

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

LAWRENCE E. JAFFE PENSION PLAN
on Behalf of Itself and All Others Similarly
Situating,

FILED

Plaintiff,

JUL - 7 2005

Lead Case No. 02-C-5893

(Consolidated)

MICHAEL W. DOBBINS
CLERK, U.S. DISTRICT COURT

CLASS ACTION

v.

HOUSEHOLD INTERNATIONAL, INC., et al.

Judge Ronald A. Guzman

Magistrate Judge Nan R. Nolan

Defendants.

NOTICE OF FILING

PLEASE TAKE NOTICE that, on July 7, 2005, we filed with the Clerk of the United States District Court for the Northern District of Illinois, Eastern Division, a Memorandum of Law in Opposition to Lead Plaintiffs' Motion to Compel the Household Defendants to Produce Documents Withheld on the Basis of Privilege, a copy of which is attached hereto.

Respectfully submitted,

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**MICHAEL W. DOBBINS
CLERK, U.S. DISTRICT COURT**

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

LAWRENCE E. JAFFE PENSION PLAN, ON BEHALF OF ITSELF AND ALL OTHERS SIMILARLY SITUATED,	}	
	}	
Plaintiff,	}	
- against -	}	
HOUSEHOLD INTERNATIONAL, INC., ET AL.,	}	
	}	
Defendants.	}	

Lead Case No. 02-C-5893
(Consolidated)

CLASS ACTION

Judge Ronald A. Guzman
Magistrate Judge Nan R. Nolan

**MEMORANDUM OF LAW IN OPPOSITION TO LEAD
PLAINTIFFS' MOTION TO COMPEL THE HOUSEHOLD
DEFENDANTS TO PRODUCE DOCUMENTS WITHHELD ON
THE BASIS OF PRIVILEGE**

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This memorandum is respectfully submitted on behalf of Defendants Household International, Inc., Household Finance Corp., William F. Aldinger, David A. Schoenholz, Gary Gilmer and J.A. Vozar (collectively, "Household" or "Defendants") in opposition to Lead Plaintiffs' Motion to Compel Defendants to Produce Documents Withheld on the Basis of Privilege.

INTRODUCTION

This is one of three discovery motions that Plaintiffs made before they had adequately met and conferred with Defendants. It follows an unfortunate pattern of continuous threats by Plaintiffs to burden the Court with needless motion practice in letter after letter. After many meet and confers regarding Defendants' privilege log, and many efforts to accommodate Plaintiffs' concerns, Plaintiffs still complain about the log.

Household produced its first privilege log ("Log I") consistent with the *Allendale* case specified by the Court on February 18, 2005. *See Allendale Mut. Ins. Co. v. Bull Data Sys., Inc.*, 145 F.R.D. 84 (N.D. Ill. 1992). Log I was first objected to by Plaintiffs during a meet and confer on March 4, 2005. Shortly thereafter, on March 9, 2005, Plaintiff sent Household a copy of Log I, having circled 68 out of a total of 118 entries to indicate that the entry was in their view problematic. Plaintiffs' blunderbuss approach notwithstanding, Household carefully considered each of Plaintiffs' complaints, and re-reviewed its entries. On April 6, 2005, in a demonstration of good faith and in an effort to avoid needless motion practice, Household voluntarily revised certain entries and produced a revised privilege log ("Log II"), and produced certain documents that had been previously withheld.

Plaintiffs' counsel was not satisfied with this accommodation to their objections. Instead, on April 29, 2005, Plaintiffs discovered even more entries that it considered "problematic," disputing 109 of the remaining 112 entries. Again in the spirit of good faith, Household carefully considered Plaintiffs' objections and produced additional documents and a further revised privilege log ("Log III") on May 18, 2005. This also was not enough. Indeed, Household's good faith efforts only seemed to encourage more objections.¹ On May 26, still not satisfied, Plaintiffs again chal-

¹ Indeed, Household's cooperation and accommodation of Plaintiffs' increasing demands is now promoted by Plaintiffs

lenged Log III during a meet and confer. Thereafter, on June 6, 2005, Plaintiffs served their Motion to Compel the Household Defendants to Produce Documents Improperly Withheld on the Basis of Privilege simultaneously with two other discovery motions.

During the June 9, 2005 Court conference on Plaintiffs' discovery motions, Defendants noted that Plaintiffs' motions were premature, and this Court directed the parties to further "meet and confer" to attempt to come to a mutually agreeable solution as to the remaining privilege issues. (*See* Affidavit of David Owen dated July 6, 2005 ("Owen Aff.") (submitted herewith) Ex. 1).

In a phone conference with Plaintiffs on June 14, 2005, Defendants made a variety of proposals intended to limit the burden on the Court posed by Plaintiffs motions, each of which was resisted by Plaintiffs. Defendants proposed to submit a sample of the challenged documents to the Court. Plaintiffs refused, claiming that the sample would be cherry picked by Defendants. Defendants offered to randomize the sample provided to the Court to accommodate this concern. Plaintiffs still said no. In fact, Plaintiffs refused Defendants' offer to let *Plaintiffs* pick the sample to be provided to the Court. Defendants then offered to go through every single entry on the privilege log with Plaintiffs, in an effort to resolve as many disputes as possible. Although initially resistant, Plaintiffs responded that they would consider the proposal, and agreed two days later. (Owen Aff. Ex. 2).

This meet and confer was held for several hours on June 21, 2005. As a result of this lengthy discussion, by letter dated June 27, Plaintiffs agreed to drop at least part of their objection to 33 of the entries. (*See* Owen Aff. Ex. 3; *see also* Exs. 4-7). Defendants agreed to remove the privi-

Footnote continued from previous page.

as a criticism of Defendants' existing claims of privilege. (*See* Lead Plaintiffs' Motion To Compel The Household Defendants To Produce Documents Improperly Withheld On The Basis Of Privilege ("PM") at 3-4). This argument is contrary to the clear instructions of this Court and to Defendants' good faith efforts to avoid precisely the imposition now foisted on this Court by Plaintiffs' motion. The Seventh Circuit has rejected such reasoning before. *See American Nat'l Bank and Trust Co. v. Equitable Life Assurance Society of the United States*, 406 F.3d 867, 879 (7th Cir. 2005) (noting that the defendant had "exhibited good faith throughout the privilege log proceedings: among other acts, Equitable . . . volunteered a second-amended log; it cooperated with Emerald to resolve outstanding disputes, as Emerald acknowledged in January 2002; [and] it waived the privilege for two documents in May 2002 to help close the matter"). As the Seventh Circuit observed, determinations of what is and what is not privileged can be "especially difficult," and good faith efforts to reach agreement about such matters reflect well upon litigants, not poorly. *See id.*

lege designation from certain categories of documents, produced those documents, and also agreed to add greater detail to the remaining descriptions in the log. Defendants produced the Third Revised First Privilege Log of the Household Defendants (“Log IV”) on June 23, 2005 (attached as Exhibit A hereto). It says everything about Plaintiffs’ view of the way to resolve discovery disputes that “Log IV” is the subject of the response here.

Notwithstanding having engaged in these lengthy efforts to accommodate Plaintiffs, certain issues appear to be insurmountable without the intervention of the Court — a consequence Defendants have repeatedly attempted in good faith to avoid.

ARGUMENT

The fundamental importance of the privilege between a client and an attorney has long been recognized and respected by the courts of the United States. *See, e.g., Upjohn Co. v. United States*, 449 U.S. 383, 389 (1981) (“The attorney-client privilege is the oldest of the privileges for confidential communications known to the common law.”); *American Nat’l Bank and Trust Co.*, 406 F.3d at 878 (“courts have long recognized the vital role the privilege plays in the administration of justice”); *Denius v. Dunlap*, 209 F.3d 944, 954 (7th Cir. 2000) (“Because the maintenance of confidentiality in attorney-client communications is vital to the ability of an attorney to effectively counsel her client, interference with this confidentiality impedes the client’s First Amendment right to obtain legal advice.”).

Although the party asserting the privilege bears the burden of establishing that the privilege exists, *Wilstein v. San Tropai Condominium Master Ass’n*, 189 F.R.D. 371, 378 (N.D. Ill. 1999), “candid attorney-client communications are . . . ‘worthy of maximum legal protection,’ [and] it is expected that clients and their attorneys will ‘zealously’ protect documents believed, in good faith, to be within the scope of the privilege.” *American Nat’l Bank and Trust Co. v. Equitable Life Assurance Society of the United States*, 406 F.3d 867 at 878-79 (7th Cir. 2005) (quoting *Haines v. Liggett Group, Inc.*, 975 F.2d 81, 90 (3d Cir. 1992)).

Plaintiffs’ motion is ambiguous about whether the arguments asserted therein challenge the descriptions and other information contained in Log IV as insufficient (PM at 1, 6, 8, 9, 10,

11, 12 and 13), or instead assert that the actual claims of privilege in such documents are improper (PM at 9, 10, 12 and 13). In either event, it should be denied. Log IV follows the requirements of *Allendale* in every detail. (See Exhibit A, hereto; 145 F.R.D. 84 (N.D. Ill. 1992)). Furthermore, as explained more fully below, neither Log IV nor the documents withheld thereunder can be fairly challenged under the generalized legal contentions recited in Plaintiffs' brief. Attached hereto as Exhibit B is a chart indicating the current privilege claims in dispute after the June 21 meet and confer ordered by the Court.² Defendants' responses to the numbered points in Plaintiffs' brief are set forth below.

1. Plaintiffs Incorrectly Apply the Control Group Test

Plaintiffs seek to compel production of 86 documents (see Exhibit B hereto, Point 1, for the list of documents presently covered by Point 1 of Plaintiffs' motion)³ on the grounds that Illinois state privilege law operates to deprive Defendants of otherwise valid claims of privilege under federal law. (PM at 6-8). Plaintiffs argue that the so-called "control group test" under Illinois state law either trumps or at least modifies the well established federal law to be applied by this Court exercising federal jurisdiction. In making this argument, Plaintiffs primarily contend that Defendants are obligated to conform their privilege log to reflect a doctrine that has no legal application to his case (and is not even mentioned in *Allendale*) (See PM at 8 ("[B]y failing to establish [in the privilege log] that the communications in document Nos. 1-2, 4-9, 11-59, and 61-112 were between Household lawyers and members of the Company's control group, [Household] has also failed to justify its assertion of attorney client privilege.")). According to Plaintiffs, because the privilege log does not reflect "control group test" considerations, claims of privilege made therein are facially defective.

² Additionally, under separate cover entitled "Appendix of Documents Submitted *In Camera* For The Court's Review" ("*In Camera* Appendix"), Defendants provide the Court, *in camera*, with copies of Documents No. 2, 5, and 60, as reflected on Log IV. To forestall any contention that Defendants have cherry picked only the best examples of privileged documents to provide the Court, the first document objected to by Plaintiffs in each category has been used as an example provided to the Court *in camera*.

³ Exhibit A to the *In Camera* Appendix, is a copy of Document No. 2, as referenced in Log IV, offered as an example of the privileged documents objected to by Plaintiffs on these grounds. It is enclosed in both redacted form (as produced to Plaintiffs), and in unredacted form for the Court's review.

This argument does not bear serious scrutiny. Where, as here, federal jurisdiction is not founded upon diversity, federal privilege law must be applied.⁴ See Fed. R. Evid. 501. Under Rule 501, in a federal-question case, “the contours and exceptions of such privileges are clearly a matter of federal common law; state-created principles of privilege do not control.” *In re Pebsworth*, 705 F.2d 261, 262 (7th Cir. 1983); see also *Northwestern Memorial Hospital v. Ashcroft*, 362 F.3d 923, 925 (7th Cir. 2004) (“the Illinois privilege does not govern in federal-question suits”). As a result, Plaintiffs’ contention that “Household has failed to establish communications to, from and among Household lawyers and the individuals listed on Log III are protected by the attorney client privilege *under Illinois law*” (PM at 7 (emphasis added)) is completely irrelevant. Illinois law does not apply.

Nor does federal law incorporate the “control group test” followed under Illinois state law. To the contrary, the Supreme Court, in *Upjohn*, specifically rejected application of the “control group” test, holding that it “frustrates the very purpose of the privilege by discouraging the communication of relevant information by employees of the client to attorneys seeking to render legal advice to the client corporation”. 449 U.S. at 392; see also *Rager v. Boise Cascade Corp.*, No. 88 C 1436, 1988 WL 84724, at *1-*2 (N.D. Ill. Aug. 5, 1988) (a federal question case in which the court concluded that “[t]he control group test is not the appropriate method for determining the applicability of the corporate attorney-client privilege”).

Prior to and consistent with the Supreme Court’s holding in *Upjohn*, the Seventh Circuit established a “subject matter” test for determining privilege in federal cases. *Harper & Row Publishers, Inc. v. Decker*, 423 F.2d 487, 491-92 (7th Cir. 1970). Under this test, the attorney-client privilege analysis hinges on whether “the employee makes the communication at the direction of his superiors in the corporation and [whether] the subject matter upon which the attorney’s advice is sought by the corporation and dealt with in the communication is the performance by the employee of

⁴ Jurisdiction in this case is founded upon federal law. Plaintiffs allege violations of the Securities Exchange Act of 1934 (§§ 10(b), 10b-5 and 20(a)) and the Securities Act of 1933 (§§ 11, 15). (Plaintiffs’ Amended Complaint ¶¶ 346-350, 351-353, 383-387).

the duties of his employment.” *Id.* The “control group” test therefore has no place in this case or in the contents of Defendants’ privilege log.

