisor) about the conversation he had with T. Phillips at A. Guy's direction.
- On October 2nd, M. James sent an email to H. Spear reporting what J. St. George had told M. James about his call with T. Phillips.
- At the conclusion of this email, M. James requested an investigation into G. Owletuck's interactions with T. Phillips.
- The description in M. James' email matches exactly A. Guy's notes of his call with T. Phillips.



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M. James' Email To HR Director

From: Monica James
Sent: Monday, October 02, 2017 12:19 PM
To: Heather Spear
Subject: Request
Attachments: Acquisition Proposal.pdf

Heather,

It has come to my attention that a couple events that do not align with Calista's Code of Conduct may of occurred.

I am aware that Ms. Tiffany Phillips called Andrew to share that she could not work with George Owletuck regarding a potential acquisition that she was trying to propose to Calista because George Owletuck showed up at her house in Colorado in the middle of the evening.

When Jim St. George called Ms. Tiffany Phillips at Andrew's request to step in replacing George's interface with this individual, Jim learned from Ms. Tiffany Phillips that George had appeared at her house, making an inappropriate sexual offer. Furthermore, Ms. Tiffany Phillips, shared with Jim St. George, that George had sent her Victoria Secret underwear.

As we know, the above could cause exposure to Calista if these incidences as alleged did in fact occur.

I am requesting a formal investigation regarding the allegations outlined in this email. Ms. Tiffany Phillips' cell number is below: [REDACTED] and her email is below: t [REDACTED]

Monica

HR Investigation Into G. Owletuck's Conduct

- Following H. Spear's receipt of M. James' October 2, 2017 email, H. Spear took no action regarding it for more than two weeks.
- M. James had not copied A. Guy with the email, and A. Guy was otherwise unaware of the information as reported by J. St. George.
- Finally, on October 17, 2017, H. Spear contacted J. Linxwiler, Calista's outside counsel, about the G. Owletuck matter.
- J. Linxwiler told H. Spear to inform acting General Counsel N. Resnick and engage outside counsel to conduct an investigation. He also advised H. Spear to immediately notify A. Guy and recommend that G. Owletuck immediately be placed on leave with pay pending the investigation.



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A. Guy Told About G. Owletuck/T. Phillips Details

- On October 18, 2017, N. Resnick and H. Spear met with A. Guy and informed him that T. Phillips had told them about G. Owletuck's inappropriate conduct toward her, including the romantic overtures and a gift from Victoria's Secret.
- But T. Phillips had not, as of that time, asked to lodge a formal complaint – she had told A. Guy she did not want G. Owletuck to be in trouble.
- N. Resnick and H. Spear told A. Guy that they had consulted with J. Linxwiler, who advised placing G. Owletuck on leave immediately and to begin an independent investigation. A. Guy agreed with the recommendation.

A. Guy Placed G. Owletuck On Administrative Leave

- That same day, October 18, 2017, A. Guy, N. Resnick, and H. Spear met with G. Owletuck and notified him that he was being placed on administrative leave, effective immediately.
- G. Owletuck was very emotional – said he had met with a priest at his church about getting a divorce.
- What G. Owletuck described to A. Guy, N. Resnick, and H. Spear was a consensual relationship that had taken place between the two that had “not worked out.”
- Guy's October 18, 2017 letter placing G. Owletuck on administrative leave instructed G. Owletuck not to come to work except for scheduled presentations to Board on October 23 and 24.
- Much later during Wayne Don's appeal to the Board, W. Don and his attorney told the Board that A. Guy had allowed G. Owletuck to travel to DC on Calista business while G. Owletuck was on administrative leave.
- This is totally false. The DC trip, as clearly shown in G. Owletuck's Facebook posts, took place on October 11-13, which was before he was placed on administrative leave.

