recommendations to the i2 Board in late January 2008. According to its most recently filed SEC Form 10Q, as of November 1, 2007, i2 had approximately 21.4 million shares of common stock issued and outstanding. Plaintiff believes that the undervaluation of TSC in the Transaction exceeded $20 million. Accordingly, if the value of the derivative claim asserted in this litigation is determined before i2 enters into any agreement for a major corporate transaction, this claim could substantially enhance the value i2's shareholders will receive in any such transaction. (The market price of i2 stock is presently approximately $16.50 per share, so the value of the claim currently exceeds 5% of i2's market capitalization.) Accordingly, plaintiff seeks an expedited trial so that shareholders may realize the benefit of this derivative claim and not see its value evaporate. *Lewis v. Anderson*, 477 A. 2d 1040 (Del. 1984).

I. STATEMENT OF FACTS

2. TSC's main line of business was providing subscription databases that price plumbing and electrical parts and supplies, primarily in digital form, or secondarily through printed catalogs. (Complaint ¶2.)[1]. These databases are used by plumbing and electrical contractors to formulate bids, or by distributors to track manufacturers' products. *Id.* TSC's database business and its related hardcopy catalog publishing business was a relatively stable source of revenue, with over 18,000 customers generating revenues in excess of $15 million annually. *Id.* TSC occupied a niche market that is unrelated to i2's main line of business. *Id,* ¶19, ¶25.

3. i2 purchased TSC and a related company called EC Content, Inc. ("EC") in January 2001 for $100 million. ¶23. As of December 30, 2000, TSC was generating $20.6 million in revenue and EC was generating $700,000. *Id,* ¶3. EC discontinued operations by the end of 2001. *Id.* In 2002 and 2003, VisionInfoSoft/ Material Express.com ("VIS/ ME"), a

[1] All paragraph references ("¶" or "¶¶") herein refer to the Shareholder's Derivative Complaint ("Complaint") filed October 23, 2007.

competitor of TSC, made repeated offers to i2 management to purchase TSC for $15-25 million. ¶¶29-34. These offers were communicated directly to certain board members, including i2 chairman and CEO Sanjiv Sidhu ("Sidhu") and director Harvey Cash ("Cash"). *Id.* Each inquiry was met by the response that i2 was not interested in selling TSC. *Id.*

4. Despite this professed lack of interest, the i2 board decided to sell TSC in late 2004. ¶39. By then, i2 vice president Anthony Dubreville ("Dubreville") had already discussed with i2 the possibility of leading a management buyout of TSC, and he was confident that Sidhu would eventually allow him to buy TSC at a fire sale price. ¶34. Even with express knowledge of Dubreville's interest in buying TSC, the i2 board put Dubreville in charge of finding a buyer for TSC. ¶43. Thereafter, Dubreville engaged in a sham effort to find a buyer for TSC. Although Dubreville and directors Cash and Sidhu knew firsthand of VIS/ ME's interest in purchasing TSC, none of them solicited interest from VIS/ ME or any other competitor, the most logical, likely and motivated potential buyers. ¶41, ¶43. Instead, Dubreville, with the assent of Cash, Sidhu and the i2 Board, offered TSC to companies he knew had no interest in buying TSC and deliberately concealed from VIS/ME that TSC was on the market. ¶42(e), ¶52(c). Dubreville also made TSC appear less profitable than it actually was by causing TSC to overpay for the printing of its catalogs (TSC's catalogs were printed by a company co-owned by Dubreville and TSC's original owner, James Simpson) and its office space, and failing to allocate expenses appropriately to a co-managed entity. ¶¶35-38. Before approving the Transaction, i2 directors reviewed TSC's unaudited financial statements, from which these manipulations were apparent. ¶60.

5. When Dubreville's feigned efforts failed to find a buyer, Dubreville offered to purchase TSC through an entity in which he was a principal owner. ¶16, ¶¶45-47. This was Dubreville's plan from the start. ¶26. i2 engaged investment bankers Sonenshine Partners, formerly Sonenshine Pastor ("Sonenshine") to draft a fairness opinion and a Special Committee of the Board of Directors was formed to approve this related party transaction. ¶¶51-53. The Sonenshine fairness opinion, which was riddled with glaring inconsistencies and inaccuracies

and based in significant part on information contrary to financial information the Board had previously received, was presented both to the Special Committee and the entire Board. ¶¶59-60. In June 2005, the Board approved the sale of TSC to Dubreville and his minority interest partners. ¶60. Since i2 assumed some of TSC's liabilities and let TSC's new owners keep its receivables (¶56), the Transaction's $3.0 million price resulted in only a $2.2 million net benefit to i2. ¶62. TSC's true value at the time of its sale was somewhere between $15 million and $25 million. ¶5.

