

STATE OF NEW MEXICO  
COUNTY OF SANTA FE  
FIRST JUDICIAL DISTRICT COURT

AVANGRID, INC., a New York Corporation,

Plaintiff,

- against -

SECURITY LIMITS, INC., and PAULO SILVA, an  
individual,

Defendants

**COMPLAINT**

Plaintiff Avangrid, Inc. (“Avangrid” or “Plaintiff”) hereby alleges and complains against Defendants Security Limits, Inc. (“Security Limits”) and Paulo Silva (“Silva”) (collectively “Defendants”) as follows:

**INTRODUCTION**

1. This action arises out of a scheme by Defendants to extort Avangrid, a leading, sustainable energy company with \$39 billion in assets and operations in 24 U.S. states. Security Limits is a disgruntled former subcontractor of Avangrid that sought to obtain tender awards from Avangrid. When it failed to do so, Security Limits and Silva, its Chief Executive Officer and owner, threatened to make public, negative statements about Avangrid. When Avangrid refused their extortion attempt, Defendants made false, defamatory and malicious public statements designed to harm Avangrid during two public comment periods before the New Mexico Public Regulation Commission (“PRC”) regarding Avangrid’s proposed merger with PNM Resources, Inc. (“PNMR”), the holding company for the largest private utility company in New Mexico.

2. Security Limits provided certain information technology services from approximately February 2018 to December 2018, as a subcontractor of third-party SNC, Ltd., and from January 2019 to September 2019, as a subcontractor of third-party Unlimited Technology, Inc. (“Unlimited Technology”), to Avangrid Service Company (“Avangrid Service Co.”), a subsidiary of Avangrid. Unlimited Technology ceased using Security Limits’ services when the scope of the work for Security Limits concluded; Unlimited Technology then awarded other parts of the project to other vendors.

3. Security Limits and Silva initiated a dispute with Unlimited Technology, including over payment. Apparently unhappy with the outcome of that dispute, Defendants turned to Plaintiff.

4. Since that time, Defendants have repeatedly made unsubstantiated and self-serving allegations, claims, and threats in a transparent attempt to harass, intimidate and extort Plaintiff. Avangrid has repeatedly responded to Defendants and denied their false allegations. For example, on March 26, 2021, Avangrid wrote to counsel for Security Limits in an effort to cause Security Limits to cease and desist:

I am in receipt of your prior correspondences as well as the most recent correspondence to me received directly from Mr. Paulo Silva of Security Limits, Inc.

The letters and e-mails from your client contain unsubstantiated and self-serving allegations, claims and threats in a transparent attempt to harass and intimidate Avangrid. Also, it appears that your client was unable to secure perceived redress from Unlimited Technologies, Inc. (UTI), so he has now turned his attention to Avangrid. Avangrid will not be lured into a dispute between SLI and UTI or any other party.

As for the allegations and claims directed at Avangrid, my client denies such allegations and claims and sees them as harassment and potentially defamatory. If this harassment persists Avangrid will consider legal recourse.

Avangrid has no intention of responding further.

5. Yet, at the same time, undermining the credibility of Defendants' statements, Silva has touted and continues to tout an affiliation with Avangrid on his LinkedIn page.<sup>1</sup> And Security Limits has a video it has entitled "The Success Story: Avangrid" on its Vimeo user page.<sup>2</sup>

6. Defendants also desired to do work for Avangrid, repeatedly inquiring via email to Avangrid about doing further work for it. For example, Silva emailed Avangrid personnel more than two dozen times from November 2019 to the present, including the sequence of emails set out below:

7. On Sunday, July 11, 2021 at 4:20 p.m. E.D.T., Silva wrote to Brian Ewing and to Tamara Jones-Smith of Avangrid and two persons at Ironclad Security:

Hello Brian,

Can you please provide an update on the ICT Engineering Award? It has been over two years now and I have not received a formal response from AVANGRID. Please advise.