Even if the Court were to disregard Seventh Circuit precedent, Plaintiffs’ argument should still fail. Plaintiffs’ “theory” is that any privilege asserted over a communication between counsel and non-control group employees is waived because such communication would be discoverable under Illinois state law, thus destroying any “expectation of confidentiality” toward those communications. (PM at 8). This argument proves to much. Indeed, apart from being flatly inconsistent with the above case law, such reasoning would cause federal privilege law to be swallowed whole by the most lenient state standard that could possibly be deemed in any way relevant to the worldwide activities of Household’s 30,000+ employees and the legal advice and communications related thereto.

The “control group” test does not apply in this federal securities case. Thus, Plaintiffs’ motion to compel the production of privileged documents on the basis of Illinois state privilege law (*see Exhibit B* hereto, Point 1) should be denied.

2. Document 76

Point 2 of Plaintiffs’ brief (PM at 8-10) is moot as Defendants have withdrawn their claim of attorney-client privilege from document 76, the sole remaining document that is the subject of those arguments. Defendants now rest their claim of privilege relating to document 76 solely on the basis of work product. Plaintiffs’ motion does not challenge the work product designation with respect to document 76.

3. Household Has Correctly Withheld Documents Primarily Legal in Nature As Privileged

In Point 3 of their brief, Plaintiffs seek to compel production of 21 documents (*see Exhibit B* hereto, Point 3)⁵ on the grounds that “Household has withheld . . . documents without es-

⁵ Exhibit B to the *In Camera* Appendix is a copy of Document No. 5, as referenced in Log IV, offered as an example of the privileged documents objected to by Plaintiffs on these grounds. It is enclosed in both redacted form (as produced to Plaintiffs), and in unredacted form for the Court’s review.

tablishing that the communications that either [sic] relate to legal rather than business matters.” (PM at 10). While Defendants do not dispute the general legal principle identified by Plaintiffs, the objections to Defendants’ log are not well founded.

Cases in the Northern District of Illinois make clear that, while business or economic information itself is not privileged, documents containing this information can be privileged if the information is included for the purpose of obtaining or imparting legal advice. For example, in *Weeks v. Samsung Heavy Indus. Co.*, No. 93 C 4899, 1996 WL 341537, at *2-*3 (N.D. Ill. June 20, 1996) (Guzman, J.), the court found that, although a document included information about the plaintiff’s compensation in addition to legal advice, the document was privileged because the business data were included for the “limited purpose” of giving or receiving legal advice concerning legal obligations and potential litigation risks with respect to the plaintiff. Additionally, in *Ohio-Sealy Mattress Mfg. Co. v. Kaplan*, 90 F.R.D. 21, 34 (N.D. Ill. 1980), the court stated that “in providing legal advice an attorney may incorporate nonlegal, or business, considerations without losing the privilege.” In fact, “[g]enerally, there is a presumption that a lawyer in the legal department of the corporation is giving legal advice, and an opposite presumption for a lawyer who works on the business or management side.” *Breneisen v. Motorola, Inc.*, No. 02 C 50509, 2003 WL 21530440, at * 3 (N.D. Ill. July 3, 2003).

The challenged documents on Defendants’ privilege log (*see Exhibit B* hereto, Point 3), are legal in nature and thus are privileged. In fact, Plaintiffs’ characterization of certain of the documents as containing business rather than legal information documents is wrong. For example, Document Nos. 74-75, 79, 92-94 and 96 all state under “Subject Matter” that they relate to Household’s response to the Arizona Attorney General’s Civil Investigative Demand (“CID”). (*see Exhibit A* hereto, at Nos. 74-75, 79, 92-94 and 96). The Arizona Attorney General’s CID was related to an investigation into various Household loan products. To characterize documents discussing responses thereto as “business matters” rather than legal in nature is insupportable.

Plaintiffs also argue that Document Nos. 74-75, 79, 92-94, and 96 must be produced because “[p]aralegals are not lawyers and advice given by them is not protected by the attorney-client

privilege.” (PM at 11). Plaintiffs provide only a Southern District of New York case for this proposition, *Byrnes v. Empire Blue Cross Blue Shield*, No. 98 Civ. 8520 (BSJ) (MHD), 1999 U.S. Dist. LEXIS 17281 (S.D.N.Y. Nov. 4, 1999). However, under the applicable Seventh Circuit law as applied in the Northern District of Illinois, “the privilege . . . include[s] all the persons who act as the attorney’s agents”. 8 John Henry Wigmore, *Wigmore on Evidence* § 2301 (McNaughton rev. 1961). See also *Coltec Indus. Inc. v. American Motorists Ins. Co.*, 197 F.R.D. 368, 376 (N.D. Ill. 2000) (“[t]he document was authored by a Zurich paralegal on November 11, 1997, and sent to an ‘account specialist.’ As the description suggests these documents may reveal legal advice, we find they are protected by the attorney-client privilege.”); *Heidelberg Harris, Inc. v. Mitsubishi Heavy Indus., Ltd.*, No. 95 C 0673, 1996 WL 732522, at * 9 (N.D. Ill. Dec. 18, 1996) (“Messrs. Bogert and Hoerschler were Mr. Stoltenberg’s agents in that they shared a relationship similar to that which exists between an American attorney and a paralegal or law clerk. Therefore, legal communications emanating from or received by Bogert and Hoerschler are also subject to the privilege”); 3 Jack B. Weinstein & Margaret A. Berger, *Weinstein’s Federal Evidence*, § 503.12[3][a] at 503-26 (Joseph M. McLaughlin ed., 2d ed. 2005) (“A representative of a lawyer is someone employed to assist the lawyer in the rendition of professional legal services. Confidential communications to such a person are privileged.”). Thus, Plaintiffs’ motion to compel production of Document Nos. 74-75, 79, 92-94 and 96, whose descriptions indicate that they were communicated to and/or created at the request of counsel, should be denied.⁶

The other documents addressed by Plaintiffs, specifically Document Nos. 5, 16, 25-27, 28, 39, 49, 99, 102-103, 105 and 111 concern legal, not business, decisions. While the privileged documents or portions of documents listed at these entries *generally* concern business topics, such as price option forms and training, loan forms, language and policies, and sales and U.S. Fair Debt Collection Practices Act training, the subject matter of the document alone has no bearing on whether privilege attaches to these documents. Rather, as the descriptions demonstrate, these documents or

⁶ For further discussion of Document Nos. 74-75, 79, 92-94 and 96, see *infra*. p. 11.

redacted portions thereof have been withheld as privileged since they contain the thought processes and interpretations of various attorneys as to compliance with the law and reduction of potential litigation risks with respect to Household's day-to-day business.

Members of Household's legal department were not asked for their advice or to review these documents because of their savvy business acumen, but rather to ensure that Household acts in compliance with legal regulations. Furthermore, as previously stated, there is a presumption that lawyers in the legal department of a corporation are giving legal advice. *See Breneisen*, 2003 WL 21530440, at *3. Log IV indicates that the attorneys who worked on the challenged documents all worked in the legal department as counsel, and thus this presumption applies to these documents.

For the above stated reasons, Plaintiffs' motion to compel production of privileged documents on the basis that they do not relate to legal matters (*see Exhibit B* hereto, Point 3) should be denied.

4. The Documents on Privilege Log IV Reflect Confidential Client Communications

Point 4 of Plaintiffs' brief seeks to compel production of 19 documents (*see Exhibit B* hereto, Point 4)⁷ on the grounds that "Household has withheld . . . documents without providing any details regarding why the communications contained therein relate to confidential client communications." (PM at 11). Once again, Defendants do not disagree with the legal principle set forth by Plaintiffs that "legal advice or communications, standing alone, do not automatically receive attorney-client protection" and that "the party asserting the privilege must show that such advice relates to prior confidential communications." (PM at 11) (*citing Ohio-Sealy Mattress Mfg. Co.*, 90 F.R.D. at 28 and *Ziemack v. Centel Corp.*, No. 92 C 3551, 1995 U.S. Dist. LEXIS 6942, at *13 (N.D. Ill. May 18, 1995)). Nevertheless, this principle has no application to any of the entries contained in Household's privilege log. In fact, Defendants have not withheld as privileged any document which merely states the law or does not appear to be in response to a specific request by a client.

⁷ Exhibit B to the *In Camera* Appendix is a copy of Document No. 5, as referenced in Log IV, offered as an example of the privileged documents objected to by Plaintiffs on these grounds. It is enclosed in both redacted form (as produced to Plaintiffs), and in unredacted form for the Court's review.

For example, Document No. 5 (*see* Exhibit B to the *In Camera* Appendix), under “Explanation of Privilege,” states that it is an “email reflecting legal advice of Andrew M. Budish, Esq., as communicated to clients, regarding necessary requirements for employees to follow....” (*See Exhibit A* hereto, at No. 5). As indicated on the privilege log, this e-mail is not from Andrew M. Budish, but rather is from Jean S. Raisbeck (Policy and Compliance) who is relaying the advice of Andrew M. Budish to a fellow employee. The redacted e-mail itself indicates that a confidential conversation took place between Jean S. Raisbeck and Andrew M. Budish, Esq.

The material redacted from Document No. 16 is described in part as “attorney’s edits and comments to draft loan documents.” (*See Exhibit A* hereto, at No. 16.) It is obvious from this description that the redacted material is privileged, since “drafts [of contracts] prepared by or commented upon by an attorney necessarily contain legal advice from the attorney as to the wording of the contracts for the benefit of the client, and thus are privileged.” *McCook Metals L.L.C. v. Alcoa Inc.*, 192 F.R.D. 242, 255 (N.D. Ill. 2000).

Redacted Documents Nos. 23 and 24 are each described as “email between lawyer and client requesting and providing legal advice, edits and comments to Iowa loan documents, and includes comments and approval from Donna L. Radzik, Esq. (Household Counsel) to Iowa loan document” (*See Exhibit A* hereto, at Nos. 23, 24). Plaintiffs have already acknowledged that such a description indicates that the advice relates to a confidential client communication and it is therefore inconsistent for Plaintiffs to maintain a challenge to the privileged portions of Document Nos. 23 and 24. (PM at 11).⁸ Furthermore, as stated above, comments to draft agreements are privileged. *See id.* The same arguments hold true for Document No. 39, an email “requesting advice from Nancy Bromley, Esq. re: appropriate language for loan documents”, Document No. 49, which is described as an email “seeking and providing advice of attorney regarding draft Truth In Lending Application Disclosure, as per legal requirements, and attaching attorney comments to said docu-

⁸ Plaintiffs concede in their motion that a description “indicates clearly . . . that advice was sought” if it uses the words “requesting and relaying attorney comments”, “seeking and relaying legal advice” or “containing question to attorney, and attorney answer” (PM at 11).

ments”, and Document No. 111, in which the redacted material contains “handwritten notes and comments of Andrew M. Budish, Esq. (Senior Counsel) to a section of a training manual made to ensure compliance with federal law.” (See Exhibit A hereto, at Nos. 39, 49, 111).

Document Nos. 74-75, 79, 80, 82, 92-94 and 96 all relate to the same general subject matter, and are privileged because they contain correspondence requesting information from the client to be used in preparing a response to an Arizona Attorney General CID. The request for and receipt of confidential information from the client for the purposes of legal advice is at the heart of the attorney-client privilege. Furthermore, the legal department does not work in a vacuum without instructions from the client. It is obvious that the Arizona CID was forwarded to the legal department in confidence in order to draft a response. Communications regarding the draft response to the Arizona Attorney General necessarily reflect the confidential litigation strategy of Household. This privileged correspondence between the legal department and various non-legal departments is essential for the in-house attorneys to do their job — providing legal advice. The same arguments hold true for Document No. 91, which consists of “Email correspondence, including forwarded emails, containing facts relayed by household employees and attorney analysis of new complaints filed against Household with the Arizona Attorney General and forwarded to Household Legal Department for response.” (See Exhibit A hereto, at No. 91).

Finally, Document No. 95 is a redacted e-mail from Connie M. Scott (Policy and Compliance Support) sent to obtain assistance in responding to the Arizona Civil Investigative Demand, copying Nancy J. Bromley, Esq. (Senior Counsel). (See Exhibit A hereto, at No. 95). The redacted material includes internal determinations of objections to various requests — information that would have been determined in confidential conversations with counsel.

These examples clearly demonstrate that Plaintiffs’ argument that “Household has withheld . . . documents without providing any details regarding why the communications contained therein relate to confidential client communications” is completely inaccurate. (PM at 11). Furthermore, because “it appears, based on the description of the [documents] on the privilege log, that the [documents] were prepared and kept in confidence,” the communications were confidential. *Ameri-*

can Nat'l Bank and Trust Co. v. AXA Client Solutions, LLC, No. 00 C 6786, 2002 WL 1058776, at *4 (N.D. Ill. Mar. 22, 2002). Accordingly, Plaintiffs' motion to compel the production of privileged documents on the basis that the claims of privilege do not relate to confidential client communications (*see Exhibit B* hereto, Point 4) should be denied.