6. Just **weeks** after the sale, Dubreville began a genuine effort to sell TSC for its fair market value by offering TSC to VIS/ME. ¶65. In December 2005, VIS/ME offered to purchase TSC for $18.5 million. *Id.* Dubreville rejected the $18.5 million offer and countered with a substantially higher price. *Id.* No deal was reached. *Id.* Dubreville thereafter caused TSC to be sold to GF Capital Management and Advisors LLC in 2007 for more than $25 million. *Id.*

7. Plaintiff filed this derivative action on October 23, 2007, claiming that i2's directors caused i2 to sell TSC to members of TSC's management in bad faith for a price defendants knew to be a fraction of TSC's fair market value. ¶1.

8. On November 1, 2007, i2 issued the following press release, which states in pertinent part:

> i2 Technologies, Inc. (Nasdaq: ITWO), today announced that its board of directors has formed a committee of independent directors to consider and evaluate the merits of the various strategic options available to the Company to enhance shareholder value. **These strategic options may include** changes to the Company's operations, actions or transactions intended to enhance the value or utilization of the Company's existing assets (including the Company's intellectual property and net operating loss carryforwards), joint ventures or strategic partnerships, selective acquisitions, dispositions or other capital transactions, and **a merger, sale or other extraordinary business transaction involving the Company. Richard L. Clemmer, Lloyd G. Waterhouse and Jackson L. Wilson, Jr. will serve on the strategic review committee, which will be chaired by Wilson.**
>
> The strategic review committee was formed in connection with an ongoing review of the Company's management, operations and

> strategy. Since early this year, J.P. Morgan Securities Inc. has been engaged as the Company's financial advisor to assist with certain aspects of that review. The formation of the strategic review committee allows the scope of the review to be expanded so that the board of directors has a full and complete picture of all available strategic options. **The review is expected to conclude at the end of January 2008, when the strategic review committee presents its recommendations to the board of directors.**
>
> * * *
>
> The Company emphasized that there can be no assurance that the ongoing exploration of strategic options will result in any new or different course of action. **The Company does not currently intend to disclose developments with respect to the exploration of strategic options unless and until the board of directors has approved a specific course of action.** [Emphasis suplied].

9. SRC member Richard L. Clemmer ("Clemmer") is a defendant in this action. In February 2005, he assisted Dubreville in marketing TSC by soliciting interest in its purchase from companies with which he was familiar. ¶11. Despite his direct involvement in marketing TSC, he did not insist that TSC be marketed to any of its competitors or explore whether TSC's competitors would pay more than the Transaction price. *Id.* Clemmer was a member of the Special Committee of the Board of Directors charged with reviewing the fairness of the Transaction, personally reviewed the Sonenshine fairness opinion and was aware that it was seriously flawed. *Id.* He approved the Transaction. *Id.*

10. SRC member Lloyd G. Waterhouse ("Waterhouse") is a defendant in this action. He was a member of the Special Committee of the Board of Directors charged with reviewing the fairness of the Transaction, personally reviewed the Sonenshine fairness opinion and was aware that it was seriously flawed. ¶15. He approved the Transaction. *Id.*

11. SRC member Jack Wilson ("Wilson") is a defendant in this action. He was a member of the Special Committee of the Board of Directors charged with reviewing the fairness of the Transaction, personally reviewed the Sonenshine fairness opinion and was aware that it was seriously flawed. ¶13. He approved the Transaction. *Id.*

12. Seven of the Company's nine current directors approved the Transaction. ¶63.

II. ARGUMENT

13. To warrant expedited proceedings, Plaintiff "must demonstrate a 'sufficiently colorable claim and show a sufficient possibility of a threatened irreparable injury' to justify the costs involved." *Morton v. Am. Mktg. Indus. Holdings*, 1995 WL 1791090, at *2 (Del. Ch.) (citations omitted). *Accord TCW Technology Ltd. P'ship v. Intermedia Commc'n, Inc.*, 2000 WL 1478537, at *2 (Del. Ch.) (complaint must allege a "colorable liability claim, together with the possibility of a threatened irreparable injury"); *Giammargo v. Snapple Beverage Corp.*, 1994 WL 672698, at *2 (Del. Ch.) (same). In applying this standard, this Court "traditionally has acted with a certain solicitude for plaintiffs" and "has thus followed the practice of erring on the side of more [expedited] hearings rather than fewer." *Id.* (motion for preliminary injunction). Moreover, the Delaware Supreme Court has emphasized that "Delaware courts are always receptive to expediting any type of litigation in the interests of affording justice to the parties." *Box v. Box*, 697 A.2d 395, 399 (Del. 1997). *See also* Court of Chancery Rule 57 ("The Court may order a speedy hearing of an action for a declaratory judgment.").

