UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF TENNESSEE WESTERN DIVISION

JURY VERDICT FORM			
Counter-Defendant.)		
SUPPORT, INC.,)		
INNOVATIVE SOLUTIONS AND)		
)		
v.)		
Counter-Claimants,)		
ZACHARY TECHNOLOGIES, INC.,)		
Defendants.	<u> </u>		
INC., and KOLLSMAN, INC.,)		
J2, INC., JOSEPH CAESAR, JAMES ZACHARY, ZACHARY TECHNOLOGIES,)		
v.))	Civil Action No.: 05-2665-JPM/tmp	
Plaintiff,)		
SUPPORT, INC.,)		
INNOVATIVE SOLUTIONS AND)		

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We, the jury find the following special verdict on the following questions submitted to us in relation to the matter of Innovative Solutions and Support, Inc. ("ISS") v. J2, Inc. ("J2"), Joseph Caesar ("Caesar"), James Zachary ("Zachary"), Zachary Technologies, Inc. ("ZTI"), and Kollsman, Inc. ("Kollsman"), and of ZTI v. ISS:

LIABILITY DETERMINATIONS

Trade Secret Misappropriation

Question No. 1: <u>Trade Secret Misappropriation (TUTSA)</u>

Has Innovative Solutions and Support, Inc. ("ISS") proven by a preponderance of the evidence that any of the following items constitute trade secrets under the Tennessee Uniform Trade Secrets Act, Tenn. Code Ann. § 47-25-1701-1709?

No. 1: ISS's RADM business plan and the market analysis and forecasting associated with it Answer: Yes ____ No ____ No. 2: ISS's Checksum Comments Answer: Yes No ____ No. 3: ISS's Checksum Source Code Answer: Yes ____ No ____ No. 4: ISS's Checksum Algorithm Yes Answer: No ____ **No. 5:** ISS's Altitude Rate Algorithm Answer: Yes ____ No ____

		Combined Recinterface	ipe incorporated	d in the ISS AD	DDU and
		Answer:	Yes		No
	No. 7: ISS's l	RS 422 Logica	l Message Proto	ocol	
		Answer:	Yes		No
	No. 8: ISS's 7	Test Values			
		Answer:	Yes		No
	Pressu	re Transducer	libration Proced Stability, i.e., how to solve the	the pressure tra	
		Answer:	Yes		No
	[A "Yes" answer is in favor	of ISS; a "No" answ	ver is in favor of the	Defendant.]	
	Question No. 2: If you answered "No"		Misappropriation		uestion No. 2
Othomy	•	-	-	-	
	vise, answer the follow				
proven	by a preponderance of	f the evidence	that the followi	ng Defendants	misappropriated any
alleged	l trade secrets of ISS u	nder the Tenne	essee Uniform 7	Trade Secrets A	ct, Tenn. Code Ann. §
47-25-	1702 ("TUTSA"):				
	J2:	Yes		No	
	Joseph Caesar:	Yes		No	
	James Zachary:	Yes		No	
	ZTI	Yes		No	
	Kollsman:	Yes		No	
	[A "Yes" answer is in favor	of ISS; a "No" answ	ver is in favor of the	Defendant.]	

Question No. 3: <u>Trade Secret Misappropriation (TUTSA)</u>

If you find misappropriation of any alleged trade secret, then which of the following do you find have been misappropriated by which Defendant(s)?

