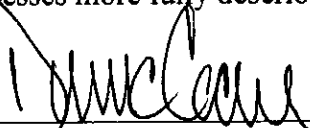


In accordance with Minnesota Statutes § 543.22, you are hereby informed that Rule 114.01 of the Minnesota Rules of General Practice provides that most civil cases are subject to the Alternative Dispute Resolution (ADR) processes more fully described in Rule 114.

Dated: April 12, 2007.



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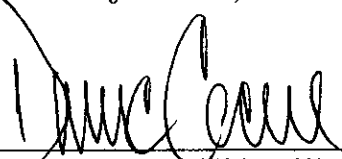
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ATTORNEYS FOR PLAINTIFFS

ACKNOWLEDGMENT PURSUANT TO
MINN. STAT. § 549.211

The undersigned hereby acknowledges that sanctions may be imposed for this Complaint if the undersigned are found to have violated Minn. Stat. § 549.211, subd. 2.

Dated: April 12, 2007.



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ATTORNEYS FOR PLAINTIFFS

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF RAMSEY

SECOND JUDICIAL DISTRICT

Case Type: Civil - Other

Northwest Publications, LLC d/b/a
St. Paul Pioneer Press, Pioneer Press
Targeted Publications, LLC, and
MediaNews Group, Inc.,

Court File No. _____
Honorable _____

Plaintiffs,

v.

COMPLAINT

The Star Tribune Company, Avista Capital
Partners, LP, Par Ridder, Kevin Desmond,
Jennifer Parratt, Michael Riggs, and
Michael LaBonia,

Jury Trial Requested

Defendants.

Plaintiffs Northwest Publications, LLC d/b/a St. Paul Pioneer Press (“the Pioneer Press”),
Pioneer Press Targeted Publications, LLC, and MediaNews Group, Inc., for their Complaint in
this matter, hereby state as follows:

OVERVIEW OF THE ACTION

1. This action seeks to remedy substantial and ongoing harm sustained by the Pioneer Press as a result of numerous illegal and improper actions taken by Defendant Par Ridder, the current CEO and Publisher of Defendant The Star Tribune Company (“the Star Tribune”) and the other named defendants. Up until March 2007, Ridder was the trusted Publisher of the *St. Paul Pioneer Press*, one of the Twin Cities’ two major daily newspapers. After only one day’s notice (and much scheming), however, Ridder abandoned ship and joined Pioneer Press’ cross-river rival, the Star Tribune Company, to become its CEO and Publisher of

its paper, *Star Tribune*, the Twin Cities' other major daily newspaper. Despite having signed an agreement *not* to work for a Pioneer Press' competitor, despite having agreed *not* to use the Pioneer Press' confidential information for his own or the Star Tribune's advantage, and despite having pledged *not* to take Pioneer Press employees with him, Ridder did all of those things. After he left the Pioneer Press, Ridder delivered a wealth of highly confidential Pioneer Press information to the Star Tribune – without any authorization whatsoever. He then recruited two other Pioneer Press executives, Vice-President of Operations Kevin Desmond and Director of Targeted Publications Jennifer Parratt, to join him at the Star Tribune, with Desmond becoming the Star Tribune's Senior Vice-President of Operations and Parratt becoming the Star Tribune's Director of Niche Publications. By so doing, Desmond and Parratt breached their own non-compete agreements with the Pioneer Press, and in collaboration with Ridder, misappropriated further confidential information. The impact of this raid on the Pioneer Press has been, and will continue to be, both devastating and irreparable.

2. Indeed, only late last week did the Pioneer Press learn the kind of material that Ridder delivered to the Star Tribune. It was extremely sensitive information, and precisely what a major newspaper like Pioneer Press would not want its chief competitor to know. It included Pioneer Press budgets, company profit and loss data, Pioneer Press' Customer Lists of advertisers along with information on advertising revenue and custom advertising rates, and reports on company expenses for nearly every department and category. Indeed, while at the Pioneer Press, Ridder held this kind of information in the utmost confidence, demanding that it be protected, because he recognized the devastating impact its release would have on the newspaper. It is therefore shocking that Ridder so willingly delivered this material to the Star Tribune. It is equally shocking that the Star Tribune, its affiliates, and its executives so

unflinchingly received it. This theft of confidential information – and its receipt by the Star Tribune – was a clear violation of the law.

3. Defendants' actions have significantly threatened the integrity of the Pioneer Press and, consequently, the maintenance of full and fair competition between the Twin Cities' two major newspapers. Less than nine months before Ridder's abrupt departure from the Pioneer Press, the then owner of the Star Tribune -- the McClatchy Company ("McClatchy") -- entered into a Consent Decree with the U.S. Department of Justice that required it to divest itself of the Pioneer Press. This Consent Decree was entered precisely because of the threat to competition that common ownership of both newspapers presented. Indeed, the Decree also forbids McClatchy (and its successor Avista) from taking certain actions that would interfere with the operation of the Pioneer Press or its continued employment of its employees. Yet, the Defendants -- through the egregious pattern of conduct set forth below -- have undertaken to impede the very competition the Consent Decree was designed to protect.

4. Indeed, the facts giving rise to this action show that this wholesale misappropriation of highly confidential information was planned in advance – with Ridder, Desmond, and Parratt each delaying their resignations in a manner that allowed them greater illicit access to Pioneer Press information. For example, Ridder prepared a speech to announce his intention to join the Star Tribune on September 19, 2006, more than five months before he actually submitted his resignation, only to attend confidential company strategy sessions – and gain additional company secrets – in the interim. Desmond and Parratt took the same tack.

5. Furthermore, the Defendants' knowledge of their own wrongdoing is demonstrated by the lengths to which Ridder, Desmond, and Parratt went to cover their own tracks. Programs were used on their computers that erased data and made subsequent

inspections more difficult. Company files are missing or have been destroyed. And Ridder initially claimed that a company hard drive that had been provided to him for Pioneer Press business was lost, only later to admit that this claim was untrue. Ridder has failed even to return to the Pioneer Press the very non-compete agreements at issue in this case, including his own, which he brazenly stole from the company. And when asked about the pledge he made not to recruit Pioneer Press executives to the Star Tribune, Ridder implausibly claimed that the pledge was meant only to apply to the precise day of his departure, not thereafter. These and numerous other acts of obfuscation, set forth in detail below, highlight the egregious nature of the acts here at issue.

6. In a very brief period of time, Ridder and his cohorts – along with the Star Tribune and its executives – have committed serious misdeeds against the Pioneer Press. Those misdeeds have inflicted and will continue to inflict substantial harm on the business of Pioneer Press, and that harm will have a devastating impact on the company if left unabated. Plaintiffs therefore appear before this Court to seek immediate injunctive relief and damages to remedy this substantial and ongoing harm.

7. Over the past week, after learning of Ridder's highly improper conduct, the Pioneer Press has attempted to resolve its differences with Ridder and the Star Tribune. While at least one of the key participants recently admitted that his actions were wrong, others – including Ridder – have minimized their misconduct and attempted to portray their actions as harmless. Moreover, they have failed to return key documents – including the very non-compete agreements at issue – and have declined to take adequate measures to prevent further improper use of the Pioneer Press confidential information. The Star Tribune's actions have left the

Pioneer Press no alternative but to bring this suit. In an industry where credibility is the currency, Ridder's actions have made this a sad day.

VENUE

8. Venue is proper in Ramsey County because, among other reasons, the cause of action, or some part thereof, arose in Ramsey County. Minn. Stat. § 542.09.

THE PARTIES

9. Northwest Publications, LLC d/b/a St. Paul Pioneer Press ("the Pioneer Press") is a limited liability company organized under the laws of the State of Delaware, with its principal place of business located in St. Paul, Ramsey County, Minnesota. It publishes several newspapers and other publications, including *St. Paul Pioneer Press*, a major daily newspaper serving readers in the Twin Cities area as well as elsewhere in Minnesota and western Wisconsin. Northwest Publications LLC is a wholly owned subsidiary of The Hearst Corporation, a corporation organized under the laws of the State of Delaware.

10. Pioneer Press Targeted Publications, LLC ("Targeted Publications") is a limited liability company organized under the laws of the State of Delaware, with its principal place of business located in St. Paul, Ramsey County, Minnesota. Targeted Publications is a wholly owned subsidiary of Northwest Publications LLC.