Paulo

8. On Monday, July 12, 2021 at 8:43 a.m. E.D.T., Brian Ewing responded:

Paulo,

To date nothing has been awarded.

Best Regards,

Brian Ewing

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<sup>1</sup> <https://www.linkedin.com/in/paulosilva-cybersecurity>.

<sup>2</sup> <https://vimeo.com/449409098>.

9. On that same day, at 8:59 a.m. E.D.T., Silva responded:

Brian,

Thank you for your response.

Is there a date for releasing this award? Is it still procurement's intention to release the award for these services? Security Limits originally bid on this award over two years ago. Please advise.

Paulo

10. On that same day, at 9:36 a.m. E.D.T., Ewing responded:

Paulo,

I am not sure. There has been no direction given from the business area.

Best Regards,

Brian Ewing

11. On that same day at 9:52 a.m. E.D.T., Silva responded:

Would you so kindly contact the business area and ask them their intentions? Are they planning to award it at some point in it's [sic] entirety or at least a partial award? Perhaps [sic], there is still a path forward.

Please let me know,

Paulo

12. On July 14, 2021 at 12:12 p.m. E.D.T., Silva wrote:

Hello Brian,

Is this something you can respond to or provide a position. My company has been waiting for a position in excess of two years now. It would be great if we can work together towards closure.

Regards,

Paulo

13. On August 4, 2021 at 10:06 a.m. E.D.T., Silva sent a follow-up email the same parties as follows:

Hello Brian,

Is there an update you can provide here? Thanks.

14. Later that same day, August 4, 2021, at 6:08 p.m. E.D.T., Silva once again emailed Avangrid, writing to Avangrid in-house counsel Jeffrey Rosenbloom. He also emailed numerous high-level executives at Iberdrola, S.A. (Avangrid is part of the Iberdrola Group; Iberdrola, S.A. is global company and an energy pioneer with one of the largest renewable asset bases of any company in the world). Silva wrote:

Dear Mr. Rosenbloom and Mrs. Herrera,

Please be advised that Security Limits Inc. will be filing next week a motion to intervene after the deadline; CASE no. 20-00222-UT with the Public Regulation Committee in the State of New Mexico. I have also been invited to participate in the Public Hearing scheduled for August 9<sup>th</sup>. I provide a summary for your review in the interest of “Full Disclosure”. Should you have any questions, please do not hesitate to contact us.

Please see email chain below. There has been no more responses to the ICT Engineering Tender, a tender award that has been pending in excess of two years. I also take this opportunity to request that you ensure John Allen (Former Director) has not resigned from AVANGRID in the possession of Security Limits Inc.’s Ironclad® Design Materials, a.k.a. AVANGRID SECURE DOMAIN RUNBOOK. This would be a violation of the enclosed agreement.

15. The attached “summary” that Silva threatened to share contained numerous false statements and allegations about Plaintiff, which, if believed, would damage Plaintiff’s reputation and harm Avangrid’s merger efforts with PNMR.

16. Silva's email of August 4, 2021 at 6:08 p.m. followed a sequence of emails seeking to be awarded a valuable tender award for Security Limits and was a threat to provide negative information about Avangrid to the PRC considering Avangrid's merger with PNMR unless Avangrid responded positively to Defendants' effort to obtain a tender award from Avangrid, an award that would be valuable for Security Limits. The law does not countenance such a threat and defines what occurred as criminal extortion. Under New Mexico Statutes Section 30-16-9 (2020), Extortion is defined, in relevant part, as follows:

Extortion consists of the communication or transmission of any threat to another by any means whatsoever with intent thereby to wrongfully obtain anything of value or to wrongfully compel [compel] the person threatened to do or refrain from doing any act against his will.

Any of the following acts shall be sufficient to constitute a threat under this section:

A. a threat to do an unlawful injury to the person or property of the person threatened or of another;

B. a threat to accuse the person threatened, or another, of any crime;

C. a threat to expose, or impute to the person threatened, or another, any deformity or disgrace;

....