No. 1: ISS's RAD forecasting associated	M business plan and the mared with it	ket analysis and
J2:	Yes	No
Joseph Caesar:	Yes	No
James Zachary:	Yes	No
ZTI	Yes	No
Kollsman:	Yes	No
No. 2: ISS's Checks	sum Comments	
J2:	Yes	No
Joseph Caesar:	Yes	No
James Zachary:	Yes	No
ZTI	Yes	No
Kollsman:	Yes	No
No. 3: ISS's Checks	sum Source Code	
J2:	Yes	No
Joseph Caesar:	Yes	No
James Zachary:	Yes	No
ZTI	Yes	No
Kollsman:	Yes	No

No. 4: ISS's Checksum Algorithm			
J2:	Yes	No	
Joseph Caesar:	Yes	No	
James Zachary:	Yes	No	
ZTI	Yes	No	
Kollsman:	Yes	No	
No. 5: ISS's Altitude	Rate Algorithm		
J2:	Yes	No	
Joseph Caesar:	Yes	No	
James Zachary:	Yes	No	
ZTI	Yes	No	
Kollsman:	Yes	No	
No. 6: ISS's Combin AIU Interface	ed Recipe incorporated in the	ISS ADDU and	
J2:	Yes	No	
Joseph Caesar:	Yes	No	
James Zachary:	Yes	No	
ZTI	Yes	No	
Kollsman:	Yes	No	

No. 7: ISS's RS 422 Logical Message Protocol			
J2:	Yes	No	
Joseph Caesar:	Yes	No	
James Zachary:	Yes	No	
ZTI	Yes	No	
Kollsman:	Yes	No	
No. 8: ISS's Test V	alues		
J2:	Yes	No	
Joseph Caesar:	Yes	No	
James Zachary:	Yes	No	
ZTI	Yes	No	
Kollsman:	Yes	No	
No. 9: ISS's Testing and Calibration Procedures relating to Pressure Transducer Stability, i.e., the pressure transducer stability problem and how to solve the problem			
J2:	Yes	No	
Joseph Caesar:	Yes	No	
James Zachary:	Yes	No	
ZTI	Yes	No	
Kollsman:	Yes	No	

Contract Claims

Question N	No. 4: <u>Breach of Non</u>	-Disclosure Agreement	
Has ISS pr	roven by a preponderance of	of the evidence that the fol	lowing Defendant(s)
breached a non-di	sclosure agreement with or	obligation to ISS?	
Joseph Cae	esar: Yes	No	
James Zac	hary: Yes	No	
ZTI:	Yes	No	
[A "Yes" answ	wer is in favor of ISS; a "No" answe	er is in favor of the Defendant]	
Question N	No. 5: <u>Breach of Other</u>	er Contract Provisions	
Has ISS pr	oven by a preponderance of	of the evidence that the fol	lowing Defendant
breached its 2002	contract with ISS, (other th	nan the non-disclosure agr	eement contained within
those contracts as	noted in Question No. 4 ab	pove)?	
ZTI:	Yes	No	
[A "Yes" answ	wer is in favor of ISS; a "No" answe	er is in favor of the Defendant]	
Question N	No. 6: <u>Breach of Con</u>	tract/ZTI Claim	
Has ZTI pr	roven by a preponderance of	of the evidence that ISS br	reached the 2002 contract
with ZTI?			
	Answer:	Yes	No
[A "Yes" ansv	wer is in favor of ZTI; a "No" answe	er is in favor of ISS]	

Unfair Competition

	Question No. 7:	<u>Unfair Competition</u>	
	Has ISS proven by a p	preponderance of the evidence	e that the following Defendants have
unfairl	y competed with ISS (separate and apart from any n	nisappropriation under TUTSA)?
	J2:	Yes	No
	Joseph Caesar:	Yes	No
	James Zachary:	Yes	No
	ZTI:	Yes	No
	[A "Yes" answer is in favor	of ISS; a "No" answer is in favor of the	Defendant]
	Dwoodh o	f Eiduciony Duty/Statutony	and Common Low
	breach o	f Fiduciary Duty/Statutory a	and Common Law
	Question No. 8:	Breach of Statutory Fiduciar	y Duty/Joseph Caesar
	Has ISS proven by a j	preponderance of the evidence	e that Joseph Caesar breached a
fiducia	ary duty in violation of	T.C.A. §48-18-403 to ISS?	
	Joseph Caesar:	Yes	No
	[A "Yes" answer is in favor	of ISS; a "No" answer is in favor of the	e Defendant]
	Question No. 9:	Breach of Common Law Fid	uciary Duty/Duty of Loyalty
	Has ISS proven by a J	preponderance of the evidence	e that the following Defendant(s)
breach	ed any fiduciary duties	s or duties of loyalty to ISS?	
	Joseph Caesar:	Yes	No
	James Zachary:	Yes	No
	ZTI:	Yes	No
	[A "Yes" answer is in favor	of ISS; a "No" answer is in favor of the	Defendant]