HR Investigation Into G. Owletuck's Conduct

- That same day, October 18th, H. Spear contacted an outside attorney, Renae Saade, to conduct the G. Owletuck investigation. The investigation began immediately.
- As part of the investigation, HR requested A. Guy (and others) to provide HR with notes and emails regarding contact with or about T. Phillips.
- This was the first time anyone requested A. Guy's notes and emails.
- Later Sam Fortier, W. Don's attorney, told the Board (and, later, KYUK) that A. Guy had withheld his notes. This is not true.



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Date: 8/20		Day of Week: Tues		Andrew J. Guy
Appointments				
2:42	970 389 3880	Tiffany Phillips of Univ Praxis		
		- Value \$1.75 to 5M to others		
		- Got 50M from George		
		- 1142 contacts from George this month / every day + night		
		- Firms coming out : stopped by her house uninvited		
Time Telephone		DAILY NOTES		
	(cont)	Tiffany : offended / denial of facts		
		- terrible experience of George		
	w/ Parents	* 13D - Jim St. George		
		* 22 prisons already built		

T. Phillips' Attorney Finally Produces Emails, Etc., Between T. Phillips And G. Owletuck

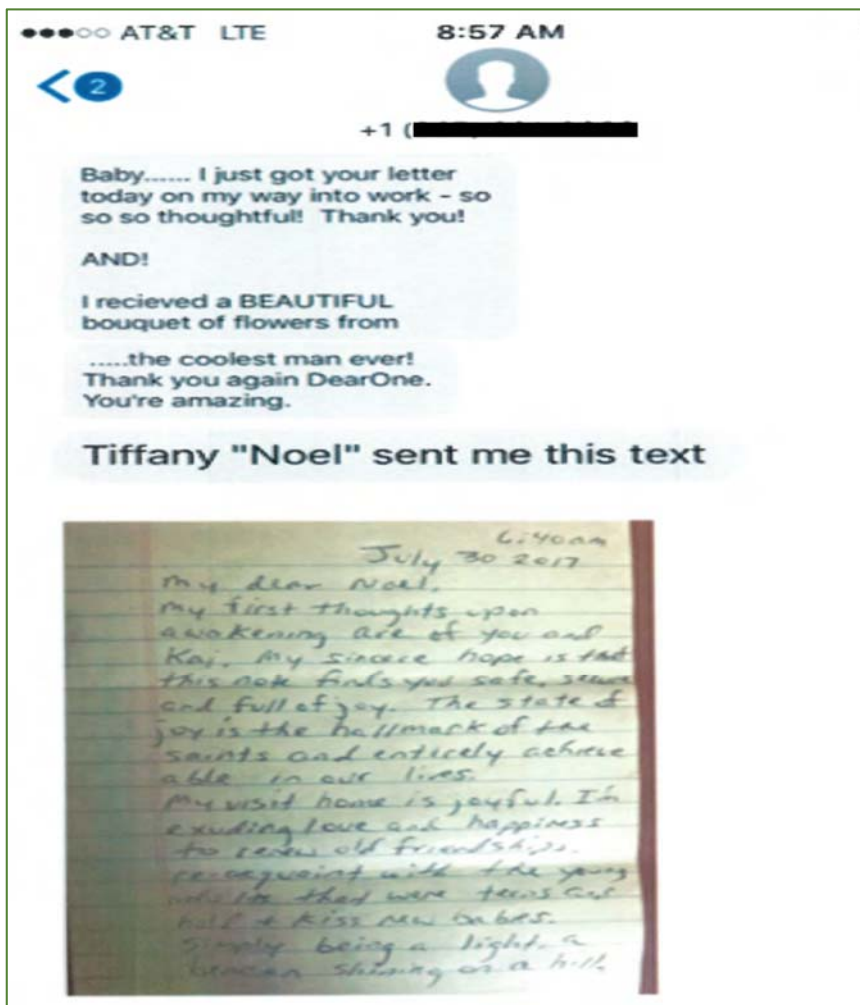
- In October, at the start of Calista's investigation into G. Owletuck's interactions with T. Phillips, Calista requested that T. Phillips provide copies of all emails, texts, photos, etc., in her possession.
- But it was not until December 1st, after the investigation had been completed and G. Owletuck had been terminated, that T. Phillips' attorney provided some (but not all) of the requested documents.

