

Cause No. 2010-40765

KEN HESS, Derivatively on Behalf of  
WEATHERFORD INTERNATIONAL LTD.,

Plaintiff,

vs.

BERNARD J. DUROC-DANNER, DAVID J.  
BUTTERS, ROBERT A. RAYNE, ROBERT  
B. MILLARD, WILLIAM E. MACAULAY,  
ROBERT K. MOSES, JR., NICHOLAS F.  
BRADY, and BURT M. MARTIN,

Defendants,

- and -

WEATHERFORD INTERNATIONAL LTD.,  
a Swiss corporation,

Nominal Defendant.

IN THE DISTRICT COURT OF

HARRIS COUNTY, TEXAS

113th JUDICIAL DISTRICT

---

**SHAREHOLDER DERIVATIVE PETITION**

---

## **DISCOVERY LEVEL**

1. Pursuant to Rule 190.1 of the Texas Rules of Civil Procedure, plaintiff would show that discovery is intended to be conducted under Level 3 of this Rule due to the complexity of the case.

## **INTRODUCTION**

2. This is a shareholder derivative action on behalf of nominal defendant Weatherford International Ltd. ("Weatherford" or the "Company") on behalf of the Company against certain of its officers and directors. This action seeks to remedy defendants' violations of law, including breaches of fiduciary duties, unjust enrichment, and waste of corporate assets that have caused substantial losses to the Company and other damages, such as to its reputation and goodwill.

3. This action arises from defendants' failure to conduct adequate oversight of Weatherford's business and operations in foreign countries, some of which are generally perceived as having less developed legal and regulatory frameworks, and/or cultures in which requests for improper payments are not discouraged. The defendants have allowed Weatherford to operate without installing and maintaining the internal controls and accounting systems necessary for the Company's compliance with the requirements of the Foreign Corrupt Practices Act ("FCPA"), including its books and records provisions.

4. The FCPA makes it unlawful for covered companies such as Weatherford to make improper payments to foreign officials to obtain or retain business. To prevent such bribes and kickbacks from occurring, the FCPA requires that covered companies establish and maintain a system of accounting controls to ferret out and ultimately prevent such illicit payments.

5. Because Weatherford operates in over 100 countries, some of which have a higher than normal risk of violations of the anti-corruption laws, including the FCPA, the Weatherford

Board had a fiduciary duty to install and maintain internal controls and accounting systems for compliance with the FCPA.

6. As a result of the Individual Defendants' (as defined herein) breach of fiduciary duty, the Company is now being investigated by the United States Department of Justice ("DOJ") and the United States Securities and Exchange Commission ("SEC") for possible violations of the FCPA.

7. The details about the investigation into Weatherford's business practices and possible violation of the FCPA have been closely guarded and not fully disclosed to Weatherford's shareholders. Instead, since the inception of the DOJ, SEC and internal investigations, the Board has disclaimed the ability to "predict what, if any, actions the DOJ, SEC or other authorities may take in [Weatherford's] situation or the effect any such action may have on [the Company's] consolidated financial position or results of operations."

8. It was not until early 2010 that shareholders began to learn of the severity of Weatherford's FCPA problems. On March 1, 2010, Weatherford disclosed for the first time that the investigations into the possible violations of the FCPA could adversely affect the Company's operations and financial condition. Specifically, the Company stated:

To the extent we have violated trade sanctions laws, the FCPA, or other laws or regulations, fines and other penalties may be imposed. Because these matters are now pending before the indicated agencies, there can be no assurance that actual fines or penalties, if any, will not have a material adverse affect on our business, financial condition, liquidity or results of operations.

9. Then, on May 3, 2010, Weatherford stunned shareholders again by disclosing that the DOJ, SEC and other authorities "likely will seek to impose penalties" on Weatherford for possible violations of the FCPA, which "could adversely affect [Weatherford's] results of operations."

10. To date, the Weatherford Board has incurred an astonishing \$108 million in costs and expenses in connection with the FCPA-related investigations. Notably, this amount does not include the pecuniary penalty that Weatherford is likely to have to pay to resolve the DOJ and SEC

investigations of the Company for violations of the FCPA, including its books and records provisions. Nor does the \$108 million include the total costs that Weatherford will likely incur to remedy the damage caused by defendants' failure to install and maintain the appropriate internal controls and systems for compliance with the FCPA.

11. Weatherford has been severely damaged by defendants' misconduct. Yet, incredibly, the Board has not commenced legal action, or taken other steps, to recover damage for Weatherford against its wayward fiduciaries.