11. MediaNews Group, Inc. is a corporation organized under the laws of the State of Delaware, with its principal place of business located in Denver, Colorado ("MediaNews"). Commencing August 2, 2006, MediaNews began managing the businesses of the Pioneer Press, pursuant to a Stock Purchase Agreement with The Hearst Corporation dated August 2, 2006 (the "Purchase Agreement"), and in consideration thereof is entitled to receive all earnings before

taxes, interest, depreciation and amortization generated from the Pioneer Press' operations ("EBITDA").

12. The Star Tribune Company ("the Star Tribune") is a corporation organized under the laws of the State of Delaware with its principal place of business in Minneapolis, Hennepin County, Minnesota. It publishes *Star Tribune*, a major daily newspaper serving readers in the Twin Cities area as well as elsewhere in Minnesota and Western Wisconsin. *St. Paul Pioneer Press* and *Star Tribune* are direct competitors, with *Star Tribune* being much larger in terms of revenues.

13. Avista Capital Partners LP is a limited partnership organized under the laws of the State of Delaware, which acquired the Star Tribune Company on March 5, 2007.

14. Par Ridder is the former President of the Pioneer Press and Publisher of its major daily newspaper, *St. Paul Pioneer Press*. Ridder resides in Sunfish Lake, Minnesota. Ridder recently resigned from his positions at the Pioneer Press and accepted employment as the Publisher of *Star Tribune* and CEO of the Star Tribune Company.

15. Kevin Desmond was the Vice President of Operations of the Pioneer Press whom, upon information and belief, resides in Eagan, Minnesota. He was also a member of the Pioneer Press' Operating Committee. On March 29, 2007, Desmond informed the Pioneer Press that he had accepted an offer of employment from the Star Tribune. On March 30, 2007, the Star Tribune announced that Desmond was joining it as its Senior Vice President of Operations.

16. Jennifer Parratt is a former employee of the Pioneer Press and served as Director of Targeted Publications. Upon information and belief, she resides in Stillwater, Minnesota. On March 28, 2007, Parratt informed the Pioneer Press that she had accepted an offer of employment from the Star Tribune, where she was to have responsibility for substantially the

same aspect of the business as she had at the Pioneer Press. On March 30, 2007, the Star Tribune announced that Parratt was joining the Star Tribune Company as Director of Niche Publications. The Star Tribune has orally agreed with Northwest Publications, through at least today's date, to postpone Parratt's start date.

17. Michael Riggs is the Chief Financial Officer of the Star Tribune. The location of his residence is currently unknown.

18. Michael LaBonia is the Senior Vice President for Sales & Strategic Development of the Star Tribune. The location of his residence is currently unknown.

FACTUAL ALLEGATIONS

Ridder's Employment at the Pioneer Press.

19. The Pioneer Press has been associated with Par Ridder's family for decades. Ridder's great-grandfather, Bernard Ridder, Sr., purchased *St. Paul Pioneer Press* in 1927. Until last year, on information and belief, the Ridder family continued to have an ownership interest in the paper, first as owners and then as significant shareholders in the Knight-Ridder, Inc., newspaper chain.

20. Ridder joined the Pioneer Press in 2004 as Publisher of *St. Paul Pioneer Press* and President of the company. In this position, Ridder was responsible for the overall management and day-to-day operations, and for the development and implementation of strategy for future operations and growth of *St. Paul Pioneer Press* and the other publications of the Pioneer Press.

21. In consideration of his employment with the Pioneer Press, Ridder entered into a non-competition agreement. On information and belief, this non-competition agreement prohibited him from competing with the business of the Pioneer Press and soliciting its

employees for competitive employment for a period of time following the voluntary termination of his employment with the Pioneer Press.

22. As Publisher and President, the Pioneer Press provided Ridder access to its most important and valuable confidential and proprietary information, including marketing strategies, the identity and advertising needs of advertisers, advertising rates, business plans, financial information, including operating and circulation costs, personnel information, such as the salaries of Pioneer Press employees, expansion plans, and other information regarding the strategies and plans of the Pioneer Press for competing with the Star Tribune. For example, Ridder was responsible for, and participated in, the development of the Pioneer Press' strategies for its print products, on-line opportunities, and the continued development and refinement of targeted or niche publications. The confidential information held by Ridder would provide a tremendous advantage to a competitor of the Pioneer Press – such as the Star Tribune. For example, such confidential information would enable the Star Tribune to tailor its business strategies to counter the competitive threat presented by the Pioneer Press' on-line and targeted publications strategy. Knowledge of the Pioneer Press' cost structure would further enable the Star Tribune to know the financial effect on the Pioneer Press of changing advertising and circulation charges; and knowledge of the Pioneer Press' advertisers and what it charges them would enable the Star Tribune unfairly to target those advertisers.

23. The Pioneer Press also provided Ridder with computer equipment to assist him in his job. For example, it provided him a laptop computer that he could use at the office, at home and when traveling. Upon information and belief, Ridder generally did not backup his data on the Pioneer Press computer network, but instead made personal backup files on an external hard drive and other storage devices provided by the Pioneer Press.

24. On March 13, 2006, it was announced that The McClatchy Company, owner of the Star Tribune, was buying Knight-Ridder, Inc., owner of the Pioneer Press.

25. Shortly thereafter, Ridder informed certain employees of the Pioneer Press that he had asked his supervisor at Knight-Ridder, Art Brisbane, to release him and other top-level managers of the Pioneer Press from their non-competition agreements. These managers constituted the Operating Committee of the Pioneer Press and included Defendant Kevin Desmond. On information and belief, Ridder reported to the Operating Committee that Brisbane had released him and the other Operating Committee members from their non-competition agreements. As a result, Ridder instructed his staff to remove those agreements from the personnel files of top-level managers and place them in a separate file.

26. Around the time of his resignation, Ridder illegally stole this file of non-competition agreements, containing his own and others, from the Pioneer Press. Despite requests by the Pioneer Press, Ridder has not returned the file.

27. Upon information and belief, there is no written instrument releasing Ridder or the other members of the Operating Committee, including Desmond, from their non-competition agreements. The Pioneer Press recently sought clarification from Brisbane. Brisbane does not recall receiving or granting such a request. Other former Knight-Ridder officials who would have been expected to participate in such a decision also did not agree to release Ridder and the other Operating Committee members from their non-competition agreements, and have no knowledge of any such discussions.

28. Ridder lacked the authority to release himself and the others from their non-competition agreements.

29. Ridder's purported release of the non-competition agreements is ineffective. These agreements remain in effect.

30. On August 2, 2006, McClatchy sold the Pioneer Press to a wholly owned subsidiary of the Hearst Corporation], pursuant to a Consent Decree entered with the United States Department of Justice. The Consent Decree required McClatchy -- then the owner of both major daily newspapers in the Twin Cities -- to divest itself of the Pioneer Press and to take certain other measures to ensure fair competition between the Pioneer Press and the Star Tribune. This Consent Decree was intended to bind McClatchy and its successors-in-interest for a period of 10 years. Defendant Avista -- which acquired the Star Tribune on March 5, 2007 from McClatchy -- is legally required to continue to operate under the terms of this Consent Decree.

31. On September 26, 2006, as a condition of continued employment with the Pioneer Press, Ridder signed a MediaNews Ethics Statement, which obligates him to "respect the confidentiality of information acquired in the course of [his] work" The agreement also prohibits Ridder from using said confidential information for "personal advantage." Paragraph 9 of the Ethics Statement further provides that he will "achieve responsible use of and control over all assets and resources employed or entrusted to [him]." (See Ridder Ethics Statement at Exhibit A.)

Ridder Joins the Star Tribune in Breach of His Non-Compete Agreement.

32. While Publisher of *St. Paul Pioneer Press*, Ridder secretly began negotiations to become Publisher and CEO of the rival and competitive newspaper company across the river, the Star Tribune.

33. On September 19, 2006, Ridder prepared a speech on his laptop computer to announce his resignation from the Pioneer Press and acceptance of a position with the Star

Tribune. (See Exhibit B.) An analysis of his computer shows that Ridder updated the speech on October 8, 2006. Ridder encrypted the document and protected it with the password “Mocha” to keep it secret.