G. Owletuck Cooperated With The Investigation

- R. Saade's report noted that she reviewed "Various photos (of people and text messages) shown and provided to me by Mr. Owletuck."
- R. Saade's report noted that she interviewed G. Owletuck for 4.5 hours.
- R. Saade's report noted that text messages shown to her by G. Owletuck show that Ms. Phillips had called Mr. Owletuck "Baby," the "coolest man ever," and "Dear One," and sent him "big hugs."



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2017 November

A. Guy Terminated G. Owletuck Immediately After Investigation

- R. Saade issued a draft confidential investigation memo on November 14, 2017.
- Her report stated, although there were facts that were disputed, G. Owletuck's conduct "likely violated Calista's policies."
- Calista's legal counsel met with A. Guy and advised A. Guy about the report's findings.
- Guy terminated G. Owletuck's employment the next day.

W. Don Interjects Himself Into The G. Owletuck Personnel Matter

- On November 21, 2017, W. Don called J. Linxwiler to inquire about the status of the G. Owletuck investigation. W. Don met with J. Linxwiler at Linxwiler's office later that evening.



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- During that meeting, W. Don told J. Linxwiler that he intended to seek the dismissal of A. Guy, and asked J. Linxwiler, “What are the grounds for dismissal of A. Guy for cause?”.
- W. Don directed J. Linxwiler to gather R. Saade, H. Spear, and N. Resnick for a meeting with W. Don at J. Linxwiler’s office the following day, November 22, 2017.

W. Don Directs Attorney And HR Director To Create Documents To Support Firing A. Guy

- R. Saade had not been engaged to investigate A. Guy’s conduct, and her November 14th report contained no comment about A. Guy’s role in the G. Owletuck/T. Phillips matter.
- But at the November 22nd meeting, W. Don directed R. Saade to prepare a separate report to be given to the Board “to apprise the Board of Mr. Guy’s failure to handle the Owletuck matter appropriately”; and
- W. Don directed H. Spear to prepare a written summary of all disciplinary actions taken against G. Owletuck and highlight A. Guy’s knowledge of them.
- In R. Saade’s memo, prepared at W. Don’s direction, she states: “There is no dispute that Mr. Guy was told: Ms. Phillips received a box of panties from Victoria’s Secret from Mr. Owletuck.”
- She further wrote, “A. Guy’s handwritten notes from the phone call he had with Phillips confirms that he was given this information.”
- But these statements are not accurate. A. Guy’s notes of his call with T. Phillips contain no mention of panties, Victoria’s Secret, or any matter of a sexual nature.

R. Saade's Memo To The Board

- In R. Saade’s memo, prepared at W. Don’s direction, she also states, “. . . Even though A. Guy learned of Ms. Phillips’ allegations at the end of August 2017, her allegations were not further addressed or investigated until Calista’s HR and Legal learned of her allegations in early October. This delay could have legal implications for Calista. . . .”
- When R. Saade was later interviewed in the course of the Corporate Governance Committee’s investigation, R. Saade acknowledged that these statements were based on her speculation. It was speculation fueled by W. Don’s directives.

W. Don's Planning For Special Board Meeting

- On November 22, 2017, W. Don directed N. Resnick to send to Calista Board Members a Notice of Special Board Meeting to be held December 1, 2017.
- The notice stated that W. Don had called a special meeting to brief the Board on a personnel matter and the President/CEO’s “possible actions and/or inactions” relating to that personnel matter.