12. Plaintiff now brings this action to repair the harm that the damages caused the Company.

### **JURISDICTION AND VENUE**

13. This Court has jurisdiction over this action pursuant to Article V, §8, of the Texas Constitution, Tex. Gov't. Code §§24.007-24.008 and Section 21.551 of the Texas Business Organizations Code. The amount in controversy exceeds the jurisdictional minimum of this Court.

14. Weatherford has a substantial presence in Texas, operating several businesses and facilities in Texas and Texas is its primary place of business. Each defendant has had substantial and continuous contacts with Texas that make the exercise of personal jurisdiction over them proper. Certain defendants live in and are citizens of Texas. This action is not removable to federal court.

15. Each defendant has minimum contacts with the United States, as they either reside here or have frequently traveled here on Weatherford business and otherwise or have authorized acts and actions which have had a sufficient impact in the United States or on Weatherford's shareholders and investors residing here to justify the exercise of jurisdiction over them.

### **THE PARTIES**

16. Plaintiff Ken Hess is a shareholder of Weatherford. Plaintiff was a shareholder of Weatherford at the time of the wrongdoing complained of and has continuously been a shareholder.

17. Nominal defendant Weatherford is an oil and natural gas services company with operating headquarters located at 515 Post Oak Boulevard, Houston, Texas. Although recently reorganized under Swiss law, Weatherford does hundreds of millions of dollars of business in the United States in general, and Texas in particular, each year. Nominal party Weatherford maybe served with process at 515 Post Oak Boulevard, Suite 600, Houston, Texas 77027.

18. Weatherford's stock is listed and traded on the New York Stock Exchange. A majority of Weatherford's outstanding shares are owned by United States shareholders. Indeed, the majority of Weatherford's top ten largest shareholders are all United States citizens or are organized under the laws of a state that is a part of the United States.

19. Defendant Bernard J. Duroc-Danner ("Duroc-Danner") has been a director of the Company since 1988, Chairman of the Board of Weatherford since 1998, and is and has been at all relevant times, President, and Chief Executive Officer of the Company. Duroc-Danner breached his fiduciary duties owed to Weatherford by failing to direct Weatherford to initiate suit against the Company's current and former Board members and officers for causing and/or allowing Weatherford to engage in the payment of illegal bribes and kickbacks to foreign officials. Defendant Duroc-Danner may be served with process at 3637 Del Monte Drive, Houston, TX 77019.

20. Defendant David J. Butters ("Butters") has been a director of Weatherford since 1984. Butters serves on the Audit Committee. Butters breached his fiduciary duties by failing to require Weatherford to implement internal controls in compliance with the FCPA or the FCPA's underlying directives regarding books, records, and internal accounting, which are designed to ferret out and ultimately prevent just the type of bribery and kickbacks that have occurred at Weatherford. Butters also breached his fiduciary duties owed to Weatherford by failing to direct Weatherford to initiate suit against the Company's current and former Board members and officers for causing and/or

allowing Weatherford to engage in the payment of illegal bribes and kickbacks to foreign officials. Defendant Butters may be served with process at 215 East 72nd Street, Apt. 6W, New York, New York 10021.

21. Defendant Robert A. Rayne ("Rayne") has been a director of Weatherford since 1987. Rayne serves as Chairman of the Audit Committee. Rayne breached his fiduciary duties by failing to require Weatherford to implement internal controls in compliance with the FCPA or the FCPA's underlying directives regarding books, records and internal accounting, which are designed to ferret out and ultimately prevent just the type of bribery and kickbacks that have occurred at Weatherford. Rayne breached his fiduciary duties owed to Weatherford by failing to direct Weatherford to initiate suit against the Company's current and former Board members and officers for causing and/or allowing Weatherford to engage in the payment of illegal bribes and kickbacks to foreign officials. Defendant Rayne may be served with process at 37 Brunswick Gardens, London W8 4AW, United Kingdom.

22. Defendant Robert B. Millard ("Millard") has been a director of Weatherford since 1989. Millard breached his fiduciary duties by failing to require Weatherford to implement internal controls in compliance with the FCPA or the FCPA's underlying directives regarding books, records and internal accounting, which are designed to ferret out and ultimately prevent just the type of bribery and kickbacks that have occurred at Weatherford. Millard also breached his fiduciary duties owed to Weatherford by failing to direct Weatherford to initiate suit against the Company's current and former Board members and officers for causing and/or allowing Weatherford to engage in the payment of illegal bribes and kickbacks to foreign officials. Defendant Millard may be served with process at 9 East 88th Street, New York, New York 10128.

