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LITIGATION

Active/Inactive & Potential Litigation as of October 5, 1984 Page 1 of 9

CASE NAME	ASSIGNED	JURISDICTION	DATE FILED OR SERVED	SUBJECT MATTER	CLAIM	STATUS
PROJECTS NOS. 4/5						
Bridge/Termination Loan C	ases					
City of Bonners Ferry, Idaho, et al. v. WPPSS an Chemical Bank	English/ Culp, Dwyer, Guterson & Grader	Washington State Supreme Court	12/83	Suit by sixteen utilities in Washington, Idaho, Montana and Nevada seeking repayment of "Termination and Bridge Loans".	in Washington, Idaho, Mon-	Summary Judgment granted August 31, 1984. Supply System has appealed.
Inland Power & Light Co. v. WPPSS	Whitlow	Benton County Superior Court	01/84	Suit for repayment of "Termination Loan".	Repayment of \$243,589.90 plus interest and attorney fees.	Answer filed.
PUD No. 1 of Lewis County et al. v. WPPSS and Chemical Bank	English/ Culp, Dwyer, Guterson & Grader	Washington Supreme Court	07/83	Consolidated suit by PUD No. 1 of Lewis County, PUD No. 1 of Clark County, PUD Nos. 1 and 3 of Mason County, PUD No. 1 of Grays Harbor County, PUD No. 1 of Skamania County, PUD No. 1 of Okanogar County, PUD No. 1 of Benton County and City of Tacoma, as well as Plaintiffs in PUD No. 1 of Clallam County v. WPPSS, PUD No. 1 of Franklin County v. WPPSS, PUD No. 1 of Klickitat County v. WPPSS, PUD No. 2 of Pacific County v. WPPSS, City of Richland, et al. v. WPPSS and PUD No. 1 of Snohomish County v. WPPSS for repayment of "Bridge and Termination Loans".		PUD No. 1 of Cowlitz County v. WPPSS, PUD No. 1 of Clallam County v. WPPSS, PUD No. 1 of Franklin County v. WPPSS, PUD No. 1 of Klickitat County v. WPPSS, PUD No. 2 of Pacific County v. WPPSS, PUD City of Richland, et al., v. WPPSS and PUD No. 1 of Sno- homish County v. WPPSS consolidated with this case. Summary Judgment in favor of Plain- tiffs granted. Appeal taken to the Washington Supreme Court. Argument scheduled for September 15, 1984.

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	CASE NAME	ASSIGNED	JURISDICTION	DATE FILED OR SERVED	SUBJECT MATTER	CLAIM	STATUS
=	Salmon River Electrical Coop., et al. v. WPPSS and Chemical Bank	English/ Culp, Dwyer, Guterson & Grader	Washington State Supreme Court	02/84	Suit by seven electrical coops, Vera Irrigation District and City of Milton-Freewater for collection of "Bridge and Termination Loans".	For repayment of "Bridge and Termination Loans", attorney fees, costs and interest.	Motion for Summary Judgment granted September 17, 1984. Supply System has appealed.
	Water & Light Commission of McMinnville, et al., v. WPPSS and Chemical Bank	English/ Culp, Dwyer, Guterson & Grader	Lewis County Superior Court	04/84	Suit seeks judgment against the Supply System and Chemi- cal Bank for repayment of "Termination and Bridge Loans".	Repayment of \$354,698 plus interest for McMinnville and \$241,155 plus interest for Springfield.	Summary Judgment granted Septem- ber 17, 1984.
	BPA v. WPPSS, et al. (formerly WPPSS v. Alder Mutual, et al.)			•			
	(1) <u>Cost Sharing</u>	English/ Whitlow	U.S. District Court Western District	06/83	Action to resolve cost allo- cations between Supply System Projects.	Prayer for declaratory relief defining all parties' obligations regarding cost sharing.	Case assigned to Judge Bilby. Main case is stayed until further order of the Court. Answer filed by Supply System on October 27, 1983.
	(2) IOU Counterclaim on WNP-3 Delay	English/ Riley Skellenger Ginsberg & Bender	U.S. District Court Western District	08/83	Claim of breach of Owner- ship Agreement arising from WNP-3 construction delay.	Breach of contract and fiduciary duty by BPA and WPPSS.	Summary Judgment motions to be argued October 31, 1984. Trial on contract issues set for December 3, 1984.
	(3) BPA v. WPPSS (BPA Authority Issue)	English/ Riley Skellenger Ginsberg & Bender	U.S. District Court Western District	10/83	BPA's authority to guarantee bonds or loans to the Supply System.	Complaint for declaratory relief by BPA that they do have authority.	Supply System filed Answer on Octo- ber 27, 1983 con- curring with BPA's position. Summary Judgment on BPA's authority to guaran- tee bank loans to complete WNP-3 denied.