A. Plaintiff Has Stated Sufficiently Colorable Claims That The Defendants Knowingly Sold TSC For Substantially Less Than Fair Market Value

14. In assessing whether Plaintiff has stated a sufficiently colorable claim, the Court "ha[s] no real choice other than to accept the complaint's assertions at face value." *TCW Tech. Ltd. P'ship v. Intermedia Communications, Inc.*, 2000 WL 1478537, at *2 (Del. Ch.). Moreover, "[t]he Court need not determine the merits of the case or 'even the legal sufficiency of the pleadings' at this stage of the proceedings." *Morton*, 1995 WL 1791090 at *2.

15. Here, Plaintiff has more than adequately asserted a colorable claim - that the Director Defendants knowingly sold TSC to its management for far less than its fair market value. Plaintiff has alleged that: the Director Defendants were on notice that VIS/ME was interested in purchasing TSC for $15-25 million (¶¶29-34), but did not pursue VIS/ME or any

other strategic buyer who would pay a premium for TSC's large customer subscription base (¶¶41-43); they put Dubreville in charge of the sale process, despite knowing that he was an interested purchaser (¶¶40-41); and accepted valuation analyses based on information provided by Dubreville and his management team that had been materially changed from information presented to the Board earlier in the year and which had the effect of reducing TSC's apparent value. (¶¶59-60). Dubreville turned down an $18.5 million offer only five months after he acquired TSC and a year after that sold TSC for more than $25 million. ¶65.

16. Since the value of TSC has been established by arm's length offers to be far in excess of the approved sale price, this claim is valuable to i2 and its shareholders. The damages resulting from the directors' approval of the Transaction, roughly calculated by subtracting the price of either the offers made by VIS/ME before the Transaction ($15-25 million) or immediately after the Transaction ($18.5 million) from the $3 million sale price clearly result in minimum damages of more than $15 million, or $0.70 per share.

B. The Prospective Sale of i2 Before Adjudication Of These Derivative Claims Threatens Irreparable Injury

17. Accordingly, this derivative claim is a valuable asset for which i2 shareholders should receive value in any transaction that may be negotiated. Absent a judgment, however, the claim may well be difficult to value. Importantly, none of the three members of the SRC have any interest in valuing this derivative claim because each of them is a defendant, and of course if a merger is effected before the claim is liquidated, they will avoid the possibility of a judgment and i2 shareholders will no longer be able to realize its value. *Lewis v. Anderson, supra,* at 1049. Accordingly, unless this case is tried to judgment before i2 engages in a merger, i2 shareholders will irreparably lose the value of this claim. *See QVC Network, Inc. v. Paramount Communications, Inc.*, 635 A. 2d 1245, 1273, n. 50 (Del. Ch. 1993), *aff'd,* 637 A.2d 34 (Del. Ch. 1994) (loss of opportunity to receive a superior transaction price constitutes irreparable harm); *Hollinger Int'l, Inc. v. Black,* 844 A. 2d 1022, 1090 (Del. Ch. 2004) (loss of strategic opportunity may pose threat of irreparable injury).

III. SCHEDULING

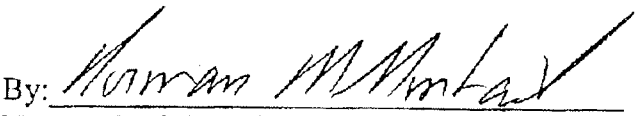
18. Plaintiff believes this case can be ready for trial in mid-March, 2008. Necessary document discovery should be only somewhat more than the substantial production already received in response to the books and records demand. Additional documents would have to be subpoenaed from Sonenshine Partners, the authors of the Transaction's fairness opinion, and from Dubreville regarding subsequent attempts to sell TSC. Depositions of the Individual Defendants and Sonenshine Partners representatives would need to be taken.

19. Plaintiff is prepared to negotiate a workable pre-trial schedule with defendants based on a good faith assessment of when any merger or sale may reasonably be anticipated.

IV. CONCLUSION

For the foregoing reasons, Plaintiff respectfully requests that the Court order expediting proceedings in this action.

ROSENTHAL, MONHAIT & GODDESS, P.A.

By: 

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Dated: November 21, 2007

CERTIFICATE OF SERVICE

I, Norman M. Monhait, hereby certify that on this 21st day of November, 2007, a copy of *Derivative Plaintiff's Motion for Expedited Trial and this Certificate of Service* were served by first class mail, postage prepaid upon the following:

i2 Technologies, Inc.
All Individual Defendants
c/o Corporation Trust Company
1209 Orange Street
Wilmington, DE 19801

/s/ Norman M. Monhait
Norman M. Monhait (DSBA No. 1040)