23. Defendant William E. Macaulay ("Macaulay") has been a director of Weatherford since 1998. Macaulay breached his fiduciary duties by failing to require Weatherford to implement internal controls in compliance with the FCPA or the FCPA's underlying directives regarding books, records and internal accounting, which are designed to ferret out and ultimately prevent just the type of bribery and kickbacks that have occurred at Weatherford. Macaulay also breached his fiduciary duties owed to Weatherford by failing to direct Weatherford to initiate suit against the Company's current and former Board members and officers for causing and/or allowing Weatherford to engage in the payment of illegal bribes and kickbacks to foreign officials. Defendant Macaulay may be served with process at 9 Hill Road, Greenwich, Connecticut 06830.

24. Defendant Robert K. Moses, Jr. ("Moses") has been a director of Weatherford since 1998. Moses serves on the Audit Committee. Moses breached his fiduciary duties by failing to require Weatherford to implement internal controls in compliance with the FCPA or the FCPA's underlying directives regarding books, records and internal accounting, which are designed to ferret out and ultimately prevent just the type of bribery and kickbacks that have occurred at Weatherford. Moses also breached his fiduciary duties owed to Weatherford by failing to direct Weatherford to initiate suit against the Company's current and former Board members and officers for causing and/or allowing Weatherford to engage in the payment of illegal bribes and kickbacks to foreign officials. Defendant Moses may be served with process at 108 Broad Oaks Trail, Houston, Texas 77056.

25. Defendant Nicholas F. Brady ("Brady") has been a director of Weatherford since 2004. Brady breached his fiduciary duties by failing to require Weatherford to implement internal controls in compliance with the FCPA or the FCPA's underlying directives regarding books, records and internal accounting, which are designed to ferret out and ultimately prevent just the type of

bribery and kickbacks that have occurred at Weatherford. Brady also breached his fiduciary duties owed to Weatherford by failing to direct Weatherford to initiate suit against the Company's current and former Board members and officers for causing and/or allowing Weatherford to engage in the payment of illegal bribes and kickbacks to foreign officials. Defendant Brady may be served with process at 2924 Ocean Gateway, Trappe, Maryland 21673.

26. Defendant Burt M. Martin ("Martin") is the former Senior Vice President and General Counsel of Weatherford. He "resigned" on June 3, 2010. According to new sources, people familiar with the government's investigations, Martin (and other executives) are being examined for their roles in the matters under investigations into Weatherford for possible violations of the FCPA, national security laws, and other laws by the DOJ, SEC, DOC and DOT. Martin is a citizen of the state of Texas and maybe served with summons at 5208 Braeburn Drive, Bellaire, TX 77401.

27. The defendants identified in ¶¶19–26 are sometimes collectively referred to as "Individual Defendants."

#### **THE FIDUCIARY DUTIES OF WEATHERFORD'S DIRECTORS AND OFFICERS**

28. As directors and officers of Weatherford, defendants owed fiduciary duties of candor, good faith, and loyalty to the Company and its shareholders. They are prohibited from engaging in self-dealing as well as unlawful corporate conduct, such as violations of the laws, rules, and regulations applicable to Weatherford and its business, including the FCPA, including its books and records provisions.

29. Defendants, because of their positions of control and authority as directors and/or officers of Weatherford, were able to and did, directly and/or indirectly, exercise control over the wrongful acts complained of herein. Because of their executive and directorial positions with Weatherford, each of the defendants had access to information concerning the Company's businesses

and operations in foreign countries that are generally perceived as having less developed legal and regulatory frameworks and/or cultures in which requests for improper payments are not discouraged. Because operations in these countries involve a higher than normal risk of corruption, Weatherford's directors and officers had a fiduciary duty to install and administer an FCPA compliance program with controls and accounting systems sufficient to detect, deter, and ultimately prevent the improper payments that appear to be at the heart of the FCPA-related investigations.

30. At times relevant hereto, defendants were the agents of each of the other defendants and were at all times acting within the course and scope of such agency.

### **FACTUAL ALLEGATIONS**

31. Weatherford is a global provider of equipment and services used for the drilling, completion, and production of oil and natural gas wells. Weatherford's business is global in scope and it has a market presence in the Middle East, Africa, Asia, and Latin America.

32. As an issuer under the United States federal securities laws, Weatherford's business and operations are also subject to the requirements of the FCPA. The FCPA requires, among other things, covered companies to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer.