5. Defendants Have Correctly Withheld Draft Documents Containing Attorney Comments Not Intended for Disclosure or Publication

Point 5 of Plaintiffs' brief seeks to compel production of 12 documents (*see Exhibit B* hereto, Point 5)⁹ on the grounds that "Drafts of documents prepared by an attorney for transmission to third parties are only protected if the documents contain confidential information." (PM at 12). Once again Plaintiffs' statement of law is correct that privilege is waived when otherwise privileged information is disclosed to an adverse third party. (*Id.*)

This basic principle does not apply, however, to documents that were never disclosed to any third parties. Of the documents currently challenged by Plaintiffs on this ground (Document Nos. 60, 74-75, 79, 81-82, 86 and 92-96), none were ever disclosed, or even intended for disclosure to third parties. Document Nos. 74-75, 79, 81-82, 86 and 92-96 are all internal company e-mails requesting and relaying information regarding the response to the Arizona Attorney General's CID. To assert that these e-mails were intended to be disclosed to an adverse third party is beyond comprehension. Document No. 60, (*see Exhibit C* to the *In Camera* Appendix), contains the handwritten notes of a Household attorney preparing to respond to the Arizona Attorney General's demands, which also was never intended to be disclosed to third parties.

In trying to gain access to documents created in preparation for eventual communications with a third party, Plaintiffs all but negate the work product doctrine, which is designed to allow an attorney to "prepare his legal theories and plan his strategy[.]" *Hickman v. Taylor*, 329 U.S. 495, 511 (1947). Even if some of the information contained in Document Nos. 60, 74-75, 79, 81-82, 86

⁹ Exhibit C to the *In Camera* Appendix is a copy of Document No. 60, as referenced in Log IV, offered as an example of the privileged documents objected to by Plaintiffs on these grounds. It is enclosed in both redacted form (as produced to Plaintiffs), and in unredacted form for the Court's review.

and 92-96 were someday, in some form, revealed to a third party, the underlying drafts do not lose *work product status* when the final product becomes public. See *In re Air Crash Disaster*, 133 F.R.D. 515, 527 (N.D. Ill. 1990) (noting that “any other result would make every attorney’s draft briefs subject to discovery”).

Similarly, even if the information contained in Document Nos. 60, 74-75, 79, 81-82, 86 and 92-96 were someday, in some form, revealed to a third party, the underlying drafts do not lose *attorney-client privilege* when the final product becomes public. In *McCook Metals L.L.C. v. Alcoa Inc.*, 192 F.R.D. at 252-53, the court held that the attorney-client privilege covered drafts of specifications, claims, and other parts of a patent application prepared by an attorney, stating that “a draft necessarily reflects the communications between a client and his attorney.” See also *In re Air Crash Disaster*, 133 F.R.D. at 518 (“[m]ost courts have held, however, that simply because a final product is disclosed to the public (or a third person), an underlying privilege attaching to drafts of the final product is not destroyed”).

In the case cited by Plaintiffs, *Eagle Compressors, Inc. v. HEC Liquidating Corp.*, 206 F.R.D. 474, 476-77 (N.D. Ill. 2002), the disclosed communication was a legal opinion handed over by the managing director of the defendant to the president of the plaintiff for the purpose of furthering settlement negotiations — an intentional form of disclosure that bears no resemblance to the drafts and e-mails at issue in this case. While Plaintiffs are correct that privilege is waived as to the portions of drafts that are ultimately revealed to third parties, waiver does not occur when “the draft letters were prepared and kept in confidence” as is the case for all the documents disputed by Plaintiffs. *AXA Client Solutions, LLC*, 2002 WL 1058776, at *2. Plaintiffs’ motion to produce Document Nos. 60, 74-75, 79, 81-82, 86 and 92-96 should thus be denied.

6. Defendants Have Correctly Withheld Documents in Accord With *In re Feldberg*

Point 6 of Plaintiffs’ brief seeks to compel production of 7 documents (see Exhibit B hereto, Point 6)¹⁰ on the grounds that “[t]here is no need for a privilege to cover information ex-

¹⁰ Exhibit C to the *In Camera* Appendix is a copy of Document No. 60, as referenced in Log IV, offered as an example of the privileged documents objected to by Plaintiffs on these grounds. It is enclosed in both redacted form (as pro-

changed in the course of document searches, which are mostly mechanical yet which entail great risks of dishonest claims of complete compliance” (PM at 12-13 (*quoting In re Feldberg*, 862 F.2d 622, 627 (7th Cir. 1988))).

Defendants have carefully adhered to the dictates of *In re Feldberg*, and produced any documents or portions of document that arguably relate solely to document production or document searches. The documents challenged by Plaintiffs on this basis (Nos. 60, 80, 92-94, and 96), however, simply do not relate solely to the mechanics of document searches. Instead, these documents or redacted portions of documents are communications requesting and relaying attorney input as to what material is responsive, a category that the *In re Feldberg* court explicitly stated was privileged. *See id.* at 628 (indicating as potentially “covered by the privilege” “a judgment about which [documents] were responsive to the subpoena”).

With regard to Document No. 60 (*see Exhibit C to the In Camera Appendix*), any material which solely referred to which employee was responsible for gathering information for certain requests on the Arizona Civil Investigative Demand has been produced. As the privilege log states, only material relating to strategy, objections or need for clarification were redacted. Similarly, no withheld information on Document Nos. 80, 92-94 or 96 relates to the mechanics of document production, as is apparent from the face of each entry.¹¹ Thus, Plaintiffs’ motion to produce Document Nos. 60, 80, 92-94 and 96 should be denied.

Footnote continued from previous page.

duced to Plaintiffs), and in unredacted form for the Court’s review.

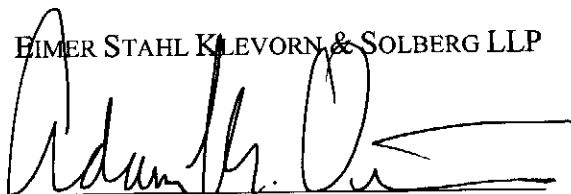
¹¹ Document No. 80 is an “email from Nancy J. Bromley, Esq. requesting information from employees and forwarding response in connection with Arizona Attorney General investigation.” (*See Exhibit A* hereto, at No. 80). Document Nos. 92-94 are each an “email forwarded to paralegal containing email reply of individuals . . . regarding scope of responsive documents to Arizona Attorney General Civil Investigation Demand.” (*See Exhibit A* hereto, at Nos. 92-94). Document No. 96 is an e-mail forwarding “email correspondence requesting information from individuals, as requested by counsel, and reply emails relaying information from such individuals to be incorporated in draft responses to Arizona Attorney General Civil Investigation Demand.” (*See Exhibit A* hereto, at No. 96).

CONCLUSION

Defendants respectfully request that Plaintiffs' motion to compel be denied in its entirety, and respectfully request a ruling that all documents identified on Defendants' Log IV are privileged and/or entitled to work product protection. Furthermore, should the Court for any reason conclude that any document reflected in Log IV (other than those documents submitted herewith for *in camera* review) is insufficiently described therein, Defendants respectfully request an opportunity to revise the log or to present the document for *in camera* review.¹²

Dated: July 7, 2005
Chicago, Illinois

EIMER STAHL KLEVORN & SOLBERG LLP

By: 

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Adam B. Deutsch

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-and-

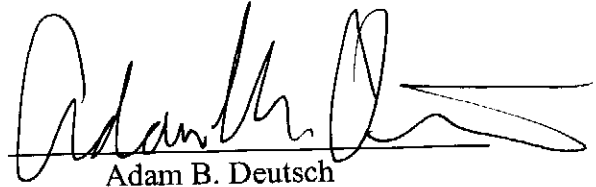
CAHILL GORDON & REINDEL LLP
80 Pine Street
New York, New York 10005
(212) 701-3000

Attorneys for Defendants Household International, Inc., Household Finance Corporation, William F. Aldinger, David A. Schoenholz, Gary Gilmer and J.A. Vozar

¹² Defendants have already produced privilege logs for document production through the end of February, 2005. As discussed during the meet and confer held on June 21, 2005, Defendants have agreed to withdraw privilege logs 2-7, and re-issue them to conform with the understandings reached by the parties. However, in anticipation of the Court's ruling on this motion, Defendants have not yet revised the logs. Upon issuance of the Court's decision, Defendants will promptly supply privilege logs for all withheld documents in accord with the Court's ruling, and in accord with the agreement between the parties.

CERTIFICATE OF SERVICE

Adam B. Deutsch, an attorney, certifies that on July 7, 2005, he served copies of a Memorandum of Law in Opposition to Lead Plaintiffs' Motion to Compel the Household Defendants to Produce Documents Withheld on the Basis of Privilege and Notice of Filing to the parties listed below via the manner stated.



Adam B. Deutsch

Via Federal Express

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EXHIBIT A

Lawrence E. Jaffe Pension Plan v. Household International, Inc., et al.

Lead Case No. 02-C5893 (Consolidated)