Whoever commits extortion is guilty of a third degree felony.

17. As set out in the email quoted above, the first paragraph is the "threat," and the second paragraph is his effort to obtain "value" from Avangrid.

18. Thus, Defendants threatened to accuse Avangrid of crimes and to expose, or impute to Avangrid, wrongful acts, all with the intent to injure Avangrid if Defendants did not get their way. The purpose of Defendants' email was thus to extort Plaintiff into responding favorably to their inquiries about the tender award or risk Defendants' interference with the merger.

19. Avangrid did not respond to Defendants' threats and refused to be extorted.

20. On August 9, 2021, Silva appeared via a Zoom call before the PRC during the public comment period to carry through on his threats. He was not under oath. As described more specifically herein, after identifying himself as the CEO of Security Limits and implying that, in that capacity, he had acquired inside information regarding Plaintiff, Silva made numerous false and defamatory statements, including that (1) there were "procurement-corruption, extortion, and coercion tactics within Iberdrola and Avangrid," (2) certain Iberdrola and Iberdrola-affiliated officers have "previously been indicted in Spain for corporate espionage and procurement fraud," (3) that Avangrid introduced "risks to national security," and (4) implying that Avangrid had hacked participants' computers and stating that Avangrid "is obtaining lots of information through incorrect channels about these proceedings." These statements were made in furtherance of Defendants' unlawful attempt to extort Avangrid.

21. On Monday, November 29, 2021, Security Limits filed a complaint in the U.S. District Court for the Southern District of New York, alleging various causes of actions against Avangrid, Iberdrola, and others.

22. On December 1, 2021, Silva once again appeared to provide comments in New Mexico in opposition to the merger with PNM. He was not under oath. Among other things, Silva stated that he had "discovered that Avangrid's conduct artificially raised rates paid by consumers in New York and illegally enriched Avangrid's favorite bidders."

23. All of Silva's statements are false, defamatory, and part of Defendants' criminal extortion effort. These statements have caused serious harm to Plaintiff's reputation, including by casting Plaintiff in a negative light before the PRC considering the merger as Avangrid works to obtain its approval for the proposed merger with PNM, Avangrid's current and future customers, and the public in general.

24. Further, Silva made these statements maliciously and as a result, *inter alia*, of Unlimited Technology’s termination of Security Limits, Avangrid’s not awarding Security Limits additional work, and Plaintiff’s refusal to give into his extortion. Silva’s simultaneous actions further demonstrate the falsity of his statement to the PRC: while decrying the purported corruption within Iberdrola and Avangrid and going so far as to compare them to a “cabal” having a “moral compass” “as twisted as Enron[’s],” Silva was desperately trying to get work from them.

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25. Avangrid brings this action not just to call out Defendants’ outrageous conduct but to endeavor to make the public process for providing comments to the PRC on the proposed merger—and future such processes—better. Avangrid recognizes and supports the right of the public to comment on the proposed merger, to ask questions about it, and to offer facts backing or opposing the merger. Indeed, the public comment process should be a valuable opportunity for the public to provide information to the PRC, to Avangrid, and to the general public. As a company that is entrusted with serving the power needs of hundreds of thousands of customers, Avangrid takes public comments seriously. Through Defendants’ false and malicious comments, however, Defendants have debased and subverted the entire public comment process by using it for their own benefit as part of an extortion scheme and by failing to speak the truth about Plaintiff.

### **THE PARTIES**

26. Plaintiff Avangrid, Inc. is a New York corporation with its principal place of business at 180 Marsh Hill Road, Orange, Connecticut. Through multiple subsidiaries, Avangrid provides energy services to approximately 3.3 million customers in New York and New England. Avangrid is a national leader in providing energy generated from renewable sources. Avangrid’s majority shareholder is Iberdrola, S.A, is a Spanish company with its principal place of business



at Plaza Euskadi, 5 Bilbao, 48009 Spain. Iberdrola is one of the largest providers of renewable energy in the world.