Alter Ego

Question No. 10: Alter Ego

Has ISS proven by a preponderance of the evidence that ZTI is the alter ego of Zachary?

Answer: Yes ____ No ____

DAMAGE CLAIMS

[A "Yes" answer is in favor of Innovative Solutions and Support, Inc.; a "No" answer is in favor of ZTI]

The following section relates to the amount of damages, if any, ISS and ZTI have proven. You must answer each section separately and independently. Thus, if you return a verdict of damages on one claim, you may return the same or a different amount of damages on any other claim. Damages may have multiple causes. Remember, however, that duplicate damages may not be ultimately awarded against any Defendant. Therefore, clearly indicate as to any damage award whether those same damages have already been awarded against that particular Defendant.

MISAPPROPRIATED TRADE SECRETS

Question No. 11: If you answered "Yes" to Question No. 2 (regarding misappropriation of ISS's alleged trade secrets) what amount of damages, if any, is ISS entitled to as a result of the Defendants' misappropriation of trade secrets? [If you answered "No" to every Defendant as to Question No. 2, then do not answer this question.]

If you have filled in an amount in response to Question No. 11, you need to answer an
additional question regarding that amount: Does the amount include numbers for both Lost
Profits of ISS and Defendants' Net Profits?
Answer: Yes No If your answer is "Yes" indicate the amount for each category: Lost Profits of ISS \$ Defendants' Net Profits \$
Defendants Net Fronts \$

Question No. 12:	If you answe	ered Question No. 11, do you	find that all the
Defendants are jointly and s	everally liable	for the damages identified in	response to Question
No. 11?			
	Answer:	Yes	No

Question No. 13: If you answered, "Yes" to Question No. 12, skip this question. If you answered "No" to Question No. 12, then what amounts do you award against each of the following Defendants for misappropriation of trade secrets:

J2:	\$
Joseph Caesar:	\$
James Zachary:	\$
ZTI:	\$
Kollsman:	\$

If damages were awarded in	response to Question No. 13 are any of	those damages duplicative
of the damages, if any, award	ded in response to any other verdict questi-	on?
Yes:		
No:		
If so, state the amount	unt of damages awarded in response to	Question No. 13 that are
duplicated and the Question	and Defendant as to which they are duplic	ated.
\$ \$ \$	(Question No. (Question No. (Question No. (Question No.)J2)Joseph Caesar)James Zachary)ZTI
	Contract Claims	
Non-Disclosure Agreem	ENT	
Question No. 14:	If you answered "Yes" to Question No. 4	(regarding whether or not
the Defendants Caesar, Zach	ary, and ZTI breached non-disclosure agre	eements with ISS), then
what amounts do you award	against each of the following Defendants?	If you answered "No"
to every Defendant, then do	not answer this question.]	
Joseph Caesar:	\$	
James Zachary:	\$	
ZTI:	\$	

If damages were aw	varded in response to Question No. 1	4 are any of those damages
duplicative of the damages,	if any, awarded in response to any other	verdict question?
Yes:		
No:		
If so, state the amo	unt of damages awarded in response	to Question No. 14 that are
duplicated and the Question	and Defendant as to which they are dup	olicated.
\$ \$ \$	(Question No. (Question No. (Question No.)Joseph Caesar)James Zachary)ZTI
OTHER CONTRACT PROVIS	SIONS	
Question No. 15:	If you answered "Yes" to Question No	o. 5 (regarding whether or not
ZTI breached its 2002 contra	act with ISS), what amount of damages,	if any, do you award against
ZTI? [If you answered "No"	" to Question No. 5, then do not answer	this question.]
ZTI:	\$	
_	varded in response to Question No. 1	
V		
Yes:		
No:		
If so, state the amo	unt of damages awarded in response	to Question No. 15 that are
duplicated and the Question	and Defendant as to which they are dup	licated.
\$	(Question No.	<u>)</u> ZTI