34. Upon information and belief, while he was secretly negotiating with Avista and/or the Star Tribune Company, Ridder was accessing the Pioneer Press’ confidential and proprietary information. For example, in early 2007, Ridder went to the MediaNews headquarters in Denver, Colorado, to participate in the creation of a company-wide strategy for targeted publications. Further, on February 27, his computer shows that Ridder accessed documents listing salary information for key Pioneer Press employees.

35. Ridder was clearly an integral participant in the Pioneer Press’ plans for competition with the significantly larger Star Tribune. For example, he prepared a series of presentations to MediaNews on the Pioneer Press’ strategies. Of significant focus were the strategies for competing in the growing suburban Twin Cities area, where both newspapers intensely compete for new readers and advertising revenue.

36. Ridder kept his intent to take the Star Tribune job a secret from the Pioneer Press until Friday, March 2, 2007, at approximately 3 p.m., when Ridder informed MediaNews Chief Executive Officer William Dean Singleton, and MediaNews Executive Vice President and Chief Operating Officer, Steve Rossi, that he had accepted a job offer as Publisher of *Star Tribune* and CEO of the Star Tribune Company. This was the first disclosure to the Pioneer Press that he was intending to switch his allegiance from the Pioneer Press, which had been in his family for more than 75 years, to the Star Tribune.

37. Ridder told Singleton that he was giving two weeks' notice and that he would be available during that time to assist with transition issues. Ridder further represented to Singleton that he did not have a non-competition agreement.

38. In separate discussions, Ridder pledged to Rossi, and then to Singleton, that he would not use confidential or proprietary information of the Pioneer Press, and that he would not recruit employees from the Pioneer Press.

39. Late on March 2, Ridder convened the Pioneer Press' Operating Committee, and informed his direct reports of his decision to accept the top leadership position at the Star Tribune. He told the Operating Committee that he had provided two weeks' notice. Ridder stated that March 2 would be his last day working in the building but that he would be available to work from home during the two-week notice period.

40. Contrary to his representations, Ridder was not available to assist with the transition to a new Publisher of the Pioneer Press. Instead, on the morning of Monday, March 5, 2007, the Star Tribune announced his hiring as Publisher and CEO. Instead of assisting the Pioneer Press with transition issues as he had promised, Ridder began his employment immediately with the Star Tribune.

41. In an article published the next day in *St. Paul Pioneer Press*, Ridder said that he was not taking top Pioneer Press executives with him, and that he had no interest in destabilizing the Pioneer Press. Given Ridder's promises to Singleton and Rossi, his signature on the Media News Ethics Statement and the Ridder family history in St. Paul, no one at MediaNews or the Pioneer Press had any reason to question Ridder's commitments.

42. Ridder gave similar assurances weeks later, in a public statement he gave on March 30:

I highly respect the confidentiality of any sensitive Pioneer Press information I was exposed to over the years as its publisher. I haven't used and wouldn't use any confidential Pioneer Press information to create an unfair advantage for the Star Tribune.

(See Ridder March 30, 2007 statement at Exhibit C.)

Ridder Misappropriates Highly Confidential Information from Pioneer Press.

43. Despite pledging not to use confidential Pioneer Press information in his roles at the Star Tribune, one of Ridder's very first acts as the Star Tribune's Publisher and CEO was to copy all of the confidential information on the hard drive of his Pioneer Press laptop to a Star Tribune computer for use by him and others at the Star Tribune.

44. On Monday, March 5, 2007, immediately after the Star Tribune announced Ridder as its new Publisher and CEO, the Pioneer Press dispatched one of its employees to the Star Tribune's offices in Minneapolis to pickup Ridder's laptop computer. The employee arrived at approximately 1:30 p.m. When he arrived, he was brought to Ridder's new office. A Star Tribune employee was making a copy of unknown items from Ridder's Pioneer Press laptop computer and asked the Pioneer Press employee to wait in the lobby while he completed the copying. The Star Tribune kept the Pioneer Press employee waiting for approximately 45 minutes to an hour before the computer was delivered to him.

45. The Pioneer Press employee also requested the external hard drive the Pioneer Press had provided Ridder to backup his laptop computer. Neither Ridder nor the Star Tribune provided it. Instead, Ridder claimed the external drive was lost. A few days later, the Star Tribune delivered to the Pioneer Press a new external hard drive, still in its box, not the external hard drive that Ridder had used. Ridder now admits the external hard drive is not lost. Yet, despite repeated requests, Ridder still has not provided the external hard drive.

46. The Pioneer Press hired an independent computer expert at considerable expense to examine Ridder's laptop. According to that expert's preliminary analysis of Ridder's computer, on March 5, starting at 11:20 a.m., when the computer was still in Ridder's possession, almost all of the data from Ridder's computer was copied to an external storage device. For example, Ridder copied the W-2 information showing the earnings of virtually every Pioneer Press employee and vast amounts of highly confidential financial information.

47. Despite requests, neither Ridder nor the Star Tribune has returned the copy of data from Ridder's computer that was made on March 5.

48. On March 7, at 8:19 a.m., his third day on the job, Ridder began illegally transmitting the Pioneer Press' most sensitive and secret information to top executives at the Star Tribune. The first of the e-mails was sent by Ridder to Michael Riggs, the Chief Financial Officer of the Star Tribune. In an e-mail with the subject line "Adv sheets," Ridder transmitted 16 confidential spreadsheet reports that had been prepared for Ridder and the Pioneer Press' Operating Committee.

49. Six of those spreadsheets provide detailed information on almost all the key segments of Pioneer Press' Customer Lists and advertising base. The first five cover retail advertisers, national advertisers, automobile dealerships, residential builders, and employment agencies and other major help wanted advertisers, categorizing advertisers by name, location, and revenue. They provide revenue information as recent as January 2007 and provide comparative data for January 2006. Thus, from these spreadsheets, the Star Tribune can determine the Pioneer Press' specific advertising trends in these five crucial market segments. For example, the Star Tribune can determine the trend for Pioneer Press advertisements in a specific segment, such as retail, or a narrower segment, such as pet food stores. The Star

Tribune can also determine the price that the Pioneer Press is charging thousands of advertisers, almost all of whom have negotiated confidential custom advertising rates. This information provides the Star Tribune with an unfair advantage over not only the Pioneer Press, but also the advertisers themselves, many of whom also advertise in the Star Tribune.

50. The sixth report lists retail advertisers by how much they spent with the Pioneer Press in 2006. It has three categories of retail advertisers – those who spent more than \$150,000, those who spent between \$40,000 and \$150,000, and those who spent less than \$40,000. The disclosures in all three categories will enable the Star Tribune to compete unfairly with the Pioneer Press. While it is obvious that the Star Tribune could significantly damage the Pioneer Press by using the spreadsheet information to convince one of the larger advertisers to limit or stop advertising in the Pioneer Press, the smaller advertisers are of a particular concern as they are less known to the Star Tribune and are a key growth area for the Pioneer Press. Using the spreadsheet, the Star Tribune can determine trend information for these advertisers and their ad rates. These advertisers are particularly vulnerable to unfair competition.

51. Another one of the 16 reports attached to Ridder's March 7 morning e-mail to Riggs discloses confidential information in the highly competitive area of targeted or niche publications. The publications listed in this report represent a key growth area for the Pioneer Press. This report lists 2006 revenue, expense and profit for each publication. It compares 2006 revenue, expense and profit to the budgets for each of the niche publications (thus revealing the budgets) and compares 2006 data to 2005 (thus revealing trends). It even breaks down the data by month, showing trends within the year. The report also lists revenue, expense and profit for each publication for prior years. None of the information in this illegally disclosed report is

publicly available. The detailed profit and loss information, including the trends and budget data, will enable the Star Tribune to compete unfairly.

52. Five other reports attached to Ridder's March 7 morning e-mail detail financial measurements of online operations, another key growth area for the Pioneer Press. These reports reveal budgets, trends dating as far back as 2001, revenue, and revenue by product. This information, none of which is public, would be extremely valuable to the Star Tribune.

53. Another report attached to Ridder's March 7 morning e-mail details advertising revenues in six key geographic zones – Dakota County, the northern suburbs, Washington County, the city of St. Paul, Wisconsin and the city and northern suburbs combined. This report shows month-by-month revenue trends for 2004 to 2006 for each of the six zones. Zoned advertising is another growth area for newspapers, and the competition between the Pioneer Press and the Star Tribune is particularly intense in some of the listed areas, such as Dakota County. The multi-year, geographic zone specific revenue data gives the Star Tribune significant unfair advantage by revealing the product's success or failure, as well as the growth trends, in this key area.

