



## **Dycom Industries, Inc. Files Amended Complaint Against Quanta Services, Inc. For Breach Of Contract**

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PALM BEACH GARDENS, Fla., May 5, 2016 /[PRNewswire](#)/ -- Dycom Industries, Inc. (NYSE: DY) announced today that it has filed an amended complaint (the "Complaint") against Quanta Services, Inc. (NYSE: PWR) for violating the parties' 2012 stock purchase agreement, under which Dycom acquired Quanta's telecommunications infrastructure services subsidiaries for more than \$300 million. The Complaint alleges that Quanta intentionally violated, and continues to violate, several contractual covenants, including both the non-compete and non-solicitation provisions. Dycom also alleges that under applicable law, Quanta is indefinitely barred from actively soliciting customers of the businesses it sold. The Complaint was filed in the United States District Court for the Southern District of New York, where an initial complaint was filed on March 31, 2016.

"We will see this litigation through to ensure that Dycom and its stockholders obtain everything that we are entitled to under the agreement," said Steven Nielsen, President and Chief Executive Officer of Dycom Industries, Inc. "When we buy a business we expect the sellers to honor their obligations."

Despite contractual restrictions on Quanta's ability to compete with Dycom in the U.S. telecommunications infrastructure business for several years and its ability to solicit and hire Dycom employees, Quanta has not complied with its obligations. As detailed in Dycom's Complaint, Dycom alleges that Quanta has violated its obligations under the 2012 agreement by:

- Soliciting and hiring the head of a Dycom telecommunications engineering subsidiary and using the hiring of that employee as a springboard to make additional raids on Dycom's employees.
- Participating in bidding processes to compete for major contracts with a fiber-optic network operator in the United States, which was a customer of a subsidiary sold to Dycom in 2012, including by attending pre-bid meetings with the customer.
- Planning to copy Dycom's promotional materials and to attend telecommunications industry tradeshows to develop customer relationships, as revealed in internal email communications mistakenly forwarded by Quanta employees to Dycom.
- Advertising on the website for its Potelco subsidiary that it provides telecommunications infrastructure services in the Pacific Northwest, and separately forming a new subsidiary to provide additional telecommunications infrastructure services throughout the United States.

Before commencing litigation, Dycom reached out to Quanta on multiple occasions seeking assurances that Quanta had not violated, and would abide by, its obligations under the 2012 agreement. When Quanta refused to provide those assurances, Dycom was left with no choice but to pursue legal action.

Dycom seeks injunctive relief barring Quanta from further engaging in prohibited competition, declaratory and injunctive relief indefinitely prohibiting Quanta from actively soliciting customers of the telecommunications infrastructure business it sold to Dycom in 2012, and indemnification for the losses it has suffered.

Dycom is represented by Scott Edelman and Alexander Lees of Milbank, Tweed, Hadley & McCloy LLP.

### **Forward Looking Information**

This press release contains forward-looking statements as contemplated by the 1995 Private Securities Litigation Reform Act. These statements are based on management's current expectations, estimates and projections. Forward-looking statements are subject to risks and uncertainties that may cause actual results in the future to differ materially from the results and expectations expressed or implied in any forward-looking statements contained in this press release. The most significant of these risks and uncertainties are described in our Form 10-K, Form 10-Q and Form 8-K reports (including all amendments to those reports) filed with the Securities and Exchange Commission. The Company does not undertake to update forward-looking statements.

### **About Dycom Industries, Inc.**

Dycom is a leading provider of specialty contracting services throughout the United States and in Canada. These services include project management, engineering, construction, maintenance and installation services for telecommunications providers, underground facility locating services for various utilities, including telecommunications providers, and other construction and maintenance services for electric and gas utilities.

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