ZTI COUNTERCLAIM FOR BREACH OF CONTRACT

Question No. 16:	If you answered "Yes" to Question No. 6 (regarding whether or not
ISS breached the 2002 contra	ect with ZTI), what amount of damages, if any, do you award to
ZTI? [If you answered "No"	to Question 6, then do not answer this question.]
	\$
UNFAIR COMPETITION	
Question No. 17:	If you answered, "Yes" to Question No. 7 (regarding whether or
not Defendants J2, Caesar, Z	achary, and ZTI unfairly competed with ISS), what amount of
damages, if any, is ISS entitle	ed to as a result of the Defendants' unfair competition? [If you
answered "No" to every Defe	endant, then do not answer this question.]
\$	
If 1	and discussion to Occasion No. 17 and and of the continuous
if damages were aw	arded in response to Question No. 17 are any of those damages
duplicative of the damages, it	f any, awarded in response to any other verdict question?
Yes:	
No:	
If so, state the amou	ant of damages awarded in response to Question No. 17 that are
duplicated and the Question a	and Defendant as to which they are duplicated.
\$	(Question No)J2
\$	(Question No)Joseph Caesar (Question No)James Zachary
\$ \$	(Question No)James Zachary (Question No)ZTI

Question No. 18:	Do you find	d that the Defenda	ants listed abov	e are jointly and
severally liable for the dama	ges identified	d in response to Q	uestion No. 17	?
	Answer:	Yes		No
Question No. 19:	If you answ	vered, "Yes" to Q	uestion No. 18,	, skip this question. If
you answered "No" to Quest	tion No. 18, tl	hen what amount	s do you award	against each of the
following Defendants:				
J2:	\$			
Joseph Caesar:	\$			
James Zachary:	\$			
ZTI:	\$			
If domogos were on	vardad in raa	enonco to Ovocti	on No. 10 ara	any of those demages
				any of those damages
duplicative of the damages,	it any, awarde	ed in response to	any other verd	ict question?
Yes:				
No:				
If so, state the amo	unt of damaş	ges awarded in 1	response to Qu	uestion No. 19 that are
duplicated and the Question				
_			_	
φ <u> </u>		(Question No (Question No	•	یے)Ioseph Caesar
Ψ \$		(Question No	<u>. </u>)James Zacharv
\$		(Question No (Question No	•)ZTI

STATUTORY FIDUCIARY DUTY

Question No	o. 20:	If you answered, "Yes" to Question No. 8 (regarding whether or
not the Defendant C	Caesar bre	eached a statutory fiduciary duty to ISS), then what amounts do you
award against Josep	h Caesar	? [If you answered "No" to Question No. 8, then do not answer this
question.]		
Joseph Caesa	ar:	\$
If damages	were aw	arded in response to Question No. 20 are any of those damages
duplicative of the da	amages, i	f any, awarded in response to any other verdict question?
Yes:		
No:_		
If so, state	the amou	ant of damages awarded in response to Question No. 20 that are
duplicated and the Q	Question	and Defendant as to which they are duplicated.
\$		(Question No)Joseph Caesar
COMMON LAW FID	UCIARY l	DUTY/DUTY OF LOYALTY
Question No	o. 21:	If you answered "Yes" to Question No. 9 (regarding whether or not
the Defendants Caes	sar, Zach	ary, and ZTI breached a duty of loyalty to ISS), then what amounts
do you award agains	st each of	f the following Defendants? [If you answered "No" to every
Defendant, then do	not answ	er this question.]
Joseph Caesa	ar:	\$
James Zacha	ary:	\$
ZTI:		\$

	If	damages	were	awarded	in	response	to	Question	No.	21	are	any	of	those	damages
duplica	ativ	e of the d	amage	es, if any,	aw	arded in r	esp	onse to an	y oth	er v	erdi	ct qu	est	ion?	