33. The FCPA also requires covered companies to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that: (i) transactions are executed in accordance with management's authorization; and (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with Generally Accepted Accounting Principles ("GAAP") or any other criteria applicable to such statements, and to maintain accountability for assets.

34. On November 30, 2007, in a Form 8-K filing, Weatherford announced that, in conjunction with on-going government investigations into its participation in the United States

Nation's oil-for-food program, the Company had commenced an internal investigation regarding "the embezzlement of approximately \$175,000 at a European subsidiary and the possible improper use of these funds, including possible payments to government officials in Europe."

35. The Company did not reveal any additional details about the internal investigation, such as whether the embezzlement investigation already had or could possibly expose Weatherford to liability for violations of the FCPA. Nor did the Form 8-K filing reveal any additional facts regarding the scope, duration, outcome or possible impact of the governmental and/or internal investigations on Weatherford financially or otherwise.

36. Instead, at defendants' behest, Weatherford expressly disclaimed the ability to "predict what, if any, actions the DOJ, SEC or other authorities may take in [Weatherford's] situation or the effect any such action may have on [the Company's] consolidated financial position or results of operations."

37. On November 3, 2008, Weatherford announced, in a Form 10-Q filing, that the internal embezzlement investigation had been expanded to include certain undisclosed activities of the Company in Angola, and, later, the whole of West Africa.

38. As before, however, Weatherford did not reveal any additional details about the internal investigation, such as whether the investigation already had or could possibly expose Weatherford to liability for violations of the FCPA. Nor did the November 3, 2008 Form 10-Q filing reveal any additional facts regarding the scope, duration, outcome or possible impact of the governmental and/or internal investigations on Weatherford financially or otherwise.

39. On February 24, 2009, Weatherford revealed that its internal investigation had "uncovered potential violations of U.S. law in connection with a joint venture in Angola." However,

the Company did not specify whether those potential violations included violations of the FCPA.

Instead, Weatherford stated:

With the assistance of outside counsel and in connection with U.S. government investigations and subpoenas, we are conducting investigations regarding the embezzlement of approximately \$175,000 at a European subsidiary and the possible improper use of these funds, including possible payments to government officials in Europe, during the period from 2000 to 2004, and the Company's compliance with the Foreign Corrupt Practices Act and other laws worldwide. As part of these investigations, we have also uncovered potential violations of U.S. law in connection with a joint venture in Angola.

40. Beyond the foregoing, Weatherford did not reveal additional details and/or facts about the Angola joint venture, and/or other aspects of the ongoing investigations, such as the scope, duration, outcome, or possible impact of the investigations on Weatherford financially or otherwise. Instead, consistent with prior practice, the Company once again disclaimed the ability to "anticipate the timing, outcome or possible impact of the investigations, financial or otherwise," on Weatherford and/or its business.

41. Consequently, and by no means unintentionally, Weatherford shareholders were largely kept in the dark about the facts surrounding the governmental and internal investigations of the Company for possible violations of the FCPA, including its books and records provisions, until early 2010.

42. On March 1, 2010, in its Form 10-K filing, Weatherford revealed that the Company could face liability for possible violations of the FCPA, and that the FCPA violations could adversely affect the Company's operations and financial condition. Specifically, Weatherford stated:

To the extent we have violated trade sanctions laws, the FCPA, or other laws or regulations, fines and other penalties may be imposed. Because these matters are now pending before the indicated agencies, there can be no assurance that actual fines or penalties, if any, will not have a material adverse affect on our business, financial condition, liquidity or results of operations.

43. When news of these adverse developments reached shareholders, the trading price of Weatherford common stock began to decline. In active trading, Weatherford stock fell to \$15.42 per share on March 26, 2010 from \$17.07 per share on March 3, 2010, wiping out \$1.2 billion in shareholders' equity.

44. As an article published by the *Associated Press* on March 19, 2010 reported:

Weatherford International shares tumbled in premarket trading Friday as an analyst downgraded the oil services company citing the threat of a pending Foreign Corrupt Practices Act settlement.

\* \* \*

Jefferies & Co. analyst Stephen Gengaro said the company could face penalties under the Foreign Corrupt Practices Act, or FCPA, which bars bribery of foreign government officials. Weatherford's pending FCPA case could result in one or some combination of the following: a significant fine, a requirement to retain an FCPA compliance monitor and a deferred prosecution agreement.