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CASE NAME	ASSIGNED	JURISDICTION	DATE FILED OR SERVED	SUBJECT MATTER	CLAIM	STATUS
(4) Pacific Power & Light	English	U.S. District Court Western District	02/84	Claim for wrongful termination of WNP-5.	Claim for damages resulting from breach of Ownership Agreement in termination of WNP-5.	
(5) <u>IOU Bridge Loan Claim</u>	English/ Culp, Dwyer Guterson & Grader	U.S. District Court Western District	02/84	Seeks return of "Bridge Loans".	Return of \$5.8 million "Bridge Loan".	Answer filed. Supply System has filed claim for declaration of priority of "Bridge Loans" vis a vis other loans made to Supply System.
(6) Claim by Small Utilities Group re: Construction Delay of WNP-1	English/ Riley Skellenger Ginsberg & Bender	U.S. District Court Western District	03/84	Action arising out of con- struction delay of WNP-1. Breach of contract and re- lated claims versus Supply System, IOUs and others.	Claim for damages to be proven at trial.	Dismissed September 10, 1984 with permission to refile.
(7) Chemical Bank Claim v. BPA	English/ Culp, Dwyer, Guterson & Grader/ Donovan, Leisure, New- ton & Irvine	U.S. District Court Western District	05/84	Claims brought on behalf of Supply System and bond- holders against BPA.	Allegations of negligence and misrepresentation relating to WNP-4/5.	Motion to amend Answer to add this this claim denied.
Chemical Bank v. WPPSS, et al.	English/ Culp, Dwyer, Guterson & Grader	King County Superior Court/ Washington State Supreme Court	05/82	Suit by Bond Fund Trustee for Projects 4 and 5 against the Supply System and all 4/5 Participants for judgment.	Declaration that all participants are bound to make payments to WPPSS.	Supreme Court ruled that participants lacked authority to enter into Participants Agreements. On August 9, 1983, Court ruled on Summary Judgment Motion by co-ops that they are not bound by Participants' Agreements. Motion for Reconsideration argued to Supreme Court. Awaiting decision of Court.

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CASE NAME	ASSIGNED	JURISDICTION	DATE FILED OR SERVED	SUBJECT MATTER	CLAIM	STATUS	
City of Springfield v. WPPSS (Springfield II)	English/ Culp, Dwyer, Guterson & Grader	Lane County, Oregon Circuit Court	03/82	Suit for breach of contract alleging breach of the 4/5 Participants' Agreement.	Damages in an unspecified amount.	No action pending outcome of <u>Chemical</u> <u>Bank</u> . Springfield intends to dismiss.	
City of Springfield v. WPPSS (Springfield III)	English/ Spears, Lubersky, Campbell & Bledsoe	Ninth Circuit Court of Appeals	11/82	Complaint for Declaratory Relief that Plaintiff and other Oregon public participants had authority to enter into the WNP-1, 2, and 3 and sign Net Billing Agreements or that if they didn't have such authority, that BPA be found liable to pay such contract costs.	Declaratory Judgment.	Appeal filed to Ninth Circuit Court of Appeals July 14, 1983. Oral argument heard May 10, 1984. Awaiting decision of the Court.	
4/5 BONDS/SECURITY VIOLATION SUITS							
In re: WPPSS Securities Litigation	English/ Culp, Dwyer, Guterson & Grader/ Donovan, Leisure	U.S. District Court Western District of Washington	03/83	Class action brought on behalf of all who purchased WPPSS bonds for WNP-4/5 alleging provision of material false information and reckless disregard for the truth, fraud and Securities Act violation.	For monetary damages for all losses sustained by the class.	Cases consolidated in Western District of Washington. Discovery is proceeding. Motion to change venue argued September 7, 1984. Depositions will start in January 1985. Chemical Bank's motion to make a claim on Supply System's behalf granted, but stayed by the Court.	
Chemical Bank v. PUD No. 1 of Benton County, et al.	English/ Culp, Dwyer, Guterson & Grader	U.S. District Court Western District of Washington	08/83	Suit by Bond Fund Trustee for Projects 4 and 5 against the Supply System, all 4/5 Participants, Supply System members, Supply System Directors and other indi- viduals and BPA alleging Securities Act violations,	Judgment against all par- ties for violation of Secu- rities laws and upon other stated grounds, plus costs and attorney fees.	Discovery consolidated with <u>In re:</u> WPPSS Securities Litigation.	