54. Since virtually all of the reports that Ridder illegally and in violation of his contractual obligations sent Riggs have information for 2006 or early 2007, they will allow the Star Tribune to compete unfairly for a substantial period of time.

55. The second e-mail from Ridder to Riggs was at 6:24 p.m. on March 7. It is titled "Circ sheets" and transmits five reports with no other text. While the number of newspapers the Pioneer Press circulates becomes public after a lag of a number of months, one report attached to the e-mail provides substantially more information about circulation. It also provides revenue figures going back to 1999-2000 broken out by month. The spreadsheet shows the budgets for

many of the years, as well. It also shows discounts. Another report attached to this e-mail lists expenses for 2006. None of this information is publicly available.

56. One minute later at 6:25 p.m. on March 7, Ridder sent Riggs another e-mail, this one containing confidential profit-and-loss data that had been prepared for Ridder and the Pioneer Press Operating Committee. One of the reports attached to this e-mail is titled, "EBIDTA." This report shows gross revenue, expenses and operating profit by month for the years 1998-1999 through 2006-2007. None of this data is or was publicly available. Another report attached to this e-mail shows how the Pioneer Press is allocating its resources. This report, titled "Expenses by Department," details expenses for virtually every department, breaking them down by Advertising, News, Production, Circulation, Marketing, IT, HR, Benefits, Online, Newsprint/Comics/TV/Parade, and Administration/Other. This report also lists depreciation. A report titled, "Expenses by Headline Category," breaks out the expenses by type – for example labor or newsprint. A report titled, "FTE," lists the number of employees by department, including the key areas of targeted publications and online.

57. The next e-mail in the sequence was sent by Ridder to himself on March 16 attaching a report on circulation at the Pioneer Press from 2002 to 2006. Unlike the reports described above, generally the circulation figures in this report are publicly disclosed, although the data in the report Ridder attached to his e-mail is more recent than what is publicly available.

58. The next e-mail sent by Ridder was on March 19 to Michael LaBonia, the Star Tribune's Senior Vice President for Sales and Strategic Development. To this e-mail, titled "can you send me a sample of monthly reportcards . . . ," Ridder attached a confidential Pioneer Press sales team report.

59. At 7:49 p.m. on March 19, Ridder sent LaBonia a second e-mail. The text of the e-mail chain shows that LaBonia had asked Ridder to clarify how he defines “select accounts.” Rather than answer LaBonia’s question by defining “select accounts,” Ridder sent LaBonia the report described above revealing the Pioneer Press’ revenues from key retail advertisers. Ridder wrote, “You can’t show anyone but this is an example.” Nonetheless, about 10 minutes later, at 8 p.m., Ridder sent LaBonia all five of the remaining spreadsheets detailing the key segments of advertising for the Pioneer Press.

60. Ridder never asked the Pioneer Press for permission to use or transmit the information described in paragraphs 48 through 59 above. The Pioneer Press never granted such permission.

61. The majority of the confidential financial data Ridder illegally forwarded to Star Tribune executives had been prepared by the Pioneer Press’ Chief Financial Officer, Sharon Ryan, and her staff.

62. When Ryan came to the Pioneer Press, Ridder asked her to prepare detailed financial reports that the Pioneer Press’ Operating Committee could use each month to track the performance of the company on a number of key metrics. Ryan and her staff spent literally hundreds of hours preparing the format for these reports and designing them so that they could incorporate the required financial information on a timely basis.

63. The reports are extremely confidential as they contain detailed information about advertisers, targeted publications, on-line services, zoned circulation, the Total Market Coverage “TMC” division, advertising, and many other topics. In the hands of a competitor such as the Star Tribune, this information could have a devastating impact on the Pioneer Press, as it could

be used to undermine the company's key growth accounts, counteract its strategies, and compete unfairly.

64. The Pioneer Press Operating Committee recognized the importance of keeping the monthly reports confidential. Not only did the Operating Committee treat them as confidential, they were stored on a secure server which was accessible only by Operating Committee members and limited other employees who had a need to access them.

65. When he was publisher, Ridder gave a quarterly presentation to Pioneer Press employees titled "Business Literacy." The purpose of these meetings was to give employees an idea of the newspaper's performance. Ridder warned employees at the beginning of his presentations that the information he was about to provide was highly confidential and should not be shared outside the Pioneer Press, and particularly not with the Star Tribune. Ridder also did not hand out copies of his presentations.

66. Virtually all of the stolen financial information Ridder forwarded to the Star Tribune executives is in a multi-year spreadsheet format. Therefore, anyone reviewing the information can easily uncover trends and use that information against the Pioneer Press and the Pioneer Press' advertisers. Such detailed information in the hands of a competitor like the Star Tribune could be used for an extraordinarily damaging targeted predatory pricing campaign.

67. With only a handful of exceptions, none of the information in the illegally transmitted e-mails is or was publicly available and had never before been shared with the Star Tribune. The information in the e-mails could enable a larger competitor such as the Star Tribune to compete unfairly with the Pioneer Press and have a devastating impact on it.

68. It is currently not known the extent to which Ridder, Riggs, LaBonia, or other Star Tribune employees forwarded, copied, or otherwise disseminated the confidential Pioneer

Press reports described above or the information contained therein to additional Star Tribune employees or other individuals. However, Ridder's counsel has admitted that at least one recipient forwarded three e-mails to at least one other Star Tribune employee. Ridder's counsel has also admitted that an unidentified recipient sent two of the e-mails to his or her home computer and someone made a printout of one of the reports. In addition, these e-mails resided for some time on the Star Tribune server. The Star Tribune has provided no information on the number of employees at the Star Tribune who could have accessed the confidential Pioneer Press information that Ridder wrongly misappropriated.

69. The Pioneer Press did not learn of Ridder's unlawful disclosure of its highly confidential information to the Star Tribune until late last week, on April 5, 2007. Ridder then attempted to downplay the significance of his acts by asserting that he merely liked the format of the Pioneer Press reports.

70. Ridder's after-the-fact excuse is highly implausible. First, he could have asked the Pioneer Press for permission to use the forms, as he was required to do. Second, even if he planned to reveal only the format of the reports without the Pioneer Press' authorization, he could have erased the confidential data from the reports and provided empty templates. Third, he could have asked for templates of the reports, as he had already done for one report. He did none of those things. Instead, he forwarded the Pioneer Press' stolen confidential data to top executives of the Pioneer Press' rival paper, while at the same time denying he was using confidential Pioneer Press information.

71. Ridder's explanation is also inconsistent. While he claims that the reports were transmitted for purposes of using them as format templates, he sent a total of seven e-mails containing Pioneer Press reports. Ridder acknowledges that only three of those e-mails went to

Jon Ochetti, the person delegated the task of creating Star Tribune reports. Thus, four of the e-mails were never contemplated for use as a format template.

72. In any event, Ridder provided key Star Tribune executives who were in high-level positions with confidential financial and strategic data, thereby allowing them to unfairly and illegally compete with the Pioneer Press by using Pioneer Press' own confidential data.

At Ridder's Behest, Kevin Desmond Breaches His Non-Compete Agreement and Misappropriates and Destroys Confidential Information.

73. After he relinquished control of his Pioneer Press computer on March 5, an alarmed Ridder called Defendant Kevin Desmond, then the Vice-President of Operations at the Pioneer Press. At that time, Desmond was also in charge of information technology. Ridder told Desmond that he had inadvertently left personal information, such as his own financial information, on the Pioneer Press computer, and he asked Desmond to delete it.

74. On March 8, 2007, Ridder and Desmond exchanged e-mails wherein Ridder instructed Desmond to delete other "folder/files" from Ridder's Pioneer Press laptop computer. Upon information and belief, while Ridder was illegally using his Pioneer Press financial documentation at the Star Tribune, Desmond, while still a Pioneer Press employee, was deleting substantial amounts of data from Ridder's Pioneer Press computer, much of it at Ridder's behest.