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- Further, the special meeting notice stated that the Board was to consider at this special meeting to suspend A. Guy as President/CEO and appoint an interim President.
- W. Don directed J. Linxwiler, N. Resnick, Kirsten Kinegak-Friday, and H. Spear to meet with W. Don again on November 30, 2017, for the purpose of preparing for the December 1, 2017 Special Board Meeting.
- At this meeting, W. Don directed N. Resnick and J. Linxwiler to prepare a resolution placing A. Guy on administrative leave.
- W. Don's plan was to present to the Board R. Saade's second report and H. Spear's "summary" of A. Guy's knowledge of G. Owletuck's repeated actions of misconduct, and call for the Board to place A. Guy on administrative leave.

2017 December

At The Special Board Meeting

- At the start of the Special Board Meeting on December 1, Willie Kasayulie (Board Member) moved to adjourn the meeting and a majority of the Board voted in favor of his motion. The special meeting adjourned with no business being conducted.

T. Phillips Submits A Revised Proposal

- Coincidentally, the same day as the special Board meeting, in a follow-up email from T. Phillips' attorney on December 1st, T. Phillips' attorney said:
 - "And now, on a much brighter note, attached hereto you will find the revised proposal from Universal Praxis, as promised to you as part of the submittals we would send to Calista today. Please confirm receipt of this also."
- In the revised proposal, T. Phillips proposed to sell to Calista the global rights to sell, manufacture, broker, license, and franchise the technology of three newly-awarded patents, for "\$5 million . . . along with licensing royalty fees."

Corporate Governance Committee Investigation Into W. Don

- On December 5, 2017, Calista's Corporate Governance Committee ("Committee") held a meeting and discussed what was then known about W. Don's actions.
- The five members of the Committee voted unanimously in favor of a resolution to investigate W. Don's conduct.
- The resolution stated that it had come to the Committee's attention that W. Don may have violated Section 3 of Calista's Code of Conduct ("Code"), as well as breached his fiduciary duties of care and loyalty to Calista.
- On December 6, 2017, the Calista Board considered and adopted the Committee's recommendation to investigate W. Don and to remove him as Chair pending the outcome of the investigation.



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- On December 18, 2017, W. Kasayulie (Chair of the Committee) sent W. Don a written notice of the allegations against him, and advised he had 10 days to respond to the allegations.

Calista Requests Information Regarding Universal Praxis

- On December 6th, N. Resnick sent an email to T. Phillips' attorney requesting additional information regarding Universal Praxis, including: tax returns, financial statements, and a list of major customers.
- On December 11th, T. Phillips' attorney responded saying that "there are no revenues to report, no accounts receivable to age" and that "before responding to . . . [your] inquiries . . . it would be beneficial for Calista to confirm . . . that it is interested in . . . a partnership or purchase of licenses." This letter made no mention of G. Owletuck's alleged sexual misconduct.

Calista Notifies T. Phillips – Not Interested In Pursuing Acquisition

- On December 13, 2017, N. Resnick sent a letter to T. Phillips' attorney.
- Thanked him for forwarding the Universal Praxis acquisition proposal
 - "[w]e regret to inform you that . . . , Calista is not interested in pursuing the possibility of a partnership or purchase" as described in the proposal.
- This letter stated: "We also want to address the concerns that you and your client, Tiffany Phillips, have raised concerning George Owletuck's conduct. . . . Mr. Owletuck was not acting within the course and scope of his employment as to any communications or interactions with Ms. Phillips of a personal nature. Mr. Owletuck's employment with Calista has been terminated,"

T. Phillips' Attorney Responds To Calista's Letter

- The following day, on December 14, 2017, T. Phillips' attorney sent the following email to N. Resnick:
 - "Your letter has been received and is being reviewed. We will revert to you regarding all of this as soon as we reasonably are able to do so. Thank you."
- This was the last communication from T. Phillips or her attorney until May 8, 2018.

2018 January/February

Corporate Governance Committee Investigation Into W. Don

- On January 2, 2018, W. Don through his attorney, S. Fortier, submitted a response denying the allegations against him.
- On January 22, 2018, the Committee met to review W. Don's response and to review a report from the outside law firm the Committee hired to investigate W. Don's conduct.
- On February 5, 2018, the Committee met and issued a Written Determination Regarding W. Don's Code Violations.