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	CASE NAME	ASSIGNED	JURISDICTION	SERVED		CLAIM	31/103
	Chemical Bank v. PUD No. 1 of Benton County, et al. (Continued)				fraud, failure to disclose, mismanagement, negligence, bad faith and misrepresentation. Suit for recision, restitution and unjust enrichment.		
	Glenning v. Sheldon & Co. and WPPSS	English/ Culp, Dwyer, Guterson & Grader/ McLeod, Alexander, Powel & Apffel	U.S. District Court Southern District of Texas, Galveston	07/84	Third party Complaint filed against Supply System seeking indemnification for any amounts awarded by Plaintiff investor against Defendant broker on sale of WNP-4/5 bonds.	Action under SEC laws for damages caused to investor on sale of WNP-4/5 bonds plus interest and attorney fees.	New suit. Motion made to join with In re: WPPSS Securities lawsuit.
	Haberman v. WPPSS, Chemical Bank, et al.	English/ Culp, Dwyer Guterson & Grader	King County Superior Court	. 05/84	Bondholder action versus Chemical Bank, WPPSS and other parties to securities litigation.	Damages arising out of breach of contract, fidu- ciary duty, securities laws, Bond Resolution, etc.	Service made on Supply System. Answer is due November 15, 1984.
	MGIC Indemnity Corporation v. PUD No. 1 of Benton County, et al.	English/ Culp, Dwyer, Guterson & Grader	U.S. District Court Western District of Washington	05/84	Allegations of violation of Federal securities laws, fraud and misrepresentation in the sale of WNP-4/5 bonds.	Damages for four individual bondholders and four unit trusts with a total bond face value of more than \$22 million.	Consolidated with In re: WPPSS Securities Litigation.
	EEO/LABOR RELATIONS/PERSONNEL						
J	WPPSS v. Local 76	Mouncer/ Schweppe, Doolittle, Krug, Tausend & Beezer	U.S. District Court, Western District at Tacoma	10/82	Complaint for damages arising out of illegal secondary boycott.	Damages to be proven at trial.	Discovery status.
	Local 598 v. WPPSS	Bensussen/ Lund	Benton County Superior Court	03/82	Complaint that Supply System security procedures violate constitutional due process.	Injunctive relief and unspecified monetary damages.	Trial set for October 8, 1984.