"Weatherford's current liquidity position, while not dire, could be compromised by a large cash FCPA fine," said Gengaro in a research note. "In addition, while opinions vary on the severity of the impact of an FCPA independent monitor and/or deferred prosecution agreement, it is clearly not a positive."

45. On May 3, 2010, Weatherford stunned shareholders again by disclosing that the DOJ, SEC and other authorities "likely will seek to impose penalties" on Weatherford for possible violations of the FCPA, which "could adversely affect [Weatherford's] results of operations." Specifically, the Company stated:

We are currently involved in government and internal investigations involving various of our operations.... The governmental agencies involved in these investigations have a broad range of civil and criminal penalties they may seek to impose against corporations and individuals for violations of trade sanction laws, the Foreign Corrupt Practices Act and other federal statutes including, but not limited to, injunctive relief, disgorgement, fines, penalties and modifications to business practices and compliance programs.... These agencies likely will seek to impose penalties of some amount against [the Company] for past conduct, but the ultimate amount of any penalties we may pay currently cannot be reasonably estimated.... Any injunctive relief, disgorgement, fines, penalties, sanctions or imposed modifications to business practices resulting from these investigations could adversely affect our results of operations.

46. Weatherford is now also under investigation by the Department of Commerce's Bureau of Industry & Security, and the U.S. Treasury's Office of Foreign Assets Control for the sales of services and products in certain sanctioned countries, including Cuba, Iran, Sudan, and Syria – four countries under United States sanctions due to their support of terrorism and/or violations of human rights. These two agencies handle matters of national security. According to news sources, federal investigators are inquiring about code words that some Weatherford executives used for the sanctioned/banned countries. Obeying national security laws is a legal duty known by directors, officers, employees, and citizens of the United States of America. This known duty triggers a fiduciary obligation on the part of corporate directors to install and maintain internal controls and accounting systems for compliance with national security laws.

#### **DAMAGES TO WEATHERFORD**

47. Although the investigations into Weatherford for possible violations of the FCPA are ongoing, Weatherford has been, and will continue to be, severely damaged and injured by the Individual Defendants' misconduct. Further, as a direct and proximate result of the Individual Defendants' conduct, Weatherford has expended and will continue to expend significant sums of money. Such expenditures include, but are not limited to:

- (a) costs incurred from responding to the investigation into FCPA violations;
- (b) costs incurred from compensation and benefits paid to defendants that breached their duties to the Company;
- (c) amounts paid to foreign officials in violation of the FCPA; and
- (d) any fines that are a result of the Company's violations of the FCPA.

48. In addition, Weatherford's business, goodwill, and reputation with its business partners, regulators, and shareholders have been gravely impaired.

49. Moreover, these actions have irreparably damaged Weatherford's corporate image and goodwill. For at least the foreseeable future, Weatherford will suffer from what is known as the "liar's discount," a term applied to the stocks of companies who have been implicated in illegal behavior and have misled the investing public, such that Weatherford's ability to raise equity capital or debt on favorable terms in the future is now impaired.

### **DERIVATIVE ALLEGATIONS**

50. Plaintiff brings this action for the benefit of Weatherford to redress injuries suffered, and to be suffered, by Weatherford as a result of the defendants' violations of law, as well as the aiding and abetting thereof. Weatherford is named solely as a nominal party in this action. This is not a collusive action to confer jurisdiction on this Court that it would not otherwise have.

51. Plaintiff is and has been a Weatherford shareholder. Plaintiff will adequately and fairly represent the interests of Weatherford in enforcing and prosecuting its rights.

### **FIRST CAUSE OF ACTION**

#### **Against All Defendants for Breach of Fiduciary Duty**

52. Plaintiff incorporates by reference and realleges each and every allegation set forth above, as though fully set forth herein.

53. Each defendant owes and owed to the Company the duty to exercise candor, good faith, and loyalty in the management and administration of Weatherford's business and affairs, particularly in foreign countries with less developed legal and regulating frameworks and/or that are generally perceived as having cultures that do not discourage improper payments to obtain or retain business.

54. Defendants' conduct set forth herein was due to their intentional, reckless, or negligent breach of the fiduciary duties they owed to the Company, as alleged herein. Defendants

intentionally, recklessly, or negligently breached or disregarded their fiduciary duties to protect the rights and interests of Weatherford.

55. In breach of their fiduciary duties owed to Weatherford, defendants willfully participated in and caused the Company to waste its valuable assets and otherwise to expend unnecessarily its corporate funds, and failed to properly oversee Weatherford's business, rendering them personally liable to the Company for breaching their fiduciary duties.