27. Defendant Security Limits, Inc. is a New York corporation.

28. Defendant Paulo Silva is, on information and belief, a citizen of Pennsylvania. He is the Chief Executive Officer and/or owner of Security Limits. At all times, Silva was acting on behalf of Security Limits.

### **JURISDICTION AND VENUE**

29. The Court has subject matter jurisdiction over this action pursuant to Article VI, Section 13 of the Constitution of New Mexico.

30. The Court has personal jurisdiction over Defendants pursuant to New Mexico Statutes § 38-1-16(A)(3) because Defendants committed their tortious conduct within the state by Silva's appearing via a Zoom call before the PRC, while acting on behalf of Security Limits.

31. Venue in this Court is proper under New Mexico Statutes § 38-3-1(F) because Defendants are not residents of New Mexico.

### **FACTUAL ALLEGATIONS**

#### **I. DEFENDANT SECURITY LIMITS PROVIDES LIMITED INFORMATION TECHNOLOGY SECURITY SERVICES TO A CONTRACTOR OF AVANGRID SERVICE CO.**

32. In September 2016, Avangrid Service Co., a subsidiary of Plaintiff Avangrid, entered a Master Services Procurement Agreement ("Master Agreement") with Unlimited Technology to provide various services to Avangrid Service Co., including information technology security services.

33. In 2019, pursuant to the Master Agreement, Unlimited Technology subcontracted with Security Limits, for which Silva serves as Chief Executive Officer, to provide specified information technology security services to Avangrid Service Co. Security Limits had previously

subcontracted with SNC Lavalin from February 2018 to December 2018 to provide specified services to Avangrid Service Co.

34. In September 2019, the scope of the work for Security Limits concluded, and Unlimited Technology ceased using Security Limits' services.

35. In 2020, Security Limits had a series of disputes with Unlimited Technology, including a \$178,000 payment dispute.

36. Apparently dissatisfied with the outcome of its disputes with Unlimited Technology, Defendants then began making unsubstantiated and self-serving allegations, claims, and threats in a transparent attempt to harass and intimidate Plaintiff.

37. At the same time, however, Defendants repeatedly endeavored to obtain work for Security Limits from Avangrid, including by making multiple direct requests to participate in a tender offer, although, in at least one circumstance, Defendants did not qualify to participate, and inquiring about a tender award for which they had already submitted a bid.

## **II. AVANGRID AND PNMR APPLY TO THE PRC FOR APPROVAL OF THE PROPOSED MERGER, AND THE PRC HOLDS A PUBLIC COMMENT SESSION**

38. In early 2020, PNMR began searching for an energy services company to merge with. It specifically sought a merger partner with sufficient financial resources and a great track record with renewable energy to enable it to leverage new technologies and generate electricity from New Mexico's abundant solar and wind sources on a commercial scale. Avangrid satisfied these conditions.

39. In August 2020 Avangrid presented an offer letter to PNMR. In October 2020 Avangrid and PNMR entered an Agreement and Plan of Merger. In November 2020 Avangrid and PNMR filed a Joint Application before the PRC, which must approve the proposed merger as being

in the public interest. The PRC appointed a Hearing Examiner to take evidence and testimony from Avangrid, PNMR, and other interested stakeholders and to make a recommendation to the PRC.

40. As part of this process, the Hearing Examiner scheduled a public comment session on August 9, 2021. During this public comment session, any member of the public could participate and offer comments via a Zoom call. All public comments were streamed on YouTube after a delay of approximately 90 seconds. A similar session was held on December 1, 2021.

41. The public comment session did not include due process or the trappings thereof. For example, none of the members of the public who offered oral comments were required to do so under oath or affirmation. Nor were they subject to any type of questioning or cross-examination, either by the Hearing Examiner, Avangrid, or anyone else. Nor was advance notice provided regarding which members of the public would be offering comments. In addition, the PRC cannot properly take any of the comments offered as evidence or formally consider such comments in rendering its decision of whether to approve the merger.