Yes:_		
No:		

If so, state the amount of damages awarded in response to Question No. 21 that are duplicated and the Question and Defendant as to which they are duplicated.

\$ (Question No	<u>)</u> Joseph Caesar
\$ (Question No.)James Zachary
\$ (Question No.	

PUNITIVE DAMAGES QUESTIONS

If both liability and damages (either compensatory or nominal damages) have been found with regard to the specific issues raised in the questions set out earlier in this verdict form, then as to each specific finding of both liability and damages you should now answer an additional question as to each previous question as to which you have found liability.

Willful and Malicious Conduct

Trade Secret Misappropriation

Question No. 22:

	If you answered "Yes	" to Question 2, has ISS prove	en by clear and convincing evidence
that th	e following Defendant	s' conduct was willful and ma	licious?
	J2:	Yes	No
	Joseph Caesar:	Yes	No
	James Zachary:	Yes	No
	ZTI	Yes	No
	Kollsman:	Yes	No
	[A "Yes" answer is in favor	of ISS; a "No" answer is in favor of the	Defendant]
	Question No. 23:	Breach of Non-Disclosure A	greement
	If you answered "Yes	" to Question 4, has ISS prove	en by clear and convincing evidence
that th	e following Defendant	s' conduct was either intention	nal, reckless, malicious, or fraudulent?
	Joseph Caesar:	Yes	No
	James Zachary:	Yes	No
	ZTI	Yes	No
	[A "Yes" answer is in favor	of ISS; a "No" answer is in favor of the	Defendant]

	Question No. 24:	Breach of Contract/Other Pro	<u>ovisions</u>
	If you answered "Yes	" to Question 5, has ISS prove	en by clear and convincing evidence
that the	e following Defendant	s conduct was either intentior	nal, reckless, malicious, or fraudulent?
	ZTI	Yes	No
	[A "Yes" answer is in favor	of ISS; a "No" answer is in favor of the	Defendant]
	Question No. 25:	<u>Unfair Competition</u>	
	If you answered "Yes	" to Question 7, has ISS prove	en by clear and convincing evidence
that the	e following Defendants	s' conduct was either intentior	nal, reckless, malicious, or fraudulent?
	J2:	Yes	No
	Joseph Caesar:	Yes	No
	James Zachary:	Yes	No
	ZTI	Yes	No
	[A "Yes" answer is in favor	of ISS; a "No" answer is in favor of the	Defendant]
	Question No. 26:	Breach of Statutory Fiduciary	y Duty
	If you answered "Yes	" to Question 8, has ISS prove	en by clear and convincing evidence
that the	e following Defendant	s conduct was either intentior	nal, reckless, malicious, or fraudulent?
	Joseph Caesar:	Yes	No
	[A "Yes" answer is in favor	of ISS; a "No" answer is in favor of the	Defendant]

		Breach of Common E	aw Fiduciary Duty/Duty of Loyalty
	If you answered "Y	es" to Question 9, has IS	S proven by clear and convincing evidence
that th	e following Defenda	nts' conduct was either in	ntentional, reckless, malicious, or fraudulent?
	Joseph Caesar:	Yes	No
	James Zachary:	Yes	No
	ZTI	Yes	No
	[A "Yes" answer is in favor	or of ISS; a "No" answer is in fav	or of the Defendant]
	Presiding Juror:		Date:
	After the presiding	juror signs, then each jur	or should also sign, indicating agreement to
	8.		or should also sign, marcating agreement to
		ach answer) in the verdict	