56. As a direct and proximate result of defendants' breaches of their fiduciary obligations, Weatherford has sustained and continues to sustain significant damages. As a result of the misconduct alleged herein, defendants are liable to the Company.

## **SECOND CAUSE OF ACTION**

### **Against All Defendants for Abuse of Control**

57. Plaintiff incorporates by reference and realleges each and every allegation set forth above, as though fully set forth herein.

58. Defendants' misconduct alleged herein constituted an abuse of their ability to control and influence Weatherford, for which they are legally responsible.

59. As a direct and proximate result of defendants' abuse of control, Weatherford has sustained significant damages.

60. As a direct and proximate result of defendants' breaches of their fiduciary obligations of candor, good faith, and loyalty, Weatherford has sustained and continues to sustain significant damages. As a result of the misconduct alleged herein, defendants are liable to the Company.

## **THIRD CAUSE OF ACTION**

### **Against All Defendants for Waste of Corporate Assets**

61. Plaintiff incorporates by reference and realleges each and every allegation set forth above, as though fully set forth herein.

62. As a result of the foregoing misconduct, defendants have caused Weatherford to waste valuable corporate assets.

63. As a direct and proximate result of defendants' breaches of their fiduciary obligations of candor, good faith, and loyalty, Weatherford has sustained and continues to sustain significant damages. As a result of the misconduct alleged herein, defendants are liable to the Company.

#### **FOURTH CAUSE OF ACTION**

##### **Against All Defendants for Unjust Enrichment**

64. Plaintiff incorporates by reference and realleges each and every allegation set forth above, as though fully set forth herein.

65. By their wrongful acts and omissions, the Individual Defendants were unjustly enriched at the expense of and to the detriment of Weatherford.

66. Plaintiff, as a shareholder and representative of Weatherford, seeks restitution from these defendants, and each of them, and seeks an order of this Court requiring defendants to disgorge all profits, benefits, and other compensation obtained as a result of their wrongful conduct and fiduciary breaches.

#### **PRAYER FOR RELIEF**

FOR THESE REASONS, plaintiff demands judgment in the Company's favor against all defendants as follows:

A. Declaring that plaintiff may maintain this action on behalf of Weatherford and that plaintiff is an adequate representative of the Company;

B. Declaring that the defendants have breached and/or aided and abetted the breach of their fiduciary duties to Weatherford;

C. Determining and awarding to Weatherford the damages sustained by it as a result of the violations set forth above from each of the defendants, jointly and severally, together with interest thereon;

D. Directing Weatherford and the Board to take all necessary actions to reform and improve its corporate governance and internal procedures to comply with applicable laws and to protect Weatherford and its shareholders from a repeat of the damaging events described herein, including, but not limited to, putting forward for shareholder vote the following resolutions for amendments to the Company's By-Laws or Articles of Incorporation; and the following actions as may be necessary to ensure proper Corporate Governance Policies:

1. a proposal to strengthen the Board's supervision of operations and develop and implement procedures for greater shareholder input into the policies and guidelines of the Board;

2. a provision to permit the shareholders of Weatherford to nominate at least three candidates for election to the Board;

3. a proposal to ensure the establishment of effective oversight of compliance with applicable laws, rules, and regulations;

E. Determining and awarding to Weatherford exemplary damages in an amount necessary to punish defendants and to make an example of defendants to the community according to proof at trial;

F. Awarding Weatherford restitution from defendants, and each of them;

G. Awarding plaintiff the costs and disbursements of this action, including reasonable attorneys' and experts' fees, costs and expenses; and

H. Granting such other and further equitable relief as this Court may deem just and proper.

**JURY DEMAND**

Plaintiff demands a trial by jury.

Respectfully Submitted,

/s/ Charles W. Branham, III  
CHARLES W. BRANHAM, III  
Texas Bar No. 24012323  
tbranham@goldfarbbranham.com  
HAMILTON LINDLEY  
Texas Bar No. 24044838  
hlindley@goldfarbbranham.com  
GOLDFARB BRANHAM LLP  
Saint Ann Court  
2501 N. Harwood Street, Suite 1801  
Dallas, TX 75201  
Phone: 214.583.2333  
Fax: 214.583.2234

BRIAN J. ROBBINS  
KEVIN A. SEELY  
SHANE P. SANDERS  
ROBBINS UMEDA LLP  
600 B Street, Suite 1900  
San Diego, CA 92101  
Telephone: 619/525-3990  
Facsimile: 619/525-3991

**Attorneys for Plaintiff**