### **III. DEFENDANT SILVA THREATENS PLAINTIFF AND MAKES FALSE AND DEFAMATORY STATEMENTS DURING PUBLIC COMMENT SESSIONS**

42. As described above, on August 4, 2021, at 6:08 p.m. E.D.T., Silva emailed Avangrid following up on his chain of inquiries about the tender award, but this time he also copied numerous high-level individuals at Avangrid and Iberdrola. The purpose of the email was clear. The first paragraph indicated that Silva was to intervene in the PRC proceedings to Avangrid's detriment, including by making false and defamatory statements. The second paragraph inquired once again about a tender award that he had been seeking for his company for months. The unquestionable import of this email was an effort to extort Avangrid, and it constitutes a crime.

43. Avangrid did not respond to Silva's threats, refusing to be extorted.

44. Silva then proceeded to use the August 9, 2021 public comment session as part of the merger review process to carry out his threats and make multiple false and defamatory oral statements about Avangrid and its employees.

45. Silva stated that he has “first-hand knowledge about significant procurement-corruption, extortion, and coercion tactics within Avangrid and Iberdrola.” This statement is defamatory and false. Neither Avangrid nor Iberdrola engage in such tactics. Silva provided no evidence to support this outrageous accusation, nor could he.

46. Silva stated that various Iberdrola-affiliated individuals have been “indicted in Spain for corporate espionage and procurement fraud” in an effort to cast Avangrid in a negative light. This statement is also defamatory and false in many respects. A Spanish High Court is conducting a fact gathering investigation into over twenty of the top corporations in Spain and certain related individuals, including certain Iberdrola-affiliated executives. But this fact gathering remains at the investigation stage. No individuals have been indicted, and no individuals may ever be indicted. Further, Iberdrola itself is not being investigated. And, in any event, in Spain as in the United States, the internationally-recognized principle of the presumption of innocence applies until established otherwise.

47. Further, in Spain, as in the United States, there is a difference between being “investigated” and “indicted.” The investigation apparently being referred to focuses on whether a provider of security services to private companies and individuals was simultaneously a government employee or government contractor, and whether that individual may have been prohibited from providing such services to private companies and individuals under Spanish law. Investigations like this do not constitute indictments, charges, or allegations of criminal conduct in Spain; rather, they are exactly what they purport to be—investigations. The investigation has been proceeding for many years already, the facts being dealt with are very old and irrelevant to

Iberdrola's current activities, and many of Spain's leading companies have been included in the investigation.

48. People and companies that are named as "investigated" are not necessarily the "target" of an investigation under Spanish law; rather this designation allows Spanish courts to require persons and companies to provide evidence to the court. Further, under Spanish laws, as in most Western jurisdictions, investigated parties are presumed innocent.

49. Judicial proceedings in Spain consist of two phases: the pre-trial phase and, depending on judicial discretion, eventually, the oral trial phase. At the pre-trial stage, the judge investigates whether there are indications of a criminal offence, their circumstances, and any other issues related to the offence. At any time during this phase, the judge will determine who is considered "under investigation," in which case these persons or entities will be asked to testify so that the judge can clarify the facts reported. The pre-trial phase does not involve a judgment on the guilt or innocence of the "investigated," but merely results in a decision on whether to proceed with the investigation.

50. The oral trial phase begins when the "investigated" (all, part, or none) might become "accused" (equivalent to "indicted" in the United States) and where the judge or judges (who would not be the same as the judge of the pre-trial phase) will hold a hearing to reach a decision on whether there is sufficient evidence to establish the existence of an offence. One of the guiding principles of judicial proceedings is the principle of the presumption of innocence until a final judgement is handed down, so that the status of "accused" does not mean that the oral proceedings will end with a conviction. Indeed, often, the court will terminate the investigation(s) without any further action, and that may occur here.