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CASE NAME	ASSIGNED	JURISDICTION	DATE FILED OR SERVED	SUBJECT MATTER	CLAIM	STATUS
Local 598 v. WPPSS	Bensussen/ Lund	Benton County Superior Court	08/83	Complaint for Injunctive Relief and damages arising out of the barrment of six members of Local 598 from the site for violations of site rules.	Damages to be proven at trial and injunction pro- hibiting Supply System from barring individuals from site without hearing.	Trial set for November 5, 1984.
Seal, et al. v. WPPSS	Mouncer/ Schweppe, Doolittle, Krug, Tausend and Beezer	Benton County Superior Court	12/81	Wrongful termination of Security Guards - RIF - Union activity.	Unspecified monetary damages.	Inactive status.
AND FUEL CONTRACTS						
American Air Filter Co. v. WPPSS	Bensussen	King County Superior Court	08/84	Suit for payment on WNP-5 portion of Contract No. 3240-67 (HVAC Packaged Air Handling Units)	\$833,000 plus interest at 12% and costs.	Answer filed.
Elgar Corp. v. WPPSS, Ebasco and INA	Massoni	Benton County Superior Court	12/83	Breach of contract on WNP-5 portion of contract 3240-52.	Suit for \$259,652 plus attorney fees.	Answer filed. Discovery in process.
George A. Grant, Inc. v. WPPSS	Bensussen/ Whitlow	Benton County Superior Court	11/83	Suit on Contract Nos. 9779-252 and 9779-222 in termination of Contract for spray ponds, air intake structures at WNP-1 and 4.	\$1,650,760 plus interest on Contract 9779-252 and \$644,727 plus interest on Contract 9779-222	Trial date set for January 16, 1985.
Johnson-March v. WPPSS	Bensussen/ White & Williams	U.S. District Court Eastern District of Pennsylvania	07/84	Suit for breach of contract (non-payment) on WNP-5 Contract Nos. 9779-60B and 3240-67.	\$70,757.36 plus interest.	Motion to dismiss or to transfer suit to Eastern District of Washington filed.
Lampson Universal Rigging, Inc. v. WPPSS	Bensussen/ Whitlow	Benton County Superior Court	02/83	Suit on Contract No. 9779-259 for WNP-4 on ter- mination of crane contract.	\$1,591,533.57 plus inter- est @ 12 percent.	Partial Summary Judgment entered against Supply Sys- tem. Motion to require supersedeas

Active/Inactive & Potential Litigation as of October 5, 1984 Page 7 of 9

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CASE NAME	ASSIGNED	JURISDICTION	SERVED	SUBJECT MATTER	CLAIM	STATUS
Lampson Universal Rigging, Inc. v. WPPSS (Continued)						bond to be argued October 11, 1984. Responsibility of case assumed by in-house counsel.
WPPSS v. Pittsburgh-Des Moines Corp. and The American Insurance Companay	Bensussen/ Riley Skellenger Ginsberg & Bender	U.S. District Court Eastern District	05/84	Complaint for breach of contract, breach of warranties and damages arising out of Contracts 213, 213A and 213B on the WNP-2 containment vessel.	Damages to be proven at trial.	Discovery in process. Trial set for April 2, 1986.
WPPSS v. Stewart and Stevenson	Bensussen	U.S. District Court Eastern District	06/84	Suit for breach of warranty and breach of contract on WNP-2 Contract 2808-53 diesel generators.	An amount in excess of \$500,000.	Service of process completed. Status conference set for October 11, 1984.
University Nuclear Systems, Inc. v. WPPSS	Bensussen/ Massoni	Thurston County Superior Court	08/84	Suit for monies owed due to termination of WNP-1/4 Contract No. 9779-216 (Mechanical Systems).	\$1,227,660.81	Answer filed.
PERSONAL INJURY, ETC.						
Willard W. Carey v. Burns & Roe, Inc. and WPPSS	Massoni/ Matheson	King County Superior Court	02/83	Suit for personal injuries arising from fall at WNP-2.	Damages in an amount to be proven at time of trial. Prior claim filed in the sum of \$1 million.	Discovery in process. Case retendered to Supply System.
Conti v. WPPSS, et al.	Burke/ Betts, Patterson & Mines	Grays Harbor County Superior Court	07/82	Personal injury suit arising out of construction accident at WNP-3/5.		Defense accepted by Ebasco. Trial date set for November 6, 1984.
Critchley v. Ebasco, WPPSS, et al.	Whitlow	Pierce County Superior Court	04/84	Suit for wrongful death arising out of a fall at WNP-5.	Suit seeks damages in an amount to be proven at trial. Prior claim filed in the sum of \$2 million.	Answer filed. Tender accepted by contractor. Discovery status.