75. During this time, despite his pledge not to recruit Pioneer Press employees, his contractual obligations not to do so, and the duties he owed Pioneer Press, Ridder secretly began to recruit Desmond to work at the Star Tribune. Upon information and belief, Desmond interviewed with Ridder on March 22, 2007, and resigned from the Pioneer Press on March 29, 2007. The Star Tribune announced on March 30 he had been hired as Senior Vice President of Operations.

76. Desmond signed and is subject to a non-competition agreement with the Pioneer Press. Upon information and belief, this agreement prevents Desmond from accepting immediate employment with the Star Tribune, and it was breached by Desmond's decision to do so.

77. Desmond, like Ridder, signed a MediaNews Ethics Statement. This Agreement obligates him to "respect the confidentiality of information acquired in the course of [his] work . . ." The agreement also prohibits him from using said confidential information for "personal advantage." Paragraph 9 of the Ethics Statement provides that Desmond will "achieve responsible use of and control over all assets and resources employed or entrusted to [him]." (See Desmond Ethics Statement at Exhibit D.)

78. On March 26, 2007, while Ridder's computer was in Desmond's control, someone ran a "defrag" program on the computer. The "defrag" program had the effect of making it more difficult to trace the pattern of deletions on the computer. Upon information and belief, Desmond, who resigned from the Pioneer Press just three days later, ran the defrag program to cover up his activities. During this time, while Desmond had access to Pioneer Press' computers, including Ridder's, Desmond and Ridder failed to disclose to the Pioneer Press their discussions concerning Desmond joining the Star Tribune .

79. A preliminary analysis of Desmond's Pioneer Press computers conducted at considerable expense to Pioneer Press reveals mass deletions in the days before his resignation. In addition, the preliminary analysis has shown that large numbers of files were copied to external storage media. Desmond copied literally hundreds of files from his Pioneer Press computers to CDs, and then recopied them to his home computer. The files included confidential Pioneer Press profit and loss statements, employee salary information, performance

evaluations of employees who reported to Desmond, and reports on various MediaNews Group cost-cutting and other initiatives. Desmond copied this information for his use and availability at the Star Tribune.

80. On April 4, 2007, Desmond confirmed the analysis of his computers. On that date, Desmond admitted that after he accepted the Star Tribune position he copied confidential data from his Pioneer Press computer to three CDs and then transferred the data to his home computer. Desmond admitted that he was “wrong” to take Pioneer Press’ confidential and proprietary data. He returned the three disks to the Pioneer Press. Desmond nevertheless still maintains this information on his home computer.

81. Desmond and Ridder misappropriated highly confidential and trade secret information belonging to the Pioneer Press.

82. Desmond illegally destroyed information, data and files belonging to the Pioneer Press in an attempt to interfere with the Pioneer Press’ business.

At Ridder’s Behest, Jennifer Parratt Breaches Her Non-Compete Agreement and Misappropriates and Destroys Confidential Information.

83. Again in violation of his pledge not to do so as well as his contractual and legal duties, Ridder secretly recruited Defendant Jennifer Parratt to work for the Star Tribune.

84. Parratt had interviewed for a position with the Pioneer Press in early 2006. During her interview, Greg Mazanec, Vice President of Advertising, told Parratt that Targeted Publications had been identified as a key growth area for the Pioneer Press and that as Director of Targeted Publications she would be responsible for the development and execution of a strategic plan that would grow the Targeted Publications group and expand its focus and revenue.

85. On March 24, 2006, Mazanec sent Parratt an offer letter. In the letter, Mazanec stated that the offer was contingent on Parratt signing the Pioneer Press Confidentiality and Non-Compete Agreement (hereafter "Agreement") that he enclosed with the letter. The Agreement, among other things, precludes Parratt from becoming employed at another Twin Cities major daily newspaper for one year following her departure from the Pioneer Press, from soliciting Pioneer Press employees during that time, or from using or disclosing confidential information at any time.

86. Parratt accepted the Pioneer Press' offer. On March 27, 2006 Parratt signed the Agreement. (See Pioneer Press Confidentiality and Non-Compete Agreement at Exhibit E.)

87. Parratt joined the Pioneer Press on June 5, 2006. As Director of Targeted Publications, Parratt was responsible for the management (including day-to-day operations), leadership and strategy for classified niche publications and consumer publications. She was also responsible for directing sales and revenue of niche products, coordinating distribution strategies and developing new niche products. Additional responsibilities included hiring, revenue forecasting, expense budgeting and control, customer relations, developing business plans and marketing strategies as well as developing and managing compensation plans.

88. Upon information and belief, Ridder began to recruit Parratt the week of March 12, or approximately one week after he departed the Pioneer Press stating he would not recruit Pioneer Press employees. Ridder recruited Parratt despite his knowledge that Parratt signed a Confidentiality and Non-Compete Agreement with Pioneer Press that prohibits her from working for the Star Tribune for one year following her termination of employment with Pioneer Press.

89. At Ridder's behest, Parratt misappropriated confidential and trade secret information from the Pioneer Press. Following is a timeline:

90. On March 19, 2007, Parratt copied certain highly confidential files from her Pioneer Press computer to a CD that she took with her when she resigned the following week. The CD contains more than 150 files belonging to the Pioneer Press, including budgets and business plans for Parratt's area. Upon information and belief, Parratt copied the files because she thought they would be useful to her at the Star Tribune, where she was interviewing for a position as director of "niche publications," virtually the same position she had held at the Pioneer Press.

91. Less than one hour after copying 150 Pioneer Press files to the CD, Parratt accessed her resume on her Pioneer Press computer. Upon information and belief, Parratt did so as part of the Star Tribune application process. Less than six minutes later she began accessing, in rapid succession, documents containing the key financial information for her work at the Pioneer Press. These included documents titled, "P5 – 2006 Advertising Summary – final.doc," "Notes on Targeted Pubs.doc," "Launch Ideas.doc," and "Copy of 2007 Budget Payrole File – Jennifer.xls."

92. On March 21, 2007, in a further attempt to feather her own nest at the expense of the Pioneer Press, Parratt – after she began negotiations to work for the Star Tribune – deceptively solicited Pioneer Press Executive Editor Thom Fladung for his contact information related to 'Twist,' a targeted publication. Parratt failed to disclose to Fladung that she was in the process of moving to the rival newspaper.

93. On March 23, 2007, Parratt created a document on her computer titled, "Info for Par.doc." She created this document while accessing documents on sales goals for certain of her

subordinates. Parratt subsequently erased this document from her computer. In addition, the preliminary analysis of her computer reveals evidence that a wiping program was run on her computer to make it impossible to retrieve deleted files. Upon information and belief, Parratt, or someone acting on her direction, ran the wiping program.

94. Fifteen minutes after creating the "Info for Par.doc" file, Parratt accessed a document, which had been attached to an email, called "directions to StarTribune.doc," and thirty minutes later, "Parratt offer.doc."

95. Upon information and belief, Parratt accepted the Star Tribune's offer of employment on or before March 24, 2007. However, she kept both her interest in the position and her acceptance a secret from the Pioneer Press.

96. On March 26, 2007, before she notified anyone at the Pioneer Press of her impending departure to the rival newspaper, Parratt requested "VPN and Citrix access" to Pioneer Press' entire database so that she could "access her files from home." Not knowing her plans, the Pioneer Press granted her request, although VPN access was not installed prior to Parratt's departure.

97. On March 26, 2007, Fladung responded to Parratt's request for information on Twist. He wrote in an e-mail: "The Twist editor is one of my oldest, best friends in the business, so if you'd ever like to speak to her about it, I'd be happy to set that up as well." Rather than put a halt to these discussions based on her acceptance of a job at the Star Tribune, Parratt responded, also on March 26, "I would love to get some copies [of the targeted publication] as well as a contact with your friend." The same day, Fladung forwarded his contact's information, including name, phone number and e-mail address.

98. Upon information and belief, given the timing of the request, Parratt intentionally deceived Fladung into believing that she intended to utilize this contact information in the course of her employment with the Pioneer Press, all the while knowing that she would instead use the contact information to compete with the Pioneer Press.