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Corporate Governance Committee's Written Determination Regarding W. Don's Misconduct

- The Committee's Written Determination found that W. Don violated the Code on 14 separate occasions.
- The Committee recommended to the Board to discipline W. Don for his violations of the Code.
- While the Committee's recommended sanctions included requesting that W. Don resign from the Board, the Committee did **not** recommend bringing a lawsuit to have W. Don removed by the Court.

2018 March

W. Don's Appeal Of The Written Determination

- W. Don appealed the Committee's Written Determination.
- On March 9, 2018, W. Don, represented by his attorney, S. Fortier, presented his case to the full Calista Board.
- After the presentation, the Board deliberated and concluded that W. Don violated the Code and his duty of care and loyalty to the Board, and imposed the sanctions recommended by the Committee.
- The Board set April 10, 2018, as the deadline for W. Don to advise whether or not he would resign from the Board. If he did not resign by that date, the Board would publicly censure him.

2018 April

W. Don's Refusal To Resign From The Board

- On April 10, 2018, W. Don submitted a letter to the Board that he would not resign as a director of Calista Corporation.
- On April 24, 2018, during Calista's quarterly Board meeting, the Board voted to publicly censure W. Don in accordance with the sanctions in the resolution.

W. Don And His Attorney Publicly Disclose Confidential Information

- Even before the Board voted on April 24, 2018, to publicly censure W. Don, W. Don had already sent a letter for publication in the April 25, 2018 issue of the Delta Discovery seeking to undermine the Board's action.
- W. Don's letter was published on April 25th, but the deadline to submit items for print to Delta Discovery is the Friday BEFORE (April 20).
- In his letter, W. Don insinuated that leaders at Calista had engaged in the type of conduct that is the subject of the #metoo movement.



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2018 May

- Then, on May 1, 2018, on KYUK, W. Don and his attorney, S. Fortier, disclosed confidential information from the T. Phillips/G. Owletuck internal investigation.
- On May 8, 2018, W. Don and his attorney, S. Fortier, talked with a KYUK reporter and disclosed more details about the confidential matter involving a Calista employee:
 - "An employee had engaged in, basically, a rather significant 'me too' moment. In fact, a series of moments," said Fortier. He said that the unnamed Calista employee had repeatedly sexually harassed a woman who worked for a potential Calista vendor. The woman reported it to CEO Andrew Guy in August 2017. Calista's employee policies require leadership to respond immediately to allegations like this, and they do, but S. Fortier said that nothing happened.

The Confidential Information That W. Don And His Attorney Disclosed Was False And Misleading

- The statements that W. Don and his attorney made to KYUK were false and misleading:
- T. Phillips never reported to A. Guy that she had been "sexually harassed."
- It is completely false that "nothing happened." A. Guy immediately directed J. St. George to follow up with T. Phillips and to be her sole point of contact in place of G. Owletuck.
- The statements also disclosed information about an internal employee matter that was highly confidential.
- W. Don, aided and abetted by his attorney, breached his fiduciary duty not to disclose confidential information that was internal to Calista and not to make false statements harmful to Calista.

W. Don And S. Fortier's Public Disclosures Prompt T. Phillips' Letter

- On May 8, 2018, following W. Don's and S. Fortier's public disclosure of Calista's confidential internal investigation of an employee matter, T. Phillips' attorney sent a letter to N. Resnick:
 - "We will not here burden this letter with the remedies available to Ms. Phillips for the sexual harassment visited upon her by this grossly offensive man or for the exposure of Calista. . . . We will, however, put Calista on notice that it must now preserve any and all documents or other items in any way related or relevant to this case pending any formal actions that may be initiated."

The Board Sues To Remove W. Don From The Board

- On May 14, 2018, because of the egregious conduct of W. Don and his attorney to publicly disparage Calista, its Board, and management and to disclose confidential information, the Board of Directors brought suit against W. Don seeking removal of W. Don from the Board.
- The Board also sued S. Fortier for aiding and abetting W. Don's breaches of his fiduciary duties.



