

Calif. judge apologizes, pays \$100,000 to software mogul

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05/01/2008

SAN FRANCISCO—In an unusual act of contrition, a state court judge has publicly apologized and agreed to pay \$100,000 to Silicon Valley billionaire Tom Siebel for wrongfully besmirching him in a lawsuit she filed as an attorney more than a decade ago.

"I write to express my sincere regret for pursuing claims against you that were determined to be without merit," San Mateo Superior Court Judge Carol Mittlesteadt wrote in an apology to Siebel that was released Thursday.

Mittlesteadt, who was appointed to the bench in 1998, also acknowledged her actions "may have caused substantial expense and inconvenience, and damage to (Siebel's) reputation and good name."

The apology was part of a settlement that ends a 12-year legal battle.

The odyssey began after Siebel's software company fired its top sales representative, Debra Christoffers. Representing Christoffers, Mittlesteadt filed a wrongful termination and sex discrimination lawsuit that named Siebel as well as his company. A court later ruled that the charges against Siebel were unfounded.

Siebel, who has an estimated \$1.9 billion fortune, hopes the judge's public penitence teaches a lesson to lawyers who fabricate claims against wealthy individuals and large companies in hopes of extracting a large settlement.

"I was trying to set an example," Siebel said in an interview. "This was a single person's effort at tort reform."

Siebel plans to donate Mittlesteadt's \$100,000 payment to Stanford University programs devoted to legal ethics. He became rich by building a business software company, Siebel Systems Inc., that was sold to Oracle Corp. for \$6.1 billion in 2006.

In a statement, Mittlesteadt said her conflict with Siebel taught her "you ultimately cannot control your reputation with those who do not know you." She also urged "all attorneys to continue representing your clients zealously within the bounds of the law."

Siebel said he viewed Christoffers' complaint as a veiled extortion attempt at a particularly sensitive time.

Siebel Systems was preparing an initial public offering of stock public when Mittlesteadt filed the suit, meaning the company would have to publicly disclose potential legal liability and run the risk of rattling investors.

Determined to prove the allegations against him were wrong, Siebel fought the lawsuit and prevailed on all the claims against him.

A jury concluded Siebel Systems had legitimately fired Christoffers because it was dissatisfied with her performance. But the jury also decided Siebel Systems still owed Christoffers for unpaid sales commissions.

The San Mateo-based company ultimately paid more than \$351,000 to settle that part of the case while Christoffers agreed to pay nearly \$52,000 to cover Siebel Systems' legal costs.

After Mittlesteadt had already been appointed as a judge, Siebel personally sued her and her associate, E. Rick Buell II, for malicious prosecution.

That battle went all the way to the California Supreme Court, which issued a July 2007 decision that upheld an earlier ruling that found the lawsuit against Siebel contained meritless allegations.

Buell publicly apologized last October without making a monetary settlement. As for Mittlesteadt, Siebel said he is surprised she's a judge. "I think it's a commentary on our system of jurisprudence," he said. "I am not sure who is watching the hen house here."

Voters have re-elected Mittlesteadt twice. Her current term expires in 2012.

"I deeply regret that Mr. Siebel believes that I am the kind of legal professional that I have spent over 30 years striving not to be," Mittlesteadt said in her statement.