51. Thus, Defendants' statements about the proceedings in Spain are false and defamatory.

52. Further, Defendants stated that Avangrid created “risks to national security” by failing to maintain the work performed by Security Limits. This statement is also false. Silva appears to be referring to one or both of two incidents. The first is the expiration of certain anti-malware software used by Avangrid Service Co. in early 2020, which was detected and resolved later that same year. This temporary expiration of anti-malware software was determined to not have any national security impact. The second is a private cloud server containing 150 GB of data that is the subject of a payment dispute between Security Limits and Unlimited Technology. Security Limits is currently maintaining that server, and neither Unlimited Technology nor Avangrid Service Co. is willing to take custody of the server. But there is no sensitive data or data affecting national security on that server.

53. Defendants stated that Avangrid is improperly obtaining information about the PRC proceedings and implied that Avangrid is hacking computers, saying “[a]nyone attending these proceedings that has spoken against this merger, I strongly urge you as a cybersecurity professional to rebuild all of your computers, change all your passwords, as I have reason to believe that Avangrid is obtaining lots of information through incorrect channels about these proceedings.” This statement is also defamatory and false. It falsely accuses Avangrid of committing a crime in connection with the PRC proceedings.

54. Similarly, Defendants’ comments made on December 1, 2021 are also defamatory and false: “I have discovered that Avangrid’s conduct artificially raised rates paid by consumers in New York and illegally enriched Avangrid’s favorite bidders.” Defendants also referenced allegations in Security Limits’ complaint in New York, allegations that Avangrid vigorously denies.

55. Defendants’ statements were made in bad faith and with the malicious intent to harm Avangrid’s reputations. Defendants’ own conduct suggests that they do not believe the

statement made during the public comment session to be true. As discussed above, Defendants continued to solicit work from Avangrid for more than a year after allegedly learning of fraud, corruption, and national security issues. Although Defendants claimed Avangrid and Iberdrola are a “cabal” with the “twisted moral compass” of Enron, they nonetheless actively sought work from Avangrid as late as five days before these statements to the PRC. Defendants’ malicious intent here is further underscored by the fact that as of the date of filing, and months after his first public comments accusing Plaintiff of criminal acts, Silva’s LinkedIn profile continues to tout work that he purportedly performed for Avangrid.”

56. Despite the falsity of Defendants’ statements, they have caused harm to Avangrid’s reputation, hurt Avangrid’s effort to accomplish the PNMR merger, prejudiced its business activities generally, and generally caused Avangrid to incur damages. Although Defendants’ comments are not part of the formal evidentiary record, Defendants’ comments were made with an express effort to impact the recommendations of the Hearing Examiner and the PRC. Therefore, the false accusations of criminal activity, corruption, extortion, criminal indictments, national security issues, criminal activity, and spying on participants in the PRC proceedings have likely negatively impacted Avangrid’s efforts towards the proposed merger with PNM. In addition, these statements have harmed Avangrid’s reputation before its current and future customers and the public at large.

57. Defendants’ actions and failures to act as alleged above were oppressive, malicious, willful, reckless, wanton, or in bad faith.

## **CAUSES OF ACTION**

### **Count I: Defamation/Slander**

58. Avangrid hereby re-alleges and incorporates by reference the preceding paragraphs.

59. On August 9, 2021 and December 1, 2021, Silva, in his capacity as Chief Executive Officer or owner of Security Limits, acting on behalf of Security Limits, made a series of oral statements during the PRC's public comment session for the proposed merger between Avangrid and PNM. All the oral statements were made to a third party because it was made on a Zoom call before several third parties, including the PRC, and because it was streamed to YouTube.

60. All the oral statements included asserted statements of fact.

61. All the oral statements concerned Avangrid, which is a private company.

62. The asserted statements of fact, including as set out below, are false.

63. The *first* oral statement at issue contained a statement of fact accusing Avangrid of procurement-corruption, bid-rigging, extortion, and coercion tactics.