Third REVISED First Privilege Log of the Household Defendants
June 23, 2005

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
1								Document Has Been Produced.
2	HHS 02201551	N/A	Andrew M. Budish, Esq. (Senior Counsel)	Keith A. Clardy (HFC-Training and Communications) Jean S. Raisbeck (Policy and Compliance)	N/A	Price Options	Communicate to recipients legal review and questions regarding content of worksheets used for training of employees regarding Price Options, as per request of clients.	Attorney-Client privilege: Redacted material contains handwritten notes communicated to recipient from attorney reflecting legal review of training worksheets and suggesting changes thereto, including references to legal requirements of Washington and New York.
3	HHS 02201555							Document Has Been Produced.
4	HHS 02201556							Document Has Been Produced.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
5	HHS 02201653	04/11/2002	Jean S. Raisbeck (Policy and Compliance)	Andrew M. Budish, Esq. (Senior Counsel) Keith A. Clardy (HFC-Training and Communications)	N/A	Price Options	Communicate to recipients legal advice regarding price options, including necessary requirements for employees to follow when discussing discount points, in order to be compliant with the law.	Attorney-Client privilege: Email reflecting legal advice of Andrew M. Budish, Esq., as communicated to clients, regarding necessary requirements for employees to follow when discussing discount points, in order to be compliant with the law.
6	HHS 02217827- HHS 02217828							Document Has Been Produced.
7	HHS 02232531- HHS 02232541	03/09/2001	Victor H. Miller, Esq. (Legal Department) Sally Holloway, Esq. (Legal Department)	Kathy Ruhaak (Learning and Development Instructional Designer)	N/A	Fair Debt Collection Practices Act (FDCPA)	Communicate to Kathy Ruhaak regarding legal review of a training manual in order to insure compliance with the FDCPA.	Attorney-Client privilege; Redacted material contains a handwritten memo from Victor H. Miller, Esq. and handwritten notes and comments of Sally A. Holloway, Esq., communicated to client, and written to ensure compliance with federal law.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
8	HHS 02232542- HHS 02232559	N/A	Sally Holloway, Esq. (Legal Department)	Policy and Compliance Department	N/A	Fair Debt Collection Practices Act (FDCPA)	Communicate to Policy and Compliance Department regarding legal review of a training manual in order to insure compliance with the FDCPA.	Attorney-Client privilege; Redacted material contains handwritten notes and comments of Sally A. Holloway, Esq., which were communicated to the client, and written to insure compliance with federal law.
9	HHS 02232561- HHS 02232570	N/A	Sally Holloway, Esq. (Legal Department)	Policy and Compliance Department	N/A	Fair Debt Collection Practices Act (FDCPA)	Communicate to Policy and Compliance Department regarding legal review of a training manual in order to insure compliance with the FDCPA.	Attorney-Client privilege; Redacted material contains handwritten notes and comments of Sally A. Holloway, Esq., which were communicated to the client, and written to insure compliance with federal law.
10	HHS 02232571- HHS 02232572							Document Has Been Produced.
11	HHS 02232842- HHS 02232887	04/21/2000	Victor H. Miller, Esq. (Legal Department)	Kathy Ruhaak (Learning and Development Instructional Designer)	N/A	Fair Debt Collection Practices Act (FDCPA)	Communicate to Kathy Ruhaak regarding legal review of a training manual in order to insure compliance with the FDCPA.	Attorney-Client privilege; Redacted material contains handwritten notes and comments of Victor H. Miller, Esq., which were communicated to the client, and written to insure compliance with federal law.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
12	HHS 02232890- HHS 02232938	03/31/2000	Victor H. Miller, Esq. (Legal Department)	Kathy Ruhaak (Learning and Development Instructional Designer)	N/A	Fair Debt Collection Practices Act (FDCPA)	Communicate to Kathy Ruhaak regarding legal review of a training manual in order to insure compliance with the FDCPA.	Attorney-Client privilege; Redacted material contains handwritten notes and comments of Victor H. Miller, Esq., which were communicated to the client, and written to insure compliance with federal law.
13	HHS 02233092- HHS 02233095	02/02/2000	Kathy Ruhaak (Learning and Development Instructional Designer)	Anne Marie Marks (B/U Training & Development Manager)	N/A	Fair Debt Collection Practices Act (FDCPA) Changes and Mini Miranda Warnings	Communicate to client regarding state law requirements regarding mini-Miranda warnings.	Attorney-Client privilege; Redacted material encompassing memos from Andrew Budish, Esq. to (1) George Wilson and Kathleen Curtin and (2) Bernice D. Wilson (HFC Real Estate Collections), Chris Snyder (Policy and Compliance), Mike Marks (VP - Collections), David Little (MD - Consumer Lending Operations), and Kathy Huston (Unit Manager - Collections) regarding application of state laws re: Mini-Miranda Warnings.
14	HHS 02290819	05/12/1999	Andrew M. Budish, Esq. (Senior Counsel)	Martina Vargas (Policy and Compliance)	N/A	Alabama loan agreements.	Email correspondence requesting and relaying attorney comments to Alabama loan agreements.	Attorney-Client privilege; Email between lawyer and client regarding loan language and application of Alabama law.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
15	HHS 02291392							Document Has Been Produced.
16	HHS 02291884 - HHS 02291898	04/05/2002	Andrew M. Budish, Esq. (Senior Counsel)	EFS (Electronic Forms Systems), Part of Policy and Compliance, headed by Marian Iverson.	N/A	Truth In Lending Disclosures, FMP Pilot Loan Agreement Language Changes, Loan Repayment and Security Agreement.	Communication to client of attorney's edits and comments to draft loan documents, based on legal requirements of state and federal law.	Attorney-Client privilege; Redacted material communicates attorney comments and edits to draft loan language to client, based on legal requirements of state and federal law.
17	HHS 02294030 - HHS 02294031							Document Has Been Produced.
18	HHS 02294279							Document Has Been Produced.
19	HHS 02294333	03/01/1999	Elizabeth De Paula Arias, Esq. (Household Counsel)	Sherry L. Woodson (Policy and Compliance)	William Connolly (Senior Manager - Customer Information Management)	Arizona Consumer Contracts law.	Email correspondence requesting and relaying edits to Arizona loan documents, based on application of Arizona law.	Attorney-Client privilege; Email between lawyer and client regarding Arizona Consumer Contracts and application of Arizona law.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
20	HHS 02294873 - HHS 02294874	01/04/2000	Jim D. Pommier (Policy and Compliance)	Elizabeth De Paula Arias, Esq. (Household Counsel)	Robert P. Norwich (Policy and Compliance)	Arizona Personal Home Loans	Email correspondence requesting and providing advice regarding Arizona loans, including application of state and federal law, and including handwritten notes re: same.	Attorney-Client privilege; Email between lawyer and client requesting and providing advice regarding Arizona loan documents, including advice re: application of state and federal law.
21	HHS 02299144 - HHS 02299145							Document Has Been Produced.
22	HHS 02299305- HHS 02299306	04/11/2002	Katie Moorhead, Esq. (HFC Law Department)	Celia Gomez (Consumer Lending)	N/A	Iowa Loan Repayment and Security Agreement	Email correspondence requesting and providing advice, edits and comments to Iowa loan documents, as per legal requirements.	Attorney-Client privilege; Email correspondence between lawyer and client requesting and providing attorney advice, edits and comments to Iowa loan documents as per legal requirements.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
23	HHS 02299315 - HHS 02299318	03/25/2002	Katie Moorhead, Esq. (HFC Law Department)	Adrian L. Bolding (Policy and Compliance Specialist)	Celia Gomez (Consumer Lending)	Iowa Loan Repayment and Security Agreement	Communications requesting and providing attorney advice, edits and comments to client regarding Iowa loan documents, as per legal requirements.	Attorney-Client privilege; Redacted material contains email between lawyer and client requesting and providing legal advice, edits and comments to Iowa loan documents, and includes comments and approval from Donna L. Radzik, Esq. (Household Counsel) to Iowa loan document, per legal requirements.
24	HHS 02299325 - HHS 02299332	04/01/2002	Katie Moorhead, Esq. (HFC Law Department)	Celia Gomez (Consumer Lending)	N/A	Iowa Loan Repayment and Security Agreement	Communications requesting and providing attorney advice, edits and comments to client regarding Iowa loan documents, as per legal requirements.	Attorney-Client privilege; Redacted material contains email between lawyer and client requesting and providing legal advice, edits and comments to Iowa loan documents, and includes comments and approval from Donna L. Radzik, Esq. (Household Counsel) to Iowa loan document, per legal requirements.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
25	HHS 02300741 - HHS 02300742	09/10/2002	Donna L. Radzik, Esq. (Household Counsel)	Lidia Lemus (Policy and Compliance)	N/A	Loan language for Contract Rates.	Email correspondence requesting and providing advice of Donna L. Radzik, Esq. and Andrew M. Budish, Esq. regarding draft loan language, as per legal requirements.	Attorney-Client privilege; Redacted material contains email correspondence requesting and providing attorneys advice regarding draft loan language, as per legal requirements.
26	HHS 02300745- HHS 02300746	09/10/2002	Donna L. Radzik, Esq. (Household Counsel)	Lidia Lemus (Policy and Compliance)	N/A	Loan language for Contract Rates.	Email correspondence requesting and providing advice of Donna L. Radzik, Esq. and Andrew M. Budish, Esq. regarding draft loan language, as per legal requirements.	Attorney-Client privilege; Redacted material contains email correspondence requesting and providing advice of attorneys regarding draft loan language, as per legal requirements.
27	HHS 02300771 - HHS 02300772	08/15/2002	Andrew M. Budish, Esq. (Senior Counsel)	Sean E. Casey (Assistant Manager - Policy & Compliance Support)	N/A	Illinois Revolving Real Estate and PHIL Forms	Email correspondence requesting and providing advice of Andrew M. Budish regarding draft loan language, as per legal requirements.	Attorney-Client privilege; Redacted material contains email correspondence requesting and providing advice of attorney regarding draft loan language, as per legal requirements.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
28	HHS 02301553 - HHS 02301554	09/05/1997	Jeff Wood, Esq. (Law Department)	Stephen P. Pickett (Southwestern Unit Manager)	Daniel J. Doyle (Policy and Compliance) Tom G. Schneider (Director, Policy and Compliance Support) Lee Leggette, Esq. (Household Counsel) Jo Ann Davis, Esq. (Household Counsel) Kathleen K. Curtin, Esq. (General Counsel) Thomas M. Detelich (MD - Consumer Lending) Dave J. Philipps (Policy and Compliance Support) John J. Berwanger, Esq. (HFC Law) Patrick F. Zenzola (Government Relations - California)	Household loan policies for California Commercial Properties.	Email correspondence requesting and relaying attorney advice to client regarding Household loan policies, as per requirements of California law.	Attorney-Client privilege; Redacted material requests and relays advice from attorney to client regarding Household loan policies, as per requirements of California law.
29	HHS 02301983							Document Has Been Produced.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
30	HHS 02302527	11/26/1997	Shehad A. Mohammed (Responsible Lending)	Cindy M. Brown (Household employee)	N/A	California sales forms.	Email chain containing question to John J. Berwanger, Esq. (HFC Law), and attorney answer, regarding use of form under California law.	Attorney-Client privilege; Email between lawyer and client regarding interpretation of California law.
31	HHS 02302532	04/30/1998	Nancy J. Bromley, Esq. (Senior Counsel)	Cynthia M. Silver (Policy and Compliance)	N/A	California fair lending law.	Email containing question to attorney, and attorney answer, regarding California fair lending law.	Attorney-Client privilege; Email between lawyer and client regarding application of California Fair Lending law.
32	HHS 02302533	04/17/1998	Cynthia M. Silver (Policy and Compliance)	Nancy J. Bromley, Esq. (Senior Counsel)	N/A	California fair lending law.	Email containing question to attorney regarding California fair lending law.	Attorney-Client privilege; Email between lawyer and client regarding application of California Fair Lending law.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
33	HHS 02302534 - HHS 02302535	02/27/1998	Cynthia M. Silver (Policy and Compliance)	Nancy J. Bromley, Esq. (Senior Counsel)	N/A	California fair lending law.	Facsimile containing email seeking and providing legal advice from Nancy J. Bromley, Esq., John J. Berwanger, Esq. (HFC Law) and Jeff Wood, Esq. (Law Department) regarding California fair lending law.	Attorney-Client privilege; Communication between lawyers and client regarding interpretation of California law.
34	HHS 02302538 - HHS 02302539	12/01/1997	John J. Berwanger, Esq. (HFC Law)	Cindy M. Brown (Household employee)	Kathleen K. Curtin, Esq. (General Counsel)	California fair lending law.	Email correspondence requesting and providing legal advice from John J. Berwanger, Esq. (HFC Law) and Jeff Wood, Esq. (Law Department) regarding California fair lending law.	Attorney-Client privilege; Redacted material contains email between lawyers and client regarding application of California law.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
35	HHS 02302542 - HHS 02302543	12/01/1997	John J. Berwanger, Esq. (HFC Law)	Cindy M. Brown (Household employee)	N/A	California fair lending law.	Facsimile containing email requesting and providing legal advice from John J. Berwanger, Esq. (HFC Law) and Jeff Wood, Esq. (Law Department) on California fair lending law.	Attorney-Client privilege; Redacted material contains a communication between lawyer and client regarding interpretation of California law.
36	HHS 02302595	05/07/1998	Nancy J. Bromley, Esq. (Senior Counsel)	Cynthia M. Silver (Policy and Compliance)	N/A	California Trustee	Email seeking and providing legal advice from Nancy J. Bromley re: use of trustee on California loans.	Attorney-Client privilege; Redacted material contains a communication between lawyer and client regarding application of California law re: trustees.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
37	HHS 02302672	04/28/1998	Daniel J. Doyle (Policy and Compliance)	Jon R. Shrum (AVP Quality Assurance and Compliance)	Cindy M. Brown (Household employee) Dave J. Philipps (Policy and Compliance Support)	California law re: questions concerning race, in connection with certain loans.	Email correspondence relating legal advice of Nancy J. Bromley, Esq. (Senior Counsel) and John Berwanger, Esq. (HFC Law), as per question of client, regarding California legal requirements re: race questions.	Attorney-Client privilege; Redacted material relays communication from lawyer to client regarding interpretation of California law.
38	HHS 02302674	05/21/1998	Nancy J. Bromley, Esq. (Senior Counsel)	Cynthia M. Silver (Policy and Compliance)	N/A	California Fair Lending Notice.	Email correspondence requesting and relaying advice of Nancy J. Bromley regarding California fair lending notice and requirements of law.	Attorney-Client privilege; Email correspondence requesting and relaying advice of Nancy J. Bromley regarding California fair lending notice and requirements of law.
39	HHS 02303071	04/06/1998	Daniel J. Doyle (Policy and Compliance)	Jon J. Shrum (AVP Quality Assurance and Compliance)	Nancy J. Bromley, Esq. (Senior Counsel)	California loan agreements.	Email requesting advice from Nancy Bromley, Esq. re: appropriate language for loan documents.	Attorney-Client privilege; Redacted material contains a request for legal advice from Nancy Bromley, Esq. re: appropriate language for loan documents.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
40	HHS 02303490- HHS 02303492							Document Has Been Produced.
41	HHS 02303494							Document Has Been Produced.
42	HHS 02303613 - HHS 02303614							Document Has Been Produced.
43	HHS 02303791 - HHS 02303792							Document Has Been Produced.
44	HHS 02303852	10/29/1998	Nancy J. Bromley, Esq. (Senior Counsel)	Tracy Hortatsos (Policy and Compliance)	Jo Ann Davis, Esq. (Household Counsel)	California lending law.	Email correspondence containing attorney's responses to questions regarding California lending law.	Attorney-Client privilege; E-mail correspondence containing attorney's responses to questions regarding California lending law.
45	HHS 02303912 - HHS 02303914	02/19/1999	Vincent A. Ruiz, Esq. (Gutierrez and Associates)	Martina Vargas (Policy and Compliance)	N/A	California customer survey.	Facsimile providing attorney comments and attorney sign off, as per request of client, re: California customer survey.	Attorney-Client privilege; Facsimile contains communication from attorney providing legal review and sign off for proposed changes to survey.
46	HHS 02303915 - HHS 02303918	02/19/1999	Martina Vargas (Policy and Compliance)	Vincent A. Ruiz, Esq. (from Gutierrez and Associates)	N/A	California customer survey.	Facsimile seeking attorney comments and attorney sign off re: California customer survey.	Attorney-Client privilege; Facsimile contains communication to attorney requesting legal review and sign off for proposed changes to survey.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
47	HHS 02303921 - HHS 02303924	02/11/1999	Martina Vargas (Policy and Compliance)	Vincent A. Ruiz, Esq. (from Gutierrez and Associates)	N/A	California customer survey.	Facsimile seeking attorney comments and attorney sign off re: California customer survey.	Attorney-Client privilege; Facsimile contains communication to attorney requesting legal review and sign off for proposed changes to survey.
48	HHS 02304525	12/21/1998	Lee Leggette, Esq. (Household Counsel)	Cynthia Weaver (Policy and Compliance)	N/A	Overlimit Fee Language for Check Loan Notes.	Memo from attorney to employee in the Policy and Compliance Department re: change to loan language.	Attorney-Client privilege; Memorandum provides legal advice to client regarding overlimit fee language for check note loans.
49	HHS 02305238- HHS 02305239	06/07/1999	Andrew M. Budish, Esq. (Senior Counsel)	John L. Morrisson (Policy and Compliance Support)	N/A	Truth In Lending Application Disclosure.	Email seeking and providing advice of attorney regarding In Lending Application Disclosure, as per legal requirements, and attaching attorney comments to said documents.	Attorney-Client privilege; Redacted material contains an email exchange between attorney and client seeking advice regarding legal requirements for Truth in Lending Application Disclosure, and attaching attorney comments to said document.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
50	HHS 02306616	12/13/1999	Nancy J. Bromley, Esq. (Senior Counsel)	Peter B. Barr (Policy and Compliance)	N/A	California law re: brokers' commissions.	Email between lawyer and Policy and Compliance Department asking questions and conveying approval for a bulletin board.	Attorney-Client privilege; Redacted material contains an email exchange between Household Legal Counsel and an employee seeking legal advice regarding a bulletin board re: broker commission checks.
51	HHS 02306624	12/13/1999	Nancy J. Bromley, Esq. (Senior Counsel)	Peter B. Barr (Policy and Compliance)	Daniel J. Doyle (Policy and Compliance)	California law re: brokers' commissions.	Email from lawyer relating interpretation of California law to Policy and Compliance department.	Attorney-Client privilege; Email from lawyer to client relating interpretation of California law.
52	HHS 02306625 -	12/01/1999	Nancy J. Bromley, Esq. (Senior Counsel)	Peter B. Barr (Policy and Compliance)	Daniel J. Doyle (Policy and Compliance)	California law re: brokers' commissions.	Email requesting and relaying advice from counsel regarding broker commission check.	Attorney-Client privilege; Redacted material contains email between lawyer and client relating interpretation of California law re: broker commission checks.
53	HHS 02307964							Document Has Been Produced.
54	HHS 02308621							Document Has Been Produced.
55	HHS 02308924- HHS 02308925							Document Has Been Produced.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
56	HHS 02309462	01/10/2002	Maryann E. Bennett (Unit Manager – Product Compliance)	Joanne Schaffeld (Manager – Policy Forms & Compliance)	Tom G. Sokan (Policy and Compliance Support) Connie M. Scott (Policy and Compliance Support) Maryann E. Bennett (Unit Manager – Product Compliance)	California insurance.	Email correspondence relating legal advice of Jo Ann Davis, Esq. (Household Counsel) to client regarding language permitted for use in California insurance document.	Attorney-Client privilege; Redacted material relays legal advice of Jo Ann Davis, Esq. (Household Counsel) to client regarding language permitted for use in California insurance document.
57	HHS 02309527							Document Has Been Produced.
58	HHS 02310313	04/09/2001	Daniel J. Doyle (Policy and Compliance)	Tom G. Sokan (Policy and Compliance Support)	N/A	California sales finance contracts.	Email requesting and relaying advice of Nancy J. Bromley regarding California law on refinancing sales finance contracts.	Attorney-Client privilege; Email contains advice of an attorney responding to a question on a specific California rule.
59	HHS 02310481 - HHS 02310482	05/15/2001	Nancy J. Bromley, Esq. (Senior Counsel)	Brenda A. Garcia (Policy and Compliance)	N/A	California Parity Act.	Email correspondence requesting and relaying advice of Nancy Bromley, Esq. regarding the California Parity Act.	Attorney-Client privilege; Email contains advice of an attorney responding to a question on a specific California rule.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
60	HHS 02379109 - HHS 02379126	06/4/2002	Katie Moorshead, Esq. (HFC Law Department)	N/A	N/A	Civil Investigation Demand from the State of Arizona.	Attorney's notes used in preparing response to Civil Investigation Demand.	Work Product; Redacted material contains handwritten notes of Katie Moorshead, Esq. in preparation of response to requests of attorney general, including legal strategies, requests to be clarified and objections to requests.
61	HHS 02379385 - HHS 02379431	07/3/2002	Glen Boudreaux, Esq. (Attorney, Boudreaux and Leonard, LLP)	Household Legal Department	N/A	Arizona Civil Investigation Demand.	Draft response to Arizona Attorney General Demand faxed to Household by Household's outside counsel for review.	Work Product and Attorney-Client privilege; Draft letter containing initial response to Civil Investigation Demand, including draft responses and objections with handwritten legal comments.
62	HHS 02385615 - HHS 02385616							Document Has Been Produced.
63	HHS 02405727	05/21/2002	Katie Moorshead, Esq. (HFC Law Department)	Jada M. Howard (Rapid Response)	N/A	Possible Investigation by HUD re: Arizona complaints.	Email correspondence reflecting advice of Katie Moorshead, Esq. regarding a response to HUD.	Work Product and Attorney-Client privilege; Email contains advice of an attorney responding to a question regarding legal strategy concerning the response to a letter received from HUD.
64	HHS 02405728	05/21/2002	Katie Moorshead, Esq. (HFC Law Department)	Jada M. Howard (Rapid Response)	N/A	Possible Investigation by HUD re: Arizona complaints.	Email correspondence reflecting advice of Katie Moorshead, Esq. regarding a response to HUD.	Work Product and Attorney-Client privilege; Email contains advice of an attorney responding to a question regarding legal strategy concerning the response to a letter received from HUD.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
65	HHS 02405959	05/21/2002	Katie Moorshead, Esq. (HFC Law Department)	Jada M. Howard (Rapid Response)	N/A	Possible investigation by HUD re: Arizona complaints.	Email correspondence reflecting advice of Moorshead, Esq. regarding a response to HUD.	Work Product and Attorney-Client privilege; Email contains advice of an attorney responding to a question regarding legal strategy concerning the response to a letter received from HUD.
66	HHS 02405960	05/21/2002	Katie Moorshead, Esq. (HFC Law Department)	Jada M. Howard (Rapid Response)	N/A	Possible investigation by HUD re: Arizona complaints.	Email correspondence reflecting advice of Moorshead, Esq. regarding a response to HUD.	Work Product and Attorney-Client privilege; Email contains advice of an attorney responding to a question regarding legal strategy concerning the response to a letter received from HUD.
67	HHS 02406152	02/11/2002	Katie Moorshead, Esq. (HFC Law Department)	Jada M. Howard (Rapid Response)	N/A	Complaint filed with the Arizona Attorney General's office.	Email correspondence regarding response to complaints filed with the Arizona Attorney General's office.	Work Product and Attorney-Client privilege; Email correspondence reflecting questions from attorney regarding answering a complaint filed with the Arizona attorney general and forwarded to Household Legal Department by branch office for response.
68	HHS 02406344	04/17/2002	Katie Moorshead, Esq. (HFC Law Department)	Jada M. Howard (Rapid Response)	N/A	Complaints filed with the Arizona Attorney General's office.	Email correspondence regarding response to complaints filed with the Arizona Attorney General's office.	Work Product and Attorney-Client privilege; Email correspondence reflecting questions from attorney regarding answering complaints filed with the Arizona attorney general and forwarded to Household Legal Department for response.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
69	HHS 02406345 - HHS 02406346	04/17/2002	Tom G. Schneider (Director, Policy and Compliance Support)	Katie Moorshead, Esq. (HFC Law Department)		Complaints filed with the Arizona Attorney General's office.	Email correspondence regarding response to complaints filed with the Arizona Attorney General's office.	Work Product and Attorney-Client privilege; Email correspondence contains questions by Katie Moorshead, Esq. to Jessie D. McClure (Quality Assurance/Compliance Manager) and Ken A. Walker (National Quality Assurance Manager), and responses thereto, obtained for the purpose of answering complaints filed with the Arizona attorney general and forwarded to Household Legal Department for response.
70	HHS 02406347 - HHS 02406348	05/21/2002	Katie Moorshead, Esq. (HFC Law Department)	Jada M. Howard (Rapid Response)	N/A	Possible investigation by HUD re: Arizona Complaints.	Email correspondence reflecting advice of Katie Moorshead, Esq. regarding a response to HUD.	Work Product and Attorney-Client privilege; Email contains advice of an attorney responding to a question regarding legal strategy concerning the response to a letter received from HUD.
71	HHS 02406349							Document Has Been Produced.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
72	HHS 02406373 - HHS 02406379	04/03/2002	Katie Moorshead, Esq. (HFC Law Department)	Rachel N. Grant (Assistant Sales Manager) Mary B. Johnston (Director, Operations Support) Kenneth T. Scruggs (Director - Government Relations (state))	Lisa M. Sodeika (VP - Consumer Affairs) Jada M. Howard (Rapid Response) Kathleen K. Curtin, Esq. (General Counsel)	Complaints filed with the Arizona Attorney General.	Email correspondence regarding response to complaints filed with the Arizona Attorney General's office.	Work Product and Attorney-Client privilege; Email correspondence contains legal strategy and attorney analysis of complaints filed against Household with the Arizona Attorney General and forwarded to Household Legal Department for response; attaching emails to counsel from Kenneth T. Scruggs and Jada M. Howard summarizing and providing status of individual complaints.
73	HHS 02406667 - HHS 02406669	04/03/2002	Katie Moorshead, Esq. (HFC Law Department)	Rachel N. Grant (Assistant Sales Manager) Mary B. Johnston (Director, Operations Support) Kenneth T. Scruggs (Director - Government Relations (state))	Lisa M. Sodeika (VP - Consumer Affairs) Jada M. Howard (Rapid Response) Kathleen K. Curtin, Esq. (General Counsel)	Complaints filed with the Arizona Attorney General.	Email correspondence regarding response to complaints filed with the Arizona Attorney General's office.	Work Product and Attorney-Client privilege; Email correspondence contains legal strategy and attorney analysis of complaints filed against Household with the Arizona Attorney General and forwarded to Household Legal Department for response.
74	HHS 02406926 - HHS 02406942	06/28/2002	Paula G. McGuire (Paralegal)	Marci M. Goldgar, (Director Consumer Affairs) Rose K. Patenaude (Director - Corporate Licensing) Ron J. Stanko (Consumer Lending, Policy and Compliance)	Katie Moorshead, Esq. (HFC Law Department) Susan S. Lindsey (Paralegal)	Arizona Attorney General Civil Investigation Demand.	Email correspondence regarding response to Arizona Civil Investigation Demand.	Work Product and Attorney-Client Privilege; Email correspondence requesting information from individuals identified by Katie Moorshead, Esq. and reply emails relaying information from such individuals, as requested by counsel, to be incorporated in draft