99. In addition, after secretly accepting her position at the Star Tribune, on March 26 Parratt accessed a series of highly sensitive documents. Given her impending departure at the end of the week, she had no business reason to access these documents. The documents include: "Targeted Publications Analysis (2).doc," "Circulation Manager.doc," "Copy of EN Master.xls," "Skirt revised P&L.xls," "2007Spaces Plan.doc," "Copy example P&LSpaces.xls," "Copy of 2007zone grid.xls," "Forecast.doc," "Staff recommendations.doc," "2007 Budget (2)," "Spaces and Admin Jan-June Budgets.xls," "Prospective EE Info-sheet 0906.doc" and others.

100. On March 28, 2007, Parratt's supervisor, Greg Mazanec, asked Parratt if she had interviewed for a position at the Star Tribune. Parratt said no.

101. That night, Parratt called Mazanec back. She confessed she had taken the job at the Star Tribune. She stated she had accepted the position two weeks earlier. Parratt asked that her resignation be effective on Friday. Given the competition between the two papers and other factors, Mazanec accepted her resignation immediately.

102. After Parratt's departure, the Pioneer Press checked her office for certain files that pertain to running her operations. Parratt left almost no files. Numerous files that would be expected to be present were missing.

103. Parratt has illegally misappropriated confidential and trade secret information belonging to the Pioneer Press.

104. Parratt has illegally destroyed information, data and files belonging to the Pioneer Press in an attempt to interfere with the Pioneer Press' business.

105. The Pioneer Press has demanded that Parratt return the information, data, and files that she misappropriated. She has returned some materials but upon information and belief still has materials belonging to the Pioneer Press.

106. Upon learning that Ridder had recruited Parratt, the Pioneer Press' interim publisher, Frederick Mott, sent Ridder an e-mail, as follows:

Par,

Hate for this to be our first communication.

I understand you offered Jennifer Parratt a job heading up targeted publications for your organization. Dean and Steve were under the impression that you gave your word that you would stay away from Pioneer Press folks. Whether Jennifer called you because of uncertainties here, or you called her, a leader needs to be trusted. In the end you are judged by your actions, and whether they square with your word.

Jennifer is under a non-compete contract here. I don't think it is in either of our interests to make this a messy affair. The right thing to do is to tell her you made a mistake and withdraw the offer.

Call if you would like to discuss. Fred

(See Exhibit F.)

107. Ridder called Mott by telephone to respond to the e-mail. In the phone call, Ridder claimed that the pledge he had made to Singleton and Rossi, which he repeated in an interview with *St. Paul Pioneer Press*, that he would not recruit Pioneer Press employees, was limited to the day of his departure. In other words, when Ridder said he would not recruit Pioneer Press executives; he only meant he would not take them that day. Of course, he never said that.

108. On March 30, 2007, despite being reminded of the existence of Parratt's employment agreement and his pledge not to recruit Pioneer Press executives, the Star Tribune announced that Parratt would join the company as Director of Niche Publications. The Star Tribune also announced Desmond's hiring that same day.

COUNT I
BREACH OF CONTRACT
(RIDDER, PARRATT, DESMOND)

109. The Pioneer Press restates and realleges the foregoing paragraphs of its Complaint.

110. Ridder, Parratt, and Desmond each signed a non-competition agreement between themselves and the Pioneer Press.

111. Ridder's, Parratt's and Desmond's non-competition agreements with the Pioneer Press are enforceable contracts.

112. The Pioneer Press did not waive Ridder's, Parratt's, and Desmond's non-competition agreements.

113. The post-termination restrictions contained in Ridder's, Parratt's, and Desmond's non-competition agreements are supported by adequate consideration.

114. The post-termination restrictions contained in Ridder's, Parratt's, and Desmond's non-competition agreements are narrowly tailored to protect the Pioneer Press' legitimate business interests, including its customer relationships and confidential information.

115. Ridder, Parratt, and Desmond will or have violated the terms of the non-competition agreements.

116. The Pioneer Press has been, and will continue to be, damaged by Ridder's, Parratt's, and Desmond's breaches of the agreements set forth above.

117. The Pioneer Press will or has been irreparably injured by Ridder's, Parratt's, and Desmond's breaches of the agreements set forth above, and is without a complete and adequate remedy at law.

COUNT II
BREACH OF CONTRACT
(RIDDER, DESMOND)

118. The Pioneer Press restates and realleges the foregoing paragraphs of its Complaint.

119. Ridder and Desmond each signed MediaNews Ethics Statement that obligates them to "respect the confidentiality of information acquired in the course of [their] work" The Ethics Statement also prohibits them from using Pioneer Press' confidential information for "personal advantage" and provides that they will "achieve responsible use of and control over all assets and resources employed or entrusted to [them]."

120. The agreement contained in MediaNews Ethics Statement is an enforceable contract.

121. The agreement contained in MediaNews Ethics Statement is supported by adequate consideration.

122. Ridder and Desmond have violated the agreement contained in MediaNews Ethics Statement.

123. The Pioneer Press has been, and will continue to be, damaged by Ridder's and Desmond's breaches of the agreement set forth above.

124. The Pioneer Press has been and will continue to be irreparably injured by Ridder's and Desmond's breaches of the agreement set forth above, and is without a complete and adequate remedy at law.

COUNT III
BREACH OF CONTRACT
(AVISTA)

125. The Pioneer Press restates and realleges the foregoing paragraphs of its Complaint.

126. Upon information and belief, Avista signed a confidentiality agreement with Knight-Ridder, Inc. and The McClatchy Company. According to that confidentiality agreement, Avista agreed that it would not, and it would cause its "representatives not to, initiate or maintain contact (except for contact in the ordinary course of your business) with any officer, director, employee, affiliate, supplier, distributor, broker or customer of McClatchy or Knight-Ridder or any of its [sic] subsidiaries regarding Knight-Ridder or any of its subsidiaries or their respective operations, assets, prospects or finances, except with the express written permission of Knight-Ridder."

127. Further, upon information and belief, Avista agreed that it would not "and will cause [its] representatives not to, without Knight-Ridder's prior written consent, directly or indirectly, solicit for employment (whether as an employee, consultant or otherwise) any person (a) who is, as of the date of this letter agreement, employed in a management, supervisory or senior technical or operational position with Knight-Ridder or any of its subsidiaries," or (b) with whom you come in contact in connection with your consideration of the Potential Transaction."

128. Upon information and belief, Avista signed this agreement sometime in 2006 and agreed to refrain from the prohibited activities for a period of two years from the date they signed it.

129. The confidentiality agreement between Avista and Knight-Ridder, Inc. is an enforceable contract supported by adequate consideration.

130. The Pioneer Press is the successor-in-interest to Knight-Ridder Inc.'s interest in the confidentiality agreement, and is a real-party-in-interest to that agreement.

131. In the alternative, the Pioneer Press is a third-party beneficiary of the agreement between Avista and Knight-Ridder, Inc.

132. Avista has violated the terms of the confidentiality agreement.

133. The Pioneer Press has been, and will continue to be, damaged by Avista's breach of the confidentiality agreement.

134. The Pioneer Press will or has been irreparably injured by Ridder's breaches, and is without a complete and adequate remedy at law.

COUNT IV
CONVERSION
(STAR TRIBUNE, RIDDER, DESMOND, PARRATT)

135. The Pioneer Press restates and realleges the foregoing paragraphs of its Complaint.

136. The Star Tribune, Ridder, Desmond, and Parratt have jointly, collectively, and independently converted Pioneer Press' confidential and proprietary (non-trade secret) information, documents, and other property.

137. At all times material hereto, all right, title, and interests in Pioneer Press' confidential and proprietary (non-trade secret) information, documents, and other property resided with Pioneer Press.

138. Notwithstanding Pioneer Press' ownership of Pioneer Press' confidential and proprietary (non-trade secret) information, documents, and other property, Star Tribune, Ridder, Desmond, and Parratt, intentionally and willfully interfered with Pioneer Press's confidential and proprietary (non-trade secret) information, documents, and other property.

139. The Pioneer Press was deprived of the use and possession of its proprietary (non-trade secret) information, documents, and other property as a result of the intentional and willful acts of interference by the Star Tribune, Ridder, Desmond, and Parratt.

140. Star Tribune, Ridder, Desmond, and Parratt lacked lawful justification to deprive the Pioneer Press of its interests in its proprietary (non-trade secret) information, documents, and other property.

141. The Pioneer Press has been, and will continue to be, irreparably harmed by the Star Tribune's, Ridder's, Desmond's, and Parratt's intentional and willful conversion of Pioneer Press' confidential and proprietary (non-trade secret) information, documents, and other property.