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The Board Also Sues To Protect The Integrity Of The Annual Shareholders Meeting

- Calista's proxy packets in connection with its annual shareholders meeting scheduled for July 6th were due to be distributed to shareholders on May 16, 2018.
- Thus, starting on May 16th, shareholders would be voting and returning their proxies.
- For this reason, the false and misleading statements that W. Don and S. Fortier were making to the press threatened the integrity of Calista's proxy solicitation for election of directors.

The Board's Suit To Protect The Integrity of The Annual Shareholders Meeting

- W. Don and S. Fortier were not the only ones distributing false and misleading statements.
- Harley Sundown was actively repeating on Facebook the false and misleading statements that W. Don and S. Fortier were publishing.
- H. Sundown posted confidential Board information on Facebook that related to executive sessions of the Board.
- So the Board also sued W. Don, S. Fortier, and H. Sundown for violation of Alaska proxy laws prohibiting false and misleading statements in connection with the solicitation of proxies.

2018 June

The June 4th Court Hearing

- On June 4th, the Court held a hearing on whether to enjoin W. Don, S. Fortier, and H. Sundown from making false and misleading statements in connection with Calista's annual meeting proxy solicitation.
- Calista did not request the Court to issue a "gag order."
- Rather, Calista sought an order that W. Don, S. Fortier, and H. Sundown be required to pre-file their statements with the Court and with Banking and Securities.

The Court's Order Following The June 4th Hearing

- The Court issued an order denying Calista's request for an injunction.
- The Court did not rule on whether the statements being made by W. Don, S. Fortier, and H. Sundown were false or misleading.
- Rather, the Court ruled that Alaska's proxy laws do not apply to the statements made by W. Don, S. Fortier, and H. Sundown because none of them were themselves engaged in soliciting proxies.
- Calista believes that this ruling by the Court was in error.
- But by the time of the June 4th hearing, Calista's proxy solicitation was well underway and many proxies had already been voted and returned.
- If Calista were to have appealed the Court's ruling, an order from the Supreme Court would almost certainly not have been obtained until after the proxy deadline, or close to it.



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- So Calista determined not to appeal and, instead, to do its best to disseminate truthful and accurate information to counter the false and misleading statements by W. Don, S. Fortier, and H. Sundown.

The Suit Against W. Don And S. Fortier Continues

- The lawsuit against W. Don and S. Fortier continues.
- Calista is continuing to seek the Court removal of W. Don for his egregious violations of his fiduciary duties.
- Calista is seeking damages against S. Fortier for his actions to aid and abet W. Don's violations of his fiduciary duties.
- Calista has stipulated to the dismissal of H. Sundown from the lawsuit because the only claims against him were for violations of the securities laws, and the election at Calista's annual meeting is now over.

2018 July

T. Phillips And Universal Praxis File Suit

- There had been no communication of any type or content from T. Phillips or her attorney for almost 5 months – from mid-December through early May.
- Then, after W. Don and S. Fortier publicly disclosed, on KYUK and in other media, information about the confidential internal matter, it prompted T. Phillips to file a lawsuit on July 3, 2018.
- The claims in the lawsuit are based upon confidential information that was disclosed by W. Don and S. Fortier.
- T. Phillips would likely never have sued if the confidential information about the G. Owletuck/T. Phillips investigation had not been disclosed by W. Don and S. Fortier.

Calista Is Vigorously Defending Against The T. Phillips And Universal Praxis Lawsuit

- T. Phillips' lawsuit is without merit. Even if G. Owletuck had violated Calista's internal policies, those policies do not afford any rights to T. Phillips.
- Calista is vigorously defending itself against that lawsuit.
- But even if Calista is successful in defending itself, the filing of the lawsuit has resulted in Calista having incurred and continuing to incur costs and other damages.
- W. Don and S. Fortier are responsible for Calista incurring those costs and damages.