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
				<p>April S. Thorne (Policy and Compliance Support)</p> <p>Ellen E. Kirkham (Assistant Vice President – Financial Analysis)</p> <p>James J. O'Brien (Director – Credit Policy/Risk)</p> <p>Steve R. Nesbitt (Vice President – Human Resources)</p> <p>Richard J. Kolb (Director – Sales Support & MIS)</p> <p>Amanda K. Hines (Director – Payroll Operations)</p> <p>Martina Vargas (Policy and Compliance)</p> <p>John W. Blenke (VP Corporate Law and Assistant Secretary)</p> <p>Mary B. Johnston (Director, Operations Support)</p> <p>Thomas M. Detelich (MD - Consumer Lending)</p> <p>Larry H. Zell (Director – Policy & Compliance)</p> <p>Jo Ann Davis, Esq. (Household Counsel)</p>				<p>responses to Arizona Attorney General Civil Investigation Demand.</p>

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
75	HHS 02406943	07/02/2002	Paula G. McGuire (Paralegal)	<p>Carla J. Madura (AVP – Policy Compliance Support)</p> <p>Lynne C. Zaremba (Paralegal)</p> <p>Jada M. Howard (Rapid Response)</p> <p>Loretta R. Abrams (National Director, Consumer Affairs)</p> <p>Patricia A. Wisniewski (Senior Human Resources Manager)</p> <p>Brad A. Firle (Senior Human Resources Manager)</p> <p>Susan S. Lindsey (Paralegal)</p>	N/A	Civil Investigation Demand from the State of Arizona.	Email correspondence regarding response to Arizona Civil Investigation Demand.	<p>Work Product and Attorney-Client privilege;</p> <p>Email correspondence forwarded by Paula G. McGuire is an email chain containing correspondence between Kathleen K. Curtin, Esq. (Household Counsel), Lindy B. Hood (Consumer Lending Policy) and Paula G. McGuire re: data to be included in preparation of draft response to the Arizona Attorney General Investigative Demand.</p>