142. The Pioneer Press will be or has been irreparably injured by Star Tribune's, Ridder's, Desmond's, and Parratt's intentional and willful conversion of Pioneer Press' confidential and proprietary (non-trade secret) information, documents, and other property and is without a complete and adequate remedy at law.

COUNT V
FRAUD
(RIDDER)

143. Intending to irreparably harm Pioneer Press by disseminating Pioneer Press' most sensitive confidential, proprietary, and trade secret information to Pioneer Press' major rival, the Star Tribune, Ridder knowingly made false and misleading statements with the intent that Pioneer Press continue to allow him access to that highly sensitive information. Pioneer Press justifiably relied upon Ridder's intentionally false statements to its detriment.

144. Beginning in or about September 2006, Ridder made numerous statements designed to conceal material facts and his true intentions concerning his possession of and access to Pioneer Press' confidential, proprietary, and trade secret information. For instance, in separate discussions in March 2007, Ridder pledged to Rossi and Singleton that he would not use confidential or proprietary information of the Pioneer Press, and that he would not recruit employees from the Pioneer Press. Further, on March 2, 2007, Ridder told Singleton that he was giving two weeks' notice and that he would be available during that time to assist with transition issues.

145. When Ridder made these statements, he knew they were false, and intended that Pioneer Press act on his assurances by continuing to allow him to possess and have access to Pioneer Press' most highly sensitive confidential, proprietary, and trade secret information, the Pioneer Press computer equipment containing that information, and Pioneer Press employees, including Parratt and Desmond, who could access and destroy that information. Given Ridder's promises to Singleton and Rossi, his signature on the MediaNews Ethics Statement, and the Ridder family history in St. Paul, Pioneer Press' reliance on Ridder's false representations was justified.

146. As a result of this deception, Ridder was able successfully to disseminate the Pioneer Press' most sensitive confidential, proprietary, and trade secret information to the Star Tribune. Further, Ridder was able to use that information to lure key Pioneer Press employees to the Star Tribune.

147. The Pioneer Press has sustained, and will continue to sustain, irreparable damage as a result of Ridder's deception.

148. The Pioneer Press has been irreparably injured by Ridder's fraudulent conduct, and is without a complete and adequate remedy at law.

COUNT VI
VIOLATION OF MINNESOTA UNIFORM TRADE SECRETS ACT
(MINN. STAT. § 325C.01 et seq.)
(ALL DEFENDANTS)

149. The Pioneer Press restates and realleges the foregoing paragraphs of its Complaint.

150. Ridder, Desmond, and Parratt have a duty under the Minnesota Uniform Trade Secret Act to protect the Pioneer Press' trade secret information. Avista, the Star Tribune, Riggs and LaBonia have a duty not to appropriate such information.

151. Much of the data, information, and documents Ridder, Desmond, and Parratt removed or copied from Pioneer Press files and computers comprised compilations, programs, methods, techniques, or processes that derive independent value, actual and potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from the disclosure or use of such data, information, and documents.

152. The Pioneer Press expended reasonable efforts to protect the secrecy of its proprietary, confidential and trade secret information, under the circumstances alleged above.

Ridder, Desmond, and Parratt have breached or will breach their duty to maintain the secrecy of the Pioneer Press' confidential information.

153. The Defendants have misappropriated, or threaten to misappropriate, the Pioneer Press' trade secrets. In particular, Defendants have acquired by improper means data, information, and documents known to Defendants to be, reflect, or contain Pioneer Press trade secrets. Further, Defendants have disclosed or used Pioneer Press trade secrets without express or implied consent from Pioneer Press while knowing and having reason to know that those trade secrets were derived from or through a person or persons who had utilized improper means to acquire them, or had acquired them under circumstances giving rise to a duty to maintain their secrecy or limit their use, or were derived from or through a person or persons who owed a duty to the Pioneer Press to maintain their secrecy or limit their use.

154. The Defendants have or will inevitably use and/or disclose the Pioneer Press' trade secrets. Pioneer Press did not consent to Defendants' misappropriation, disclosure, and use of Pioneer Press' trade secrets.

155. As a direct and proximate result of Defendants' wrongful misappropriation of trade secrets, and subsequent communication of such highly confidential information to others, the Pioneer Press is suffering immediate and irreparable injury, harm and damage, and will continue to suffer injury, harm and damage, unless and until the Defendants are restrained.

156. As a further direct and proximate cause of Defendants' wrongful misappropriation of trade secrets, the Pioneer Press has suffered or will suffer damages in an amount which that is not presently ascertainable, but which shall be proved at the time of trial.

COUNT VII
BREACH OF CONFIDENTIALITY
(RIDDER, PARRATT, DESMOND)

157. The Pioneer Press restates and realleges the foregoing paragraphs of its Complaint.

158. At all times material hereto, all right, title, and interests in Pioneer Press' confidential and proprietary (non-trade secret) information and documents resided with the Pioneer Press.

159. Ridder, Parratt, and Desmond, as a result of their confidential relationship with the Pioneer Press, were able to acquire Pioneer Press' confidential and proprietary (non-trade secret) information and documents.

160. Having obtained possession of Pioneer Press' confidential and proprietary (non-trade secret) information and documents, Ridder, Parratt, and Desmond jointly, collectively, and individually used that information to harm Pioneer Press by providing that information to the Star Tribune, to secure employment for themselves with the Star Tribune in violation of their non-competition agreements with the Pioneer Press, and to attempt to lure other Pioneer Press employees to the Star Tribune in violation of those employees' non-competition agreements.

161. The Pioneer Press has been, and will continue to be, irreparably harmed by Ridder's, Parratt's, and Desmond's breach of confidentiality and unlawful use of confidential and proprietary (non-trade secret) information and documents.

162. The Pioneer Press has been, and will be, irreparably injured by Ridder's, Parratt's, and Desmond's breach of confidentiality and unlawful use of confidential and proprietary (non-trade secret) information and documents and is without a complete and adequate remedy at law.

COUNT VIII
UNFAIR COMPETITION
(ALL DEFENDANTS)

163. The Pioneer Press restates and realleges the foregoing paragraphs of its Complaint.

164. Defendants' conduct and actions, and the inevitable disclosure of confidential and proprietary information, as described above, constitute unfair competition in violation of the common law.

165. Defendants' unfair competition has damaged or will cause damage to the Pioneer Press, which has suffered, and will continue to suffer, irreparable harm that justifies enjoining Defendants' from their illegal and improper actions, along with all other remedies available to the Pioneer Press. The Pioneer Press has also suffered or will suffer monetary damages that exceed \$75,000, exclusive of interest and costs.

COUNT IX
TORTIOUS INTERFERENCE WITH CONTRACT
(RIDDER, AVISTA AND STAR TRIBUNE)

166. The Pioneer Press restates and realleges the foregoing paragraphs of its Complaint.

167. Ridder, Avista and the Star Tribune knew that Ridder, Parratt, and Desmond had non-competition agreements with the Pioneer Press.

168. Ridder, Avista and the Star Tribune have procured a breach of those agreements intentionally and without justification.

169. As a result of the fomentation of contractual breaches, the Pioneer Press suffered, and will continue to suffer, irreparable harm.

170. To remedy this tortious interference, Ridder and the Star Tribune must be enjoined from procuring or facilitating Ridder's, Parratt's and Desmond's continued breaches of their agreements. Ridder and the Star Tribune must also pay damages in an amount to be determined at trial.

COUNT X
BREACH OF THE COMMON LAW DUTY OF LOYALTY
AND FIDUCIARY DUTY
(RIDDER, DESMOND AND PARRATT)

171. The Pioneer Press restates and realleges the foregoing paragraphs of its Complaint.

172. Ridder, Desmond and Parratt owed undivided and unqualified duties of loyalty to the Pioneer Press and had fiduciary duties pursuant to the high level positions they held and their employment relationship with the Pioneer Press, including Ridder's as Publisher, Desmond's as Vice President of Operations, and Parratt's as Director of Targeted Publications.