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CASE NAME	ASSIGNED	JURISDICTION	DATE FILED OR SERVED	SUBJECT MATTER	CLAIM	STATUS
Nelson v. WPPSS, et al.	Lund/ Billett, Comfort & Rosenow	U.S. District Court Western District	12/82	Personal injury claim arising from fall at WNP-3/5.	Damages to be proven at trial, claimed amount being \$10,000,000.	Discovery in process. Trial in progress during week of October 1, 1984.
Nygren v. Ebasco, WPPSS, et al.	Lund/ Eisenhower, Carlson, et al.	Washington State Court of Appeals	10/81	Personal injury claim arising out of injury at WNP-3.	Damages to be proven at trial. Claim submitted in amount of \$1,500,000.	Summary Judgment Motion granted in favor of Ebasco and WPPSS. Appeal filed to Washington State Court of Appeals.
Weatherford v. J. A. Jones, Inc.; WPPSS, et al.	Lund/ Whitlow	Benton County Superior Court	08/84	Suit brought by an individual arising out of an injury at WNP-1.	Allegation that Defendant breached its duty to maintain a safe work place. Damages to be proven at trial.	Answer filed. Dis- covery in process.
MISCELLANEOUS LITIGATION						
WPPSS v. California Western States Life Insurance, et al.	Whitlow/ Matheson	Benton County Superior Court	04/84	Suit brought by the Supply System seeking accounting and return of reserve due Supply System after com- pletion of term of group insurance policy.	Accounting and damages in an amount to be proven at trial.	Discovery in process. Motion for default Judgment set for October 25, 1984.
WPPSS v. Fischbach, Moore, et al.	Bensussen/ Culp, Dwyer Guterson & Grader	U.S. District Court Western District of Washington	08/83	Suit against electrical contractors alleging bid rigging and price fixing.	Damages in an amount to be proven at trial.	Stipulated discovery procedure is in process. Kansas Power & Light has joined as a Plaintiff. Court set discovery schedule provided that document production is to be completed by September 1, 1984, and all discovery completed by July 1, 1985. Pretrial conference set

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CASE NAME	ASSIGNED	JURISDICTION	DATE FILED OR SERVED	SUBJECT MATTER	CLAIM	STATUS
WPPSS v. Fischbach, Moore, et al. (Continued)						September 27, 1985, and trial to be set in early 1986.
Kahn v. WPPSS	Doupé/ Riley Skellenger Ginsberg & Bender	King County Superior Court	08/81	Allegation that Participants' Committee is subject to Open Meetings Act.	Declaratory Judgment.	Dormant.
WPPSS v. Lord Electric, et al.	Massoni/ Bensussen	U.S. District Court Eastern District of Washington	09/84	Suit against contractor for civil damages arising out of kickbacks on Project 2 contract with Bisco and Chemtrol who were subcontractors.	Direct and treble damages.	New suit.
Pacific Power & Light, et al. v. WPPSS	Burke	Grays Harbor County Superior Court	01/83	Private owners seek decla- ration of title interest in the ownership of WNP-3 prop- erty and order requiring conveyance.	Complaint to quiet title and for declaration of trust and specific performance.	Case is inactive pending disposition of cost sharing suits.