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
76	HHS 02406944 - HHS 02406955	N/A	Paula G. McGuire (Paralegal)	N/A	N/A	Civil Investigation Demand from the State of Arizona.	Document prepared to assist in Response to Civil Investigation Demand of Arizona Attorney General.	Work Product and Attorney-Client privilege; Document summarizing Civil Investigation Demand of attorney general. Redacted material concerns determination of objections, question regarding scope of Household's knowledge, and partial draft response. Document Has Been Produced.
77	HHS 02406999							
78	HHS 02407079- HHS 02407081	08/08/2002	Glen Boudreaux (Attorney, Boudreaux and Leonard, LLP)	Household Legal Department	N/A	Arizona Attorney General Civil Investigation Demand.	Draft response to Arizona Attorney General Demand faxed to Household by Household's outside counsel for review.	Work Product and Attorney-Client privilege; Draft letter containing initial response to Civil Investigation Demand, including draft responses and objections with handwritten legal comments.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
79	HHS 02407082 - HHS 02407087	07/05/2002	Paula G. McGuire (Paralegal)	Susan Lindsey (Paralegal)	N/A	Arizona Attorney General Civil Investigative Demand.	Email correspondence regarding response to Arizona Civil Investigation Demand.	Work Product and Attorney-Client Privilege; Email forwards email correspondence requesting information from individuals, as requested by counsel, and reply emails relaying information from such individuals to be incorporated in draft responses to Arizona Attorney General Civil Investigation Demand.
80	HHS 02407088 - HHS 02407090	07/09/2002	Nancy J. Bromley, Esq. (Household Attorney)	Paula G. McGuire (Paralegal)	N/A	Arizona Attorney General Investigative Demand.	Email correspondence regarding response to Arizona Civil Investigation Demand.	Work Product and Attorney-Client privilege; Email from Nancy J. Bromley, Esq. requesting information from employees and forwarding response in connection with Arizona Attorney General investigation
81	HHS 02407241 - HHS 02407242	07/02/2002	Richard J. Kolb (Household Employee)	Paula G. McGuire (Paralegal)	N/A	Arizona Attorney General Investigative Demand.	Email correspondence regarding response to Arizona Civil Investigation Demand.	Work Product and Attorney-Client privilege; Email forwarded to paralegal containing email reply of individuals, as requested by counsel, replying with information to be incorporated in draft responses to Arizona Attorney General Civil Investigation Demand.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
82	HHS 02407435	07/03/2002	Paula G. McGuire (Paralegal)	Susan Lindsey (Paralegal)	N/A	Arizona Attorney General Investigative Demand.	Email correspondence regarding response to Arizona Civil Investigation Demand.	Work Product and Attorney-Client privilege; Email forwarded to paralegal containing email reply of individuals, as requested by counsel, re-plying with information to be incorporated in draft responses to Arizona Attorney General Civil Investigation Demand.
83	HHS 02407442	06/05/2002	Shehad A. Mohammed (Responsible Lending)	Katie D. Moorshead, Esq. (HFC Law Department)	Jada M. Howard (Rapid Response) Mary B. Johnston (Director, Operations Support) Kathleen K. Curtin, Esq. (General Counsel) Paula McGuire (Paralegal)	Arizona Attorney General Investigative Demand.	Email correspondence regarding response to Arizona Civil Investigation Demand.	Work Product and Attorney-Client privilege; Email correspondence between counsel and employees containing questions of counsel regarding complaints filed in Arizona and response of Household employee for the purpose of responding to Arizona Attorney General Investigative Demand.
84	HHS 02407443	06/05/2002	Shehad A. Mohammed (Responsible Lending)	Katie D. Moorshead, Esq. (HFC Law Department)	Jada M. Howard (Rapid Response) Mary B. Johnston (Director, Operations Support) Kathleen K. Curtin, Esq. (General Counsel) Paula G. McGuire (Paralegal)	Arizona Attorney General Investigative Demand.	Email correspondence regarding response to Arizona Civil Investigation Demand.	Work Product and Attorney-Client privilege; Email correspondence between counsel and employees containing questions of counsel regarding complaints filed in Arizona and response of Household employee for the purpose of responding to Arizona Attorney General Investigative Demand.
85	HHS 02407445							Document Has Been Produced.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
86	HHS 02407446- HHS 02407447	08/12/2002	Angela K. Boyle (Senior Credit/Policy Risk Analyst)	Katie D. Moorshead, Esq. (HFC Law Department)	Elizabeth A. De Paula Arias, Esq. (Household Counsel)	Civil Investigation mand from the State of Arizona.	Email correspondence regarding Arizona Attorney General loans.	Work Product and Attorney-Client privilege; Email to counsel containing customer information for purposes of drafting responses re: Arizona Attorney General loans.
87	HHS 02407448	08/19/2002	David S. Curcio, Esq. (Attorney, Boudreaux and Leonard, LLP)	Katie D. Moorshead, Esq. (HFC Law Department)	N/A	Arizona Civil Investigation mand.	Email from outside counsel relaying review and advice re: conciliation agreements with customers in Arizona.	Work Product and Attorney-Client privilege; Email correspondence between outside counsel and client containing counsel's review and advice re: settlements with customers in Arizona.
88	HHS 02407451 - HHS 02407503	08/06/2002	Glen Boudreaux (Attorney, Boudreaux and Leonard, LLP)	Household Legal Department	N/A	Arizona Civil Investigation mand.	Draft response to Arizona Attorney General Demand faxed to Household by Household's outside counsel for review.	Work Product and Attorney-Client privilege; Draft letter containing initial response to Civil Investigation Demand, including draft responses and objections with handwritten legal comments.
89	HHS 02407504	08/02/2002	Glen Boudreaux, Esq. (Attorney, Boudreaux and Leonard, LLP)	Kathleen K. Curtin, Esq. (General Counsel) Elizabeth A. De Paula Arias, Esq. (Household Counsel)	Tim S. Leonard, Esq. (Attorney, Boudreaux and Leonard, LLP) David S. Curcio, Esq. (Attorney, Boudreaux and Leonard, LLP)	Arizona Fair Housing settlements.	Email from outside counsel containing advice and relaying settlement terms.	Work Product and Attorney-Client privilege; Email correspondence between outside counsel and client containing review, advice and summary re: Arizona Fair Housing settlements.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
90	HHS 02407505	08/02/2002	Glen Boudreaux, Esq. (Attorney, Boudreaux and Leonard, LLP)	Kathleen K. Curtin, Esq. (General Counsel) Elizabeth A. De Paula Arias, Esq. (Household Counsel)	Tim S. Leonard (Attorney, Boudreaux and Leonard, LLP) David Curcio, Esq. (Attorney, Boudreaux and Leonard, LLP)	Arizona Fair Housing Settlements.	Email from outside counsel containing advice and relaying settlement terms.	Work Product and Attorney-Client privilege; Email correspondence between outside counsel and client containing review, advice and summary re: Arizona Fair Housing settlements.
91	HHS 02407507- HHS 02407509	07/18/2002	Thomas M. Detelich (MD - Consumer Lending)	Katie D. Moorshead, Esq. (HFC Law Department)	Kathleen K. Curtin, Esq. (General Counsel)	Complaints filed with the Arizona Attorney General.	Email correspondence regarding new complaints filed with the Arizona Attorney General's office.	Work Product and Attorney-Client privilege; Email correspondence, including forwarded emails, containing facts relayed by household employees and attorney analysis of new complaints filed against Household with the Arizona Attorney General and forwarded to Household Legal Department for response.
92	HHS 02407521	07/03/2002	Paula G. McGuire (Paralegal)	Susan S. Lindsey (Paralegal)	N/A	Arizona Attorney General Investigative Demand.	Email correspondence regarding response to Arizona Civil Investigation Demand.	Work Product and Attorney-Client privilege; Email forwarded to paralegal containing email reply of individuals, as requested by counsel (and copying Nancy J. Bromley, Esq.), regarding scope of responsive documents to Arizona Attorney General Civil Investigation Demand.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
93	HHS 02407523	07/03/2002	Paula G. McGuire (Paralegal)	Susan S. Lindsey (Paralegal)	N/A	Arizona Attorney General Investigative Demand.	Email correspondence regarding response to Arizona Civil Investigation Demand.	Work Product and Attorney-Client privilege; Email forwarded to paralegal containing email reply of individuals, as requested by counsel (and copying Nancy J. Bromley, Esq.), regarding scope of responsive documents to Arizona Attorney General Civil Investigation Demand.
94	HHS 02407525	07/03/2002	Paula G. McGuire (Paralegal)	Susan S. Lindsey (Paralegal)	N/A	Arizona Attorney General Investigative Demand.	Email correspondence regarding response to Arizona Civil Investigation Demand.	Work Product and Attorney-Client privilege; Email forwarded to paralegal containing email reply of individuals, as requested by counsel (and copying Nancy J. Bromley, Esq.), regarding scope of responsive documents to Arizona Attorney General Civil Investigation Demand.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
95	HHS 02407533- HHS 02407534	07/02/2002	Connie M. Scott (Policy and Compliance Support)	Joanne M. Schaffeld (Manager - Policy Forms & Compliance) Ron L. Bryar (Group Director - Safes) Tim J. Titus (CFO/Director - Financial Control) Gerard J. Lunemann (Actuarial Director) Jo Ann Davis, Esq. (Household Counsel) Susan S. Lindsey (Paralegal)	Maryann E. Bennett (Unit Manager - Product Compliance) Nancy J. Bromley, Esq. (Senior Counsel) Tom G. Schneider (Director, Policy and Compliance Support) April S. Thorne (Policy and Compliance Support)	Civil Investigation Demand from the State of Arizona.	Email sent to obtain assistance in Responding to Civil Investigation Demand of Arizona Attorney General.	Work Product and Attorney-Client privilege; Document summarizing Civil Investigation Demand of attorney general, adding internal determination of objections to requests, which Household employees should bear responsibility for gathering materials and which employees should assist in drafting answers to each request.
96	HHS 02408188 - HHS 02408190	07/03/2002	Paula G. McGuire (Paralegal)	N/A	Arizona Attorney General Investigative Demand.	Arizona Attorney General Investigative Demand.	Email correspondence regarding response to Arizona Civil Investigation Demand.	Work Product and Attorney Client Privilege; Email forwards email correspondence requesting information from individuals, as requested by counsel, and reply emails relaying information from such individuals to be incorporated in draft responses to Arizona Attorney General Civil Investigation Demand.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
97	HHS 02408662	02/08/2002	Katie D. Moorhead, Esq. (HFC Law Department)	Jada M. Howard (Rapid Response)	N/A	Complaint filed with the Arizona Attorney General's office.	Email correspondence regarding response to complaints filed with the Arizona Attorney General's office.	Work Product and Attorney-Client privilege; Email correspondence reflecting questions from attorney regarding answering a complaint filed with the Arizona attorney general and forwarded to Household Legal Department by branch office for response.
98	HHHS 02408832 - HHHS 02408834	07/29/2002	Angela Miracle (Senior Legal Secretary)	Chris C. Snyder (Director for Mortgage Services Wholesale P&C Support; Household Attorney)	Jeffery S. Bransford (Wholesale Mortgage Processor) Douglas A. Friedrich (Managing Director-Specialty finance) Sarah M. Harris (Wholesale Collections) Margo J. Hickman (Corporate Risk Management) Loren J. Morris (HMS Business Development) John J. O'Brien (Consultant - Business Systems) Sean A. Rockway (Policy and Compliance) Chris K. Worwa (Controllers Group)	<i>Ciccarelli v. Household Mortgage Services, Residential Money Centers, Inc. and Gettysburg Funding, Inc.</i>	Email attaching summary and analysis with respect to pending litigation.	Work Product and Attorney-Client Privilege; summary of a pending litigation prepared by an attorney.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
99	HHS 02408835	04/11/2002	Jean S. Raisbeck (Policy and Compliance)	Keith A. Clardy (HFC-Training and Communications)	Winslow Thomas S. (HMS Business Development) John W. Blenke (Corporate Legal Department) Gregory A. Gibson (Wholesale Operations) Elaine H. Markell (Wholesale Default Services) Ashraf R. Ibrahim (Mortgage Services REO) Andrew M. Budish, Esq. (Senior Counsel)	Price Options Training	Communicate to recipients legal advice regarding price options training, including discussion of when the idea of discount points should be raised.	Attorney-Client privilege: Email reflecting legal advice of Andrew M. Budish, Esq., as communicated to clients, regarding necessary requirements for employees to follow when discussing discount points.
100	HHS 02408836							Document Has Been Produced.
101	HHS 02408837							Document Has Been Produced.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
102	HHS 02408838 - HHS 02408840	03/29/2002	Andrew M. Budish, Esq. (Senior Counsel)	Keith A. Clardy (HFC-Training and Communications)	N/A	Price Options form and Training Materials.	Communicate to recipients legal advice regarding price options training, including discussion of when the idea of discount points should be raised.	Attorney-Client privilege: Email reflecting questions to and legal advice of Andrew M. Budish, Esq., regarding necessary requirements for employees to follow when discussing discount points.
103	HHS 02408842 - HHS 02408843	03/28/2002	Andrew M. Budish, Esq. (Senior Counsel)	Keith A. Clardy (HFC-Training and Communications)	N/A	Price Options form and Training Materials.	Communicate to recipients legal advice regarding price options training, including discussion of when the idea of discount points should be raised.	Attorney-Client privilege: Email reflecting questions to and legal advice of Andrew M. Budish, Esq., regarding necessary requirements for employees to follow when discussing discount points.
104	HHS 02408847 - HHS 02408848							Document Has Been Produced.
105	HHS 02408849 - HHS 02408855	04/06/1999	Regina A. Nowlan (Training and Communications)	Kathleen K. Curtin, Esq. (General Counsel)	N/A	Advanced Sales Training Legal Review.	Memo forwarding training materials as per request of counsel.	Attorney-Client privilege: Memo forwarding training information for legal review, including handwritten notes regarding a conversation with counsel.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
106	HHS 02408856	05/28/2001	Bernie D. Wilson (HFC Real Estate Collections)	Thais M. McClain (Training and Development Department Manager)	Chris A. Snyder (Vice President in Collections - Consumer Lending)	Fair Debt Collection Practices Act.	Email relaying advice of counsel re: FDCPA compliance.	Attorney-Client privilege; Redacted material for-wards email containing legal advice of Andrew Budish, Esq. (Senior Counsel) re: compliance with Fair Debt Collection Practices Act.
107	HHS 02408867 - HHS 02408868	02/2/2000	Michael Mulconrey (National Training Manager)	Anne Marie Marks (B/U Training & Development Manager)	N/A	Mini-Miranda warnings.	Communicate to client regarding state law requirements regarding mini-Miranda warnings.	Attorney-Client privilege; Facsimile enclosing memorandum from Andrew Budish, Esq. (Senior Counsel) to George Wilson (MD-Consumer Lending Operations) regarding application of state laws re: Mini-Miranda Warnings. Memo follows up on an earlier discussion on mini-Miranda warnings.
108	HHS 02408869 - HHS 02408871	11/1/1999	Andrew M. Budish, Esq. (Senior Counsel)	Bernie Wilson (HFC Real Estate Collections) Chris Snyder (Vice President in Collections - Consumer Lending) Mike Marks (VP - Collections) David Little (MD - Consumer Lending Operations) Kathy Huston (Unit Manager - Collections)	N/A	Mini-Miranda warnings.	Communicate to client regarding state law requirements regarding mini-Miranda warnings.	Attorney-Client privilege; Redacted material contains a memo providing analysis regarding application of state laws re: Mini-Miranda Warnings, including attorney's recommendations.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
109	HHS 02408875	01/31/2000	Andrew M. Budish, Esq. (Senior Counsel)	George Wilson (MD-Consumer Lending Operations)	N/A	Mini-Miranda warnings.	Communicate to client regarding state law requirements regarding mini-Miranda warnings.	Attorney-Client privilege; Memorandum from Andrew Budish, Esq. (Senior Counsel) to George Wilson (MD-Consumer Lending Operations) regarding application of state laws re: Mini-Miranda Warnings. Memo follows up on an earlier discussion on mini-Miranda warnings.
110	HHS 02408876 - HHS 02408878	11/1/1999	Andrew M. Budish, Esq. (Senior Counsel)	Bernie Wilson (HFC Real Estate Collections) Chris Snyder (Vice President in Collections - Consumer Lending) Mike Marks (VP - Collections) David Little (MD - Consumer Lending Operations) Kathy Huston (Unit Manager - Collections)	N/A	Mini-Miranda warnings.	Communicate to client regarding state law requirements regarding mini-Miranda warnings.	Attorney-Client privilege; Memoranda from Senior Counsel to employees regarding application of state laws re: Mini-Miranda Warnings, including attorney's recommendations.
111	HHS 02408880 - HHS 02408887	07/22/2002	Andrew M. Budish, Esq. (Senior Counsel)	Mike J. Mulconrey (National Training Manager)	N/A	U.S. Fair Debt Collection Practices Act.	Communicate to Policy and Compliance Department regarding legal review of a training manual concerning compliance with the FDCPA.	Attorney-Client privilege; Redacted material contains handwritten notes and comments of Andrew M. Budish to a section of a training manual made to ensure compliance with federal law.