64. The oral statement accusing Avangrid of procurement-corruption, bid-rigging, extortion, and coercion tactics is false and defamatory. Avangrid has never engaged in such conduct.

65. The *second* oral statement at issue accused certain Iberdrola and Iberdrola-affiliate officers of being under indictment in Spain. Silva did so to cast Avangrid, an affiliate of Iberdrola, in a negative light.

66. The oral statement accusing Iberdrola-affiliated officers of being indicted in Spain is false and defamatory. The proceedings in Spain are and have always remained at a preliminary fact gathering stage. No indictments have issued and indictments may never issue.

67. The *third* oral statement at issue contained a statement of fact accusing Avangrid of causing national security issues.

68. The oral statement accusing Avangrid of causing national security issues is false and defamatory. Silva appears to be referring to the temporary expiration of anti-malware software by Avangrid Service Co. or to the refusal of Avangrid Service Co. and Unlimited Technology to



take custody of a data server maintained by Security Limits. Neither of these caused any national security issues.

69. The *fourth* oral statement at issue contained a statement of fact accusing Avangrid of improperly obtaining information about participants in the PRC proceedings implying that Avangrid hacked into the participants' computers.

70. The oral statement accusing Avangrid of these acts is false and defamatory. Avangrid has never done any of the purported acts implied by Defendants.

71. The *fifth* oral statement at issue contained a statement of fact accusing Avangrid of artificially raising rates paid by consumers in New York and illegally enriching Avangrid's favorite bidders.

72. The oral statements accusing Avangrid of these acts are false and defamatory. Avangrid has never done any of the purported acts implied by Defendants.

73. The PRC and others receiving the oral statements understood them to be defamatory.

74. Defendants knew the statements were false and/or made these statements with reckless disregard for their truth.

75. Defendants acted with actual malice in making each of the above-described oral statements.

76. In addition, with respect to each of the above-described oral statements, Defendants negligently failed to recognize that the statements were false. Defendants failed to exercise due care to determine whether the statements were true before making each of them.

77. Defendants' oral statements, together and individually, have caused actual injury to Avangrid's reputation, prejudiced its business activities, and have negatively impacted Avangrid's attempts to obtain approval for the proposed merger with PNMR.

78. Defendants abused their privilege to make the oral statements because they were for an improper purpose, including to further their extortion scheme.

79. Further, Defendants' statements in the public comments session before the PRC are not subject to the defense of absolute privilege because there were no trappings of due process as demonstrated by the following facts: (i) neither Silva's statements nor any other statements were made under oath, (ii) Silva nor other person commenting appeared subject to subpoena power (nor was he likely able to be subpoenaed in that he is, on information and belief, not a resident of New Mexico), (iii) neither Silva nor any other person comment can be held liable for perjury based on their statements, (iv) Avangrid did not have the ability to question or cross-examine Silva or any other witnesses, (v) the evidentiary rules did not apply to protect Avangrid from irrelevant and/or highly prejudicial comments, (vi) the public comment session did not involve "taking of evidence and testimony and the rendering of a decision including findings of fact and conclusions of law," and (vii) the session was not part of a PRC evidentiary process.

80. Defendants' statements are not subject to the defense of qualified/conditional privilege because of abuse as demonstrated by the following: (i) Defendants' statements were published for an improper purpose to punish Avangrid for not responding to Security Limits' efforts to secure a valuable tender award and to damage Avangrid's reputation; Defendants' statements were false and lack any basis in fact; and Defendants' statements were not reasonably necessary to accomplish any legitimate purpose of expressing disagreement with the merits of the merger.

81. Accordingly, Plaintiff seeks nominal and compensatory damages from Defendants for their defamatory statements in an amount to be proven at trial.

82. Plaintiff further seeks special damages

83. Plaintiff further seeks punitive damages.

## **Count II: Tortious Interference**

84. Plaintiff hereby re-alleges and incorporates by reference the preceding paragraphs.

85. Avangrid has a merger agreement with PNMR (the “Contract”). In addition, Avangrid expects to enter into additional contracts with PNMR or its subsidiaries following approval of the merger, such as intercompany service agreements, contracts related to debt refinancing/extinguishment, etc. (“Prospective Contractual Relations”).