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				DATE			Page 1 of 2
	CASE NAME	ASSIGNED	JURISDICTION	FILED OR SERVED	SUBJECT MATTER	CLAIM	· STATUS
	SETTLEMENTS AND CASES CLOSED QUARTER ENDING SEPTEMBER 30, 19	9 <u>84</u>					
	Burlington Northern, Inc. v. WPPSS	Whitlow	Benton County Superior Court	12/82	Collection action for non- payment for use of railroad flatcar at WNP-1.	\$6,055.37 plus costs and reasonable attorney fees.	Summary Judgment granted June 15, 1984.
	WPPSS v. Date (Crabshell Alliance)	Doupé/ Riley Skellenger Ginsberg & Bender	Grays Harbor County Superior Court	06/78	Injunction for trespass - Counterclaim for damages for false arrest and Injunction from construction of the plants.	Injunctive action. Counter- claim in sum of \$10,000 per each of 22 Defendants.	Dismissed by the Court for lack of prosecution.
	Dimler v. WPPSS	Whitlow	Grays Harbor Superior Court	02/84	Wrongful discharge.	For monetary damages, back wages and reinstatement of employment.	Case settled.
	Dobson, et al. v. Randolph	Mouncer	Thurston County Superior Court	05/83	Suit brought by Dale Dobson seeking injunctive relief to cancel liens and for damages.	Suit seeks release of "common law liens" filed against property of certain Supply System employees and officers plus damages.	Default Judgment entered July 23, 1984 against Defen- dant. Liens ordered dismissed.
)	Hubbard v. WPPSS	Mouncer/ Whitlow	Washington Supreme Court	12/78	Wrongful discharge.	Unspecified monetary damages plus \$250,000 damage to his reputation.	Dismissed on Defendant's Motion for Summary Judgment. Dismissal affirmed by Washington State Court of Appeals. Appeal denied by Washington Supreme Court.
	Riedel International, Inc. v. Welk Brothers Metal Products, WPPSS and Seaboard Surety Co.	Bensussen	Benton County Superior Court	02/84	Foreclosure on claim against retention.	Supply System is holding retention.	Welk Brothers filed for bankruptcy. Action stayed by bankruptcy filings.
	Spalding v. Grays Harbor County/WPPSS	Doupé/ Riley Skellenger Ginsberg & Bender	Grays Harbor County Superior Court	10/75	Challenges the legal validity of purchases of land in Grays Harbor County.	Declaratory Judgment seek- ing to set aside sale of property to Supply System.	Dismissed by the Court for lack of prosecution.

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CASE NAME	ASSIGNED	JURISDICTION	DATE FILED OR SERVED	SUBJECT MATTER	CLAIM	STATUS
Stoy v. WPPSS and PUD No. 1 of Grays Harbor County	Doupé/ Riley Skellenger Ginsberg & Bender	Grays Harbor County Superior Court	10/75	Challenges the legal validity of purchases of land in Grays Harbor County.	Set aside sale of land to Supply System.	Dismissed by the Court for lack of prosecution.
WPPSS v. Western Nuclear, et al.	Mouncer/ Culp, Dwyer, Guterson & Grader/Free- man, Rothe, Freeman and Salzman	Ninth Circuit Court of Appeals	11/81	Antitrust case - Uranium price fixing. Counterclaim for breach of contract.	Antitrust damages to be proven at trial. W/N has filed for Summary Judgment on its counterclaim seeking \$60,232,294, subject to prejudgment interest and discounting.	Western Nuclear con- tract case dismissed with Supply System paying \$25 million settlement. Settle- ment Agreement on antitrust claims has been executed and funds received by Supply System.

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CASE NAME	ASSIGNED	JURISDICTION	FILED OR SERVED	SUBJECT MATTER	CLAIM	STATUS
SETTLEMENTS AND CASES CLOSED						
QUARTER ENDING DECEMBER 31, 198	<u>84</u>					
WPPSS v. Asson (Idaho Participants' Authority)	English/ Eberle, Ber- lin, Kading, Turnbow & Gillespie	U.S. Supreme Court	08/82	Action alleging WNP-4/5 Participants' Agreement is invalid under Idaho constitution.	Injunctive Relief preventing Idaho cities from complying with their Participants' Agreements.	Idaho Supreme Court ruled on September 26, 1983 that Idaho municipalities lacked authority to enter into WNP-4/5 Participants' Agreements. Petition for Writ of Certiorari denied October 1984.
Jones v. WPPSS	Whitlow	Benton County Superior Court	09/83	Suit for personal injury arising out of automobile accident. Allegation that Supply System negligently failed to maintain traffic light.	Damages in an amount to be proven at trial.	Case settled.
Stultz v. Bechtel; Brand Insulation, Inc.; TSI, Inc. and WPPSS	Massoni	Benton County Superior Court	02/84	Class action alleging "tor- tious outrage", product liability, negligence and fraudulent misrepresenta- tion in the usage of the product Thermo-lag causing physical and emotional harm to Plaintiff and those similarly situated.	Damages to be proven at trial, plus costs and disbursements.	Case dismissed by Plaintiff seeking Voluntary Nonsuit.