#	Bates Number	Date	Author/From	Recipient(s)		Subject Matter	Purpose for Its Production	Explanation of Privilege
				To	CC/BCC			
112	HHS 02408888 - HHS 02408894	5/20/2002	Kathleen K. Curtin, Esq. (General Counsel) Lorraine Bieber (Regional Director - Underwriting) M.A. Dougherty (Approving Executive Sponsor)	M.A. Dougherty (Approving Executive Sponsor) Ken Cashmer (Regional Director - Quality Control)	N/A	Title and Appraisal work; Collateral guidelines.	Communicate to Policy and Compliance Department regarding legal review of a training manual concerning compliance with the FDICPA.	Attorney-Client privilege; Draft training manual contains changes of Kathleen K. Curtin, Esq., M.A. Dougherty and Lorraine Bieber, as determined during a meeting between the three.

EXHIBIT B

EXHIBIT B

To assist the Court in accurately keeping track of which entries are still being challenged, and on which grounds following the parties' meet and confer held on June 21, 2005, Defendants offer the following chart:

POINT IN BRIEF	CHALLENGE	DOCUMENT
1.	EXPECTATION OF CONFIDENTIALITY/CONTROL GROUP	2 (Submitted <i>In Camera</i>), 5, 7- 9, 11-14, 16, 19-20, 22-28, 30-39, 44-52, 56, 58-59, 61, 63-70, 72-76, 78-84, 86-99, 102-103, 105-112
2.	NON COMMUNICATION	76
3.	COMMUNICATIONS NOT RELATING TO LEGAL ADVICE	5 (Submitted <i>In Camera</i>), 16, 25-28, 39, 49, 74-76, 79, 92-94, 96, 99, 102-103, 105, 111
4.	DOCUMENTS NOT REFLECTING CONFIDENTIAL CLIENT COMMUNICATIONS	5 (Submitted <i>In Camera</i>), 16, 23-24, 39, 49, 74-76, 79-80, 82, 91-96, 111
5.	DOCUMENTS INTENDED FOR PUBLICATION OR DISCLOSED TO THIRD PARTIES	60 (Submitted <i>In Camera</i>), 74-75, 79, 81-82, 86, 92-96
6.	DOCUMENTS EXCHANGED IN THE COURSE OF DOCUMENT SEARCHES	60 (Submitted <i>In Camera</i>), 76, 80, 92-94, 96

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

_____)
)
LAWRENCE E. JAFFE PENSION PLAN, ON)
BEHALF OF ITSELF AND ALL OTHERS SIMILARLY)
SITUATED,)

Plaintiff,)

- against -)

HOUSEHOLD INTERNATIONAL, INC., ET AL.,)

Defendants.)
_____)

Lead Case No. 02-C-5893
(Consolidated)

Judge Ronald A. Guzman
Magistrate Judge Nan R. Nolan

**APPENDIX OF UNREPORTED CASES IN CONNECTION
WITH THE DEFENDANTS' MEMORANDUM OF LAW IN
OPPOSITION TO LEAD PLAINTIFFS' MOTION TO
COMPEL THE HOUSEHOLD DEFENDANTS TO
PRODUCE DOCUMENTS WITHHELD ON THE BASIS OF
PRIVILEGE**

APPENDIX OF UNREPORTED AUTHORITIES

1. *American Nat'l Bank and Trust Co. v. AXA Client Solutions, LLC*, No. 00 C 6786, 2002 WL 1058776 (N.D. Ill. Mar. 22, 2002)
2. *Breneisen v. Motorola, Inc.*, No. 02 C 50509, 2003 WL 21530440 (N.D. Ill. July 3, 2003)
3. *Byrnes v. Empire Blue Cross Blue Shield*, No. 98 Civ. 8520 (BSJ) (MHD), 1999 U.S. Dist. LEXIS 17281 (S.D.N.Y. Nov. 4, 1999)
4. *Heidelberg Harris, Inc. v. Mitsubishi Heavy Indus., Ltd.*, No. 95 C 0673, 1996 WL 732522 (N.D. Ill. Dec. 18, 1996)
5. *Rager v. Boise Cascade Corp.*, No. 88 C 1436, 1988 WL 84724 (N.D. Ill. Aug. 5, 1988)
6. *Weeks v. Samsung Heavy Indus. Co., Ltd.*, No. 93 C 4899, 1996 WL 341537 (N.D. Ill. June 20, 1996)
7. *Ziemack v. Centel Corp.*, No. 92 C 3551, 1995 U.S. Dist. LEXIS 6942 (N.D. Ill. May 18, 1995)

TAB 1

Westlaw.

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H

Motions, Pleadings and Filings

Only the Westlaw citation is currently available.

United States District Court, N.D. Illinois, Eastern
Division.

AMERICAN NATIONAL BANK AND TRUST
COMPANY OF CHICAGO, as Trustee f/b/o
Emerald

Investments LP and Emerald Investments LP, an
Illinois partnership, Plaintiffs,

v.

AXA CLIENT SOLUTIONS, LLC; The Equitable
Life Assurance Society of the United
States; and AXA Financial, Inc., Defendants.

No. 00 C 6786.

March 22, 2002.

MEMORANDUM OPINION AND ORDER

ASHMAN, Magistrate J.

*1 American National Bank and Trust Company moves this Court to test the sufficiency of Equitable Life Assurance Society's claims of attorney-client privilege and work-product doctrine as per its third amended privilege log. Equitable's privilege log spans 118 pages. We have agreed to conduct an in camera review of every fifteenth document listed on the privilege log, up to a total of ten documents. For the reasons stated, this Court grants American National Bank's motion in part and denies it in part.

I.

The facts relating to the underlying dispute between the parties have been narrated twice before. See Am. Nat'l Bank & Trust Co. v. AXA Client Solutions, LLC, No. 00 C 6786, 2001 WL 743399, at *1 (N.D. Ill. June 29, 2001); Am. Nat'l Bank & Trust Co. v. AXA Client Solutions, LLC, No. 00 C 6786, 2001 WL 127653, at *1 (N.D.Ill. Feb. 14, 2001). For purposes of the instant motion, it is enough to say that American National Bank contends that Equitable improperly obstructed American National Bank's right to transfer funds in and out of certain annuity accounts. Time is better spent jumping into the thick of it, discussing the attorney-client privilege and

work-product doctrine and then assessing Equitable's basis or bases for withholding the submitted documents from discovery.

The attorney-client privilege protects confidential communications between a client and his legal advisor. It developed as a consideration for the fostering of confidence and trust by the client in his legal advisor so that the legal advisor could provide effective legal advice. Trammel v. United States, 445 U.S. 40, 51 (1980); Prevue Pet Prods., Inc. v. Avian Adventures, Inc., 200 F.R.D. 413, 415 (N.D.Ill.2001) (quoting Upjohn Co. v. United States, 449 U.S. 383, 389 (1981)). In the Seventh Circuit, the general principle of the attorney-client privilege takes the following form: "Where legal advice of any kind is sought from a professional legal adviser in his capacity as such, the communications relating to that purpose, made in confidence by the client, are at his instance permanently protected from disclosure by himself or by the legal adviser, except the protection be waived." United States v. White, 950 F.2d 426, 430 (7th Cir.1991) (quoting 8 Wigmore, Evidence § 2292, at 554 (McNaughton rev.1961)). Because the attorney-client privilege impedes the judicial search for truth, it is strictly construed. In re Walsh, 623 F.2d 489, 493 (7th Cir.1980). The party asserting the attorney-client privilege bears the burden of establishing all of its elements on a document-by-document basis. United States v. Lawless, 709 F.2d 485, 487 (7th Cir.1983).

The work-product doctrine protects communications between a client and his legal advisor and much that has its source outside of client communications. It developed as a consideration for the maintenance of a certain "degree of privacy" to protect the legal advisor's work so as to promote balance and fairness in the adversarial system. Upjohn Co., 449 U.S. at 397-402; Hickman v. Taylor, 329 U.S. 495, 507-12 (1947). In codified form, the work-product doctrine states that "a party may obtain discovery of documents ... otherwise discoverable ... and prepared in anticipation of litigation or for trial by or for another party or by or for that other party's representative only upon a showing that the party seeking discovery has substantial need of the materials in the preparation of the party's case and that the party is unable without undue hardship to obtain the substantial equivalent of the materials by other means." Fed.R.Civ.P. 26(b)(3). The party

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asserting the work-product doctrine must prove all of its elements on a document-by-document basis. Applied Telematics, Inc. v. Sprint Communications Co., Civ. A. No. 94-4603, 1996 WL 539595, at *4 (E.D.Pa. Sept. 18, 1996). The threshold determination in any case is "whether, in light of the nature of the document and the factual situation in the particular case, the document can fairly be said to have been prepared or obtained because of the prospect of litigation." Binks Mfg. v. Nat'l Presto Indus., 709 F.2d 1109, 1118-19 (7th Cir.1983) (quoting 8 Charles Alan Wright et al., Federal Practice and Procedure § 2024, at 343 (2d ed.1994)).

*2 The first document submitted by Equitable is listed on the privilege log as EQ 7500-EQ 7510. The document was authored by in-house counsel and sent to in-house counsel and an Equitable employee. Equitable described the document as draft letters for brokers regarding warnings for market timing. Equitable claimed that the draft letters were protected against discovery under the attorney-client privilege. We uphold this assertion of the attorney-client privilege, assuming that the privilege has not been waived. Courts have held that parts of draft letters ultimately disclosed to third parties via the final version of the letter must be disclosed due to waiver. See Softview Computer Prods. Corp. v. Haworth, Inc., No. 97 Civ. 8815 KMWHP, 2000 WL 351411, at *15 (S.D.N.Y. Mar. 21, 2000) ("Drafts of documents prepared by an attorney for transmission to third parties are protected by the attorney-client privilege only where the draft document contains confidential information communicated by the client to the attorney that is maintained in confidence."); Schenet v. Anderson, 678 F.Supp. 1280, 1284 (E.D.Mich.1988) ("The privilege is waived only as to those portions of the preliminary drafts ultimately revealed to third parties."). Here, it is apparent that the draft letters contain legal advice and opinions of in-house counsel, and, based on the description of the draft letters on the privilege log, it appears that the draft letters were prepared and kept in confidence.

The second document submitted by Equitable is listed on the privilege log as EQ 7556. The document contains handwritten notes that were authored by in-house counsel. Equitable described the document as a draft letter and the handwritten notes as reflecting legal advice from in-house counsel. Equitable claimed that the handwritten notes were protected against discovery under the attorney-client privilege. We dismiss this assertion of the attorney-client privilege because the handwritten notes were not communicated by in-house counsel to anyone and

disclosure of the handwritten notes would not reveal any confidential communication that was made for the purpose of obtaining legal advice. See Midwestern Univ. v. HBO & Co., No. 96 C 2826, 1999 WL 32928, at *4 (N.D.Ill. Jan. 4, 1999); Sneider v. Kimberly-Clark Corp., 91 F.R.D. 1, 6 (N.D.Ill.1980). The handwritten notes merely reflect in-house counsel's own uncommunicated thoughts, and such recorded and uncommunicated thoughts fall outside the province of the attorney-client privilege.