173. Ridder, Desmond and Parratt breached their duty of loyalty and fiduciary duty to the Pioneer Press by, among other things:

- (a) misappropriating the Pioneer Press' confidential and proprietary information and, on information and belief, using such information to the Pioneer Press' detriment and for their own pecuniary gain;
- (b) facilitating the misappropriation of confidential information related to Pioneer Press' customers, advertisers and employees, so that they could use said information to compete against and undercut the Pioneer Press in the marketplace;
- (c) destroying files and data belonging to the Pioneer Press in order to harm the Pioneer Press and to prevent detection of their illegal conduct; and

(d) engaging in intentional and deceptive acts while employed by the Pioneer Press which created conflicts of interest, which they failed to disclose to the Pioneer Press.

174. As a direct and proximate result of Ridder's, Desmond's, and Parratt's breach of their duty of loyalty and fiduciary duties to the Pioneer Press, the Pioneer Press is suffering immediate and irreparable injury, harm and damage, and will continue to suffer injury, harm and damage unless and until Ridder, Desmond, and Parratt are enjoined from engaging in further misconduct or profiting from their past misconduct. Ridder, Desmond, and Parratt must also pay damages in an amount to be determined at trial.

COUNT XI
CIVIL THEFT IN VIOLATION OF MINN. STAT. § 604.14
(RIDDER, DESMOND, PARRATT)

175. The Pioneer Press restates and realleges the foregoing paragraphs of its Complaint.

176. At all times relevant hereto, all right, title, and interests in Pioneer Press' computer files and documents resided with Pioneer Press.

177. Ridder stole Pioneer Press computer files and documents. Ridder continues to be in possession of the computer files and documents.

178. Desmond stole Pioneer Press computer files and documents. Desmond continues to be in possession of the computer files and documents.

179. Parratt stole Pioneer Press files and documents. Parratt continues to be in possession of those files and documents.

180. Pioneer Press did not transfer or in any other way waive its rights, title, and interests in the computer equipment, files, and documents in the possession of Ridder, Desmond, and Parratt.

181. Pioneer Press has been damaged by Ridder's, Desmond's, and Parratt's theft of Pioneer Press' computer equipment, files, and documents.

182. Pioneer Press requests that the Court enter judgment in its favor and against Ridder, Desmond, and Parratt, and, pursuant in part to Minn. Stat. § 604.14(1), award Pioneer Press injunctive relief (including immediate return to Pioneer Press of the stolen property), compensatory and other damages available through Minnesota law for damages actually sustained, and punitive damages.

COUNT XII
CONSPIRACY
(ALL DEFENDANTS)

183. The Pioneer Press restates and realleges the foregoing paragraphs of its Complaint.

184. As set forth above, Ridder, Parratt, and Desmond owed fiduciary duties to Pioneer Press, including the duties of loyalty.

185. As set forth above, Ridder, Parratt, Desmond, Star Tribune, Avista, Riggs, and LaBonia agreed and conspired to, among other things, misappropriate Pioneer Press' trade secrets, confidential, and proprietary information, convert Pioneer Press' confidential and proprietary information and other property, pirate employees of Pioneer Press, interfere with Pioneer Press' contractual rights and obligations, steal Pioneer Press' confidential, proprietary, and other property, and use the information, property, and employees to unfairly compete against Pioneer Press and otherwise interfere with Pioneer Press' business.

186. In furtherance of the conspiracy set forth above, Defendants committed numerous overt wrongful acts, as alleged above.

187. Defendants had knowledge of Pioneer Press' interests and acted with the intent to unlawfully deprive the Pioneer Press of those interests.

188. As a result of the acts undertaken by Defendants as part of the conspiracy set forth above, the Pioneer Press has suffered, and will suffer, irreparable harm.

189. As a direct and proximate result of Defendants' conspiracy, the Pioneer Press is suffering immediate and irreparable injury, harm and damage, and will continue to suffer injury, harm and damage unless and until Defendants are enjoined from engaging in further misconduct or profiting from their past misconduct. Defendants must also pay, jointly and severally, damages in an amount to be determined at trial.

COUNT XIII
AIDING AND ABETTING
(ALL DEFENDANTS)

190. The Pioneer Press restates and realleges the foregoing paragraphs of its Complaint.

191. As set forth above, Ridder, Parratt, and Desmond owed fiduciary duties to Pioneer Press, including the duties of loyalty.

192. As set forth above, Ridder, Parratt, and Desmond caused numerous tortious injuries to Pioneer Press, including misappropriating Pioneer Press' trade secret, confidential, and proprietary information, converting Pioneer Press' confidential and proprietary information and other property, pirating employees of Pioneer Press, breaching contracts with Pioneer Press, interfering with Pioneer Press' contractual rights and obligations, stealing Pioneer Press'

confidential, proprietary, and other property, and using the information, property, and employees to unfairly compete against Pioneer Press and otherwise interfere with Pioneer Press' business.

193. Defendants knew that each of these acts constituted a breach of duty to Pioneer Press.

194. Star Tribune, Avista, Riggs, and LaBonia substantially assisted and encouraged Ridder, Parratt, and Desmond (and Ridder, Parratt and Desmond substantially assisted and encouraged each other) to breach their duties to Pioneer Press.

195. As a result of the substantial assistance and encouragement by Defendants to aid and abet the tortious injuries set forth above, the Pioneer Press has suffered, and will suffer, irreparable harm.

196. As a direct and proximate result of Defendants' acts, the Pioneer Press is suffering immediate and irreparable injury, harm and damage, and will continue to suffer injury, harm and damage unless and until Defendants are enjoined from engaging in further misconduct or profiting from their past misconduct. Defendants must also pay, jointly and severally, damages in an amount to be determined at trial.

WHEREFORE, the Pioneer Press prays that this Court enter judgment in its favor and against Defendants the Star Tribune, Avista, Ridder, Desmond, Parratt, Riggs, and LaBonia :

1. Enjoining Parratt from violating the terms of her non-competition and non-solicitation agreement, including enjoining her from employment with the Star Tribune, soliciting or inducing any current or potential customer of the Pioneer Press to cancel, curtail or otherwise change its relationship with the Pioneer Press, for one year from the date of the injunction.

2. Enjoining Ridder from violating the terms of his non-competition and non-solicitation agreement, including enjoining him from employment with the Star Tribune, soliciting or inducing any current or potential customer of the Pioneer Press to cancel, curtail or otherwise change its relationship with the Pioneer Press, for one year from the date of the injunction or the time set forth in his non-competition and non-solicitation agreement.

3. Enjoining Desmond from violating the terms of his non-competition and non-solicitation agreement, including enjoining him from employment with the Star Tribune, soliciting or inducing any current or potential customer of the Pioneer Press to cancel, curtail or otherwise change its relationship with the Pioneer Press, for one year from the date of the injunction or the time set forth in his non-competition and non-solicitation agreement.

4. Enjoining Avista from further maintaining contact with or soliciting for employment at the Star Tribune any employees of the Pioneer Press for two years from the date they signed their agreement.

5. Enjoining Defendants from maintaining, using or disclosing any information belonging to the Pioneer Press, including its confidential and trade secret information.

6. Ordering Defendants to return to the Pioneer Press all of its property, including but not limited to any documents or copies of documents (including electronic documents) in their custody or control.

7. Ordering Defendants to permit a computer expert of Plaintiffs' choosing, at Defendants' expense, to select for copying and inspection any computer system, computer, and electronic storage device utilized by Defendants, for Pioneer Press files and data, and to cooperate in the destruction of any such files or data that is found.

8. Enjoining the Star Tribune from employing Riggs and LaBonia to perform any services in the areas of targeted/niche publications, advertising, zoned circulation and on-line services unless and until the Pioneer Press is able to inspect their computers to determine the extent to which each misused Pioneer Press' confidential proprietary information.

9. Enjoining Riggs, LaBonia and all other employees of the Star Tribune from using any Pioneer Press confidential information to perform any services.

10. Awarding the Pioneer Press its damages.

11. Awarding the Pioneer Press its attorney's fees incurred as a result of Defendants' actions.

12. Awarding the Pioneer Press pre- and post-judgment interest, costs and disbursements as permitted by law, and all other relief that the Court deems just and equitable.

Dated: April 12, 2007.



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ACKNOWLEDGMENT PURSUANT TO
MINN. STAT. § 549.211

The undersigned hereby acknowledges that sanctions may be imposed for this Complaint if the undersigned are found to have violated Minn. Stat. § 549.211, subd. 2.

Dated: April 12, 2007.



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