86. Defendants have actual knowledge of the Avangrid-PNMR Contract because of the merger application pending before the PRC. In addition, Defendants had or reasonably should have had knowledge that Avangrid has the Prospective Contractual Relations described above.

87. Avangrid has a reasonable certainty that the Contract and the Prospective Contractual Relations will be realized.

88. Defendants then engaged in the tortious conduct described above to interfere with the Contract and the Prospective Contractual Relations. Defendants acted by use of improper means, including, inter alia, extortion and defamation, and in bad faith.

89. Defendants had an improper motive solely to harm Avangrid.

90. Defendants’ conduct has made performance of the Contract and obtaining the Prospective Contractual Relations more difficult and more expensive. Specifically, Defendants’ conduct has made obtaining approval from the PRC more difficult and more expensive for Avangrid and has played an active and substantial part in encumbering Avangrid’s efforts before the PRC.

91. Defendants’ conduct has harmed Plaintiff’s reputation; prejudiced their business activities, generally; and hurt their efforts to accomplish the PNMR merger. Plaintiff has also been forced to expend significant temporal and monetary resources in defending against Defendants’ false, misleading, defamatory, and baseless statements.

92. Accordingly, Plaintiff seeks nominal and compensatory damages for Defendants' tortious conduct in an amount to be proven at trial.

93. Plaintiff further seeks special damages

94. Plaintiff further seeks punitive damages.

### **Count III: Prima Facie Tort**

95. Plaintiff hereby re-alleges and incorporates by reference the preceding paragraphs.

96. Defendants acted maliciously. After Defendants' services to Avangrid Service Co. were terminated, Defendants raised several disputes with Unlimited Technology, a contractor for Avangrid Service Co. Over the subsequent year, Defendants attempted to get new work from Avangrid on multiple occasions. When they were unable to do so, Defendants sent an email to Avangrid on August 4, 2021, five days before the public comment session before the PRC, summarizing the false and defamatory claims he intended to make regarding Avangrid. Defendants then referenced a tender award that they had been seeking, threatening to make false and defamatory comments regarding Avangrid before the PRC if Avangrid failed to award Security Limits this tender. When Avangrid refused to be extorted, Defendants followed through with their threats and made such statements on two separate occasions.

97. Defendants acted with the intent to cause injury to Avangrid. As discussed above, Defendants repeatedly solicited work from Avangrid, including as late as five days before the public comment session. Defendants knew that the statements regarding Avangrid were false and only made them because Avangrid refused to be extorted into awarding Security Limits new work. Defendants knew and intended that such comments would harm Avangrid's reputation, particularly before the PRC, which has the power to approve or disapprove the proposed merger with PNM.

98. Defendants acted without justification. Defendants effectively attempted to extort Avangrid. There is no justification for extortionary conduct.

99. Accordingly, Plaintiff seeks nominal and compensatory damages for Defendants' tortious conduct in an amount to be proven at trial.

100. Plaintiff further seeks special damages

101. Plaintiff further seeks punitive damages.

### **REQUEST FOR RELIEF**

WHEREFORE, Plaintiff Avangrid respectfully requests that the Court enter judgment in its favor and against Defendants Silva and Security Limits as follows:

- (1) Award Plaintiff Avangrid nominal and compensatory damages in an amount to be proven at trial;
- (2) Award Plaintiff Avangrid special damages in an amount to be proven at trial;
- (3) Award Plaintiff Avangrid punitive damages in an amount to be proven at trial; and
- (4) Award Plaintiff Avangrid such other and further relief, whether at law or in equity, that this Court deems just and proper.

DATED: December 4, 2021

Respectfully submitted,

By:

\_\_\_\_\_  
MARRS GRIEBEL LAW, LTD.

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