The third document submitted by Equitable is listed on the privilege log as EQ 7631-EQ 7665. The document was authored by in-house counsel and sent to in-house counsel and two Equitable employees. Equitable described the document as draft letters to customers regarding market timing and dated the draft letters September 2000. Equitable claimed that the draft letters were protected against discovery under the attorney-client privilege and work-product doctrine. We find that the draft letters are protected against discovery under the attorney-client privilege, assuming that the privilege has not been waived. See Softview Computer Prods. Corp., 2000 WL 351411, at *15; Schenet, 678 F.Supp. at 1284. The draft letters contain legal advice and opinions of in-house counsel and it appears, based on the description of the draft letters on the privilege log, that the draft letters were prepared and kept in confidence. We find that the draft letters are not protected against discovery under the work-product doctrine because the draft letters were not prepared in anticipation of litigation. The motivation for preparing the draft letters was to assist Equitable in managing its business, which is assist by the content of the letters. These templates would have likely been prepared regardless of whether any litigation was expected to ensue. See Hardy v. N.Y. News Inc., 114 F.R.D. 633, 646 (S.D.N.Y.1987).

*3 The fourth document submitted by Equitable is listed on the privilege log as EQ 7762-EQ 7763. The document contains two e-mails. One of the e-mails, dated March 9, 2000, was authored by an Equitable employee and sent to in-house counsel and several Equitable employees. The other e-mail, dated March 7, 2000, was also authored by an Equitable employee and sent to in-house counsel and several Equitable employees. Equitable described the document as e-mails concerning possible actions that Equitable might take in response to market timing. Equitable claimed that both e-mails were protected against discovery under the attorney-client privilege. We disagree with this assertion, but agree that the part of the first sentence in the last paragraph beginning with "and" and ending with "change" is protected against

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discovery under the attorney-client privilege. Disclosure of this part of the March 7 e-mail would reveal a confidential communication that was made for the purpose of obtaining legal advice. In the corporate context, it is well settled that the privileged nature of a communication does not lose its status as such simply because it is disseminated among numerous employees of the corporation. See McCook Metals L.L.C. v. Alcoa Inc., 192 F.R.D. 242, 254 (N.D.Ill.2000); Bank Brussels Lambert v. Credit Lyonnais (Suisse) S.A., 160 F.R.D. 437, 442 (S.D.N.Y.1995). It is equally settled, however, that a communication is not necessarily privileged because the communication was sent to an attorney. United States Postal Serv. v. Phelps Dodge Refining Corp., 852 F.Supp. 156, 160 (E.D.N.Y.1994). Accordingly, the rest of the document, which reveals communications made by Equitable employees for the purpose of obtaining business advice, must be disclosed.

The fifth document submitted by Equitable is listed on the privilege log as EQ 7809-EQ 7810. The document contains four e-mails. One of the e-mails, dated March 15, 2000, was authored by in-house counsel and sent to in-house counsel and two Equitable employees. Another e-mail, dated March 15, 2000, was authored by an Equitable employee and sent to another Equitable employee. The other two e-mails, dated March 21, 2000, were authored by the same Equitable employee and sent to in-house counsel and three Equitable employees. Equitable described the document as four e-mails relating to changing addresses for contract holders. Equitable claimed that the e-mails were protected against discovery under the attorney-client privilege. We uphold this assertion of the privilege because the e-mails contain communications that were made for the purpose of obtaining or providing legal advice. See United States v. Rowe, 96 F.3d 1294, 1296-97 (9th Cir.1996). Particularly, in-house counsel was in the process of obtaining information necessary to provide legal advice. See Upjohn Co., 449 U.S. at 390-91.

The sixth document submitted by Equitable is listed on the privilege log as EQ 7865. The document was authored by in-house counsel and sent to an Equitable employee. Equitable described the document as a handwritten memorandum and claimed that it was protected against discovery under the attorney-client privilege. We dismiss this assertion of the privilege because the content of the handwritten memorandum does not reveal any confidential communication that was made for the purpose of obtaining legal advice. The handwritten

memorandum merely reports in one sentence the content of the attached document that was delivered to the Equitable employee, akin to a cover letter containing a terse description of the transmittal. See Republican Party of N.C. v. Martin, 136 F.R.D. 421, 428 (E.D.N.C.1991). It appears that in-house counsel delivered the attached document on his own account, rather than in response to a request.

*4 The seventh document submitted by Equitable is listed on the privilege log as EQ 7994--EQ 7995. The document contains four e-mails. One of the e-mails, dated June 21, 2000, was authored by an Equitable employee and sent to in-house counsel and two Equitable employees. The second e-mail, dated June 22, 2000, was authored by in-house counsel and sent to in-house counsel and three Equitable employees. The third e-mail, also dated June 22, 2000, was authored by an Equitable employee and sent to in-house counsel and two Equitable employees. Lastly, the fourth e-mail, dated June 26, 2000, was authored by in-house counsel and sent to in-house counsel and three Equitable employees. Equitable described the document as e-mails reflecting correspondence with counsel regarding contract language on market timing. Equitable claimed that the e-mails were protected against discovery under the attorney-client privilege. We find that the communication contained in the June 21 e-mail is protected against discovery under the attorney-client privilege because it was made for the purpose of obtaining legal advice. See Nguyen v. Excel Corp., 197 F.3d 200, 206 (5th Cir.1999) ("A client's specific request to an attorney and pertinent information related thereto fall within the reaches of the privilege."). We find that the communication contained in the June 22 e-mail from in-house counsel is protected against discovery under the attorney-client privilege, assuming that the privilege has not been waived, because the communication contains legal advice and opinions of in-house counsel and it appears, based on the description of the e-mail on the privilege log, that the communication was prepared and kept in confidence. See Softview Computer Prods. Corp., 2000 WL 351411, at *15; Schenet, 678 F.Supp. at 1284. The communication contained in the June 22 e-mail from the Equitable employee is protected against disclosure under the attorney-client privilege because it was made for the purpose of obtaining legal advice. And lastly, the communication contained in the June 26 e-mail is protected against discovery under the attorney-client privilege, assuming that the privilege has not been waived, because the communication contains legal advice and opinions of in-house counsel and it appears, based on the description of

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the e-mail on the privilege log, that the communication was prepared and kept in confidence. See Softview Computer Prods. Corp., 2000 WL 351411, at *15; Schenet, 678 F.Supp. at 1284.

The eighth document submitted by Equitable is listed on the privilege log as EQ 8066. The document was authored by in-house counsel and sent to in-house counsel and several Equitable employees. It contains a handwritten note written by in-house counsel. Equitable described the document as an e-mail with a handwritten note concerning proposed market timing language. Equitable claimed that the e-mail and handwritten note were protected against discovery under the attorney-client privilege. We uphold this assertion of the privilege with respect to the e-mail itself, assuming that the privilege has not been waived. See Softview Computer Prods. Corp., 2000 WL 351411, at *15; Schenet, 678 F.Supp. at 1284. The e-mail contains legal advice and opinions of in-house counsel and it appears, based on the description of the e-mail on the privilege log, that the e-mail was prepared and kept in confidence. However, we dismiss this assertion of the privilege with respect to the handwritten notes because the handwritten notes were not communicated by in-house counsel to anyone and disclosure of the handwritten notes would not reveal any confidential communication that was made for the purpose of obtaining legal advice. See Midwestern Univ., 1999 WL 32928, at *4; Sneider, 91 F.R.D. at 6. The handwritten notes merely reflect in-house counsel's own uncommunicated thoughts, and such recorded and uncommunicated thoughts fall outside the province of the attorney-client privilege.

*5 The ninth document submitted by Equitable is listed on the privilege log as EQ 8126-EQ 8127. The document was authored by in-house counsel and sent to in-house counsel. Equitable described the document as a legal memorandum concerning changes to transfer rules. Equitable claimed that the document was protected against discovery under the attorney-client privilege. We uphold this assertion of the privilege because disclosure of the legal memorandum would reveal confidential communications that were made for the purpose of obtaining legal advice. See N.C. Elec. Membership Corp. v. Carolina Power & Light Co., 110 F.R.D. 511, 517 (M.D.N.C.1986) ("Legal memoranda which summarize case law but contain no factual application to the client do not contain confidential client information and are thus not privileged."); SCM Corp. v. Xerox Corp., 70 F.R.D. 508, 523 (D.Conn.1976) ("Of course, the attorney's opinions

and legal theories, even if recorded in his own files, are privileged under the narrow standard of *United Shoe* if they reveal information supplied in confidence by the client.").

Finally, the tenth document submitted by Equitable is listed on the privilege log as EQ 8200. The document was authored by in-house counsel and sent to in-house counsel and two Equitable employees. Equitable described the document as an e-mail providing legal advice regarding market timing sales agreements. Equitable claimed that the document was protected against discovery under the attorney-client privilege. We uphold this assertion of the privilege because the e-mail contains legal advice and opinions of in-house counsel.

II.

For the reasons stated, this Court grants American National Bank's motion in part and denies it in part. Equitable must produce documents to American National Bank as stated above.

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Motions, Pleadings and Filings (Back to top)

- 2004 WL 869717 (Trial Motion, Memorandum and Affidavit) Equitable's Motion for Leave to Use Protected Information to Defend Equitable in DH2's Lawsuit Against Equitable (Feb. 18, 2004)
- 2004 WL 869716 (Trial Motion, Memorandum and Affidavit) Emerald's Motion for Reasonable Expenses Regarding Privilege Log Motions and Related Events (Feb. 12, 2004)
- 2003 WL 23417738 (Trial Motion, Memorandum and Affidavit) Equitable's Motion for Leave to File Oversized Memorandum in Opposition to Emerald's Motion for Summary Judgment Instanter (Dec. 22, 2003)
- 2003 WL 23417731 (Trial Motion, Memorandum and Affidavit) Motion for Leave to File Oversized Brief Instanter (Dec. 15, 2003)
- 2003 WL 23417723 (Trial Motion, Memorandum and Affidavit) Emerald's Motion for a Briefing Schedule Concerning its Request for Summary Judgment in Case No. 01 C 9974 and for other Relief (Nov. 20, 2003)
- 2003 WL 23417717 (Trial Motion, Memorandum and Affidavit) Equitable's Motion to Bar Expert

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Opinions of Todd Menenberg (Nov. 19, 2003)

- 2003 WL 23417709 (Trial Motion, Memorandum and Affidavit) Emerald's FED. R. CIV. P. 37(b)(2)(B) Motion to Preclude Equitable from Calling Ian Lloyd at Trial for its Failure to Comply with this Court's December 20, 2002 Order Requiring his Deposition. (Oct. 09, 2003)
- 2003 WL 23910143 (Trial Motion, Memorandum and Affidavit) Equitable's Response to Third-Party DH2, Inc.'s and Elkhorn's Motion to Intervene (Sep. 19, 2003)
- 2003 WL 23417700 (Trial Motion, Memorandum and Affidavit) Third-Party DH2, Inc.'s and Elkhorn's Motion to Intervene (Sep. 17, 2003)
- 2003 WL 23417693 (Trial Motion, Memorandum and Affidavit) Emerald's Unopposed Motion for Leave to File Additional Appearance (Aug. 19, 2003)
- 2003 WL 23417686 (Trial Motion, Memorandum and Affidavit) Motion for Status Conference (Jul. 09, 2003)
- 2003 WL 23417680 (Trial Motion, Memorandum and Affidavit) Emerald's Motion for Summary Judgment On Equitable's Affirmative Claims in Case No. 01 C 9974 (Jun. 02, 2003)
- 2003 WL 23417672 (Trial Motion, Memorandum and Affidavit) Motion to Supplement Pro Hac Vice Application of Sidney S. Rosdeitcher (Feb. 05, 2003)
- 2003 WL 23417665 (Trial Motion, Memorandum and Affidavit) Reply Brief in Support of Emerald's Motion to Quash the Improper Subpoenas Served on DH2, Inc. and Rob Rubin (Jan. 24, 2003)
- 2003 WL 23910137 (Trial Motion, Memorandum and Affidavit) Reply Brief in Support of Emerald's Motion to Quash the Improper Subpoenas Served on DH2, Inc. and Rob Rubin (Jan. 24, 2003)
- 2003 WL 23417659 (Trial Motion, Memorandum and Affidavit) Equitable's Motion for a One-Week Extension of Time (Jan. 02, 2003)
- 2002 WL 32451421 (Trial Motion, Memorandum and Affidavit) Motion for Leave to File Additional Appearances (Dec. 27, 2002)
- 2002 WL 32451393 (Trial Motion, Memorandum and Affidavit) Equitable's Memorandum in Support

of its Petition for Leave for Counsel to Appear Pro Hac Vice and Motion for Leave to File an Additional Appearance of Counsel (Dec. 13, 2002)

- 2002 WL 32451408 (Trial Motion, Memorandum and Affidavit) Equitable's Motion to Quash Emerald's October 14, 2002 Deposition Notice and for a Protective Order Prohibiting the Depositions of Five Witnesses (Dec. 11, 2002)
- 2002 WL 32451381 (Trial Motion, Memorandum and Affidavit) Equitable's Motion for a Protective Order (Nov. 25, 2002)
- 2002 WL 32451375 (Trial Motion, Memorandum and Affidavit) Equitable's Motion to Quash Emerald's October 14, 2002 Deposition Notice and for a Protective Order Prohibiting the Depositions of Five Witnesses (Oct. 24, 2002)
- 2002 WL 32742108 (Trial Motion, Memorