

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF GEORGIA
BRUNSWICK DIVISION

EDWIN C. DELOACH AND LINDA §
DELOACH, INDIVIDUALLY AND AS §
NATURAL GUARDIANS AND NEXT §
FRIENDS OF ROBERT E. DELOACH, §
A MINOR, §

Plaintiffs, §

VS. §

CIVIL ACTION NO. 292-78

REMINGTON ARMS COMPANY, INC., §
AND E. I. DUPONT DE NEMOURS §
AND COMPANY, §

Defendants. §

AFFIDAVIT OF WILLIAM H. COLEMAN, II

THE STATE OF NEW YORK §
§
COUNTY OF HERKIMER §

BEFORE ME, the undersigned authority, on this day personally appeared William H. Coleman, II, who, after being fully identified to me and first being duly sworn according to the law, upon his oath deposed and stated:

"My name is William H. Coleman, II. I am over twenty-one (21) years of age, have never been convicted of a crime, and am fully competent to make this affidavit. I have personal knowledge of the facts stated herein and all facts are true and correct.

In February of this year, I retired from Remington Arms Company, Inc. Prior to this retirement, however, I was Technical Manager in charge of, among other things, the Research

and Development Division of Remington Arms Company, Inc. Therefore, I have personal knowledge of the following: Since approximately late 1980-81, Remington has been working on a proposed design for a new bolt-action rifle (NBAR). That rifle has not, to date, been manufactured and is presently loosely scheduled in an undefined form for production in the next several years. The NBAR project has taken many forms, both conceptually and in the drawing and prototype stages, from the standpoint of features and the marketing niche it is designed to fill. The design inputs for the NBAR project have come from a variety of sources, including consumer research, marketing, individual design staff within Remington, and evaluation of past designs and the present designs of competitors, as well as the collective expertise of the Remington personnel. At the present time, Remington does not anticipate discontinuing production of the Model 700 even if the NBAR is produced. The Model 700 remains one of Remington's most popular products and maintains a strong position within the center-fire bolt-action rifle market.

The development of a new product requires significant lead time. During the natural course of new product development, documents, and other materials are created. As more fully detailed below, these documents as well as the concepts they embody must remain the confidential property of Remington. Some of the new design concepts involved in the NBAR program are so novel that Remington will eventually seek to patent them. These designs have not yet evolved, however, to the state where they are patentable.

Because NBAR remains a concept and not a rifle, the difference between NBAR and the Model 700 cannot be fully described. However, NBAR components that are or have been under

consideration include a different receiver, different stock, different magazine and feeding system, different fire control, different extractor, different scope mounting system, different bolts, different barrels, different bolt-latch designs, and numerous cosmetic alternatives, among other differences. The Research and Development Division of Remington considers the purpose of the NBAR program to be development of an entirely new rifle.

Because the NBAR documents reveal business and marketing strategy of Remington as well as its consumer research, such documents are confidential and proprietary and should not be subject to discovery. Remington's future marketing strategy indicates in very clear terms the measures that Remington may take to preserve or enhance its market position. If these plans are made known to Remington's competitors, Remington would lose the benefit of its efforts in this respect. This would place Remington at an extreme disadvantage in the center-fire, bolt-action rifle marketplace.

Remington would also be placed at a disadvantage with respect to the purchasers of Remington's present product line who may be apprehensive about having excess quantities of the older bolt-action rifle line in their inventory. Additionally, if it became known that Remington will be introducing a new product or is scheduled to introduce a new product, it would immediately adversely impact sales at the retail level and, in turn, would impact Remington and the persons who maintain inventory of Remington products.

Furthermore, distribution of these documents would provide Remington's competitors with an overview and summary of the entire program. This would be valuable to Remington's

competitors and costly to Remington in that it would reveal the course of the program to date and Remington's plans for the program's future.

Dissemination of the material to competitors, the public, and also sports writers would cause irreparable harm to Remington.

It is therefore imperative that the documents and concepts that represent Remington's attempts to produce a new center-fire, bolt-action rifle remain the confidential property of Remington. The market for that product is marked by keen competition. That market is presently estimated to have a value in the range of \$180 million to \$200 million annual sales among the several major producers of domestic bolt-action rifles. Disclosure of information relating to the development of a new product in that market would substantially impact Remington's position in the market, resulting in an actual, quantifiable, monetary loss.

Having been the Supervisor of the Research and Development section, I am familiar with the security measures undertaken by Remington to safeguard the confidentiality of documents and materials generated in the design of a new product. First, all such documents are maintained in an area of Remington's Ilion, New York manufacturing facility, which is not accessible by the general public. No person who is not a Remington employee is admitted into the research department without official clearance. Each person admitted is provided an escort. Moreover, the NBAR documents are subject only to very limited circulation, even among Remington staff. Access to this confidential information is on a "need-to-know" basis. Each employee has an individual responsibility to safeguard confidential information that has been obtained in connection with his or her employment."

FURTHER AFFIANT SAYETH NOT.

William H. Coleman, II
WILLIAM H. COLEMAN, II

SWORN TO AND SUBSCRIBED BEFORE ME on this 9th day of
November, 1992, to certify which witness my hand and seal of office.

MARGARET D. HALL
4837696
Notary Public, State of New York
Registered in Herkimer County
My Commission Expires 1/31/93

Margaret D. Hall
Notary Public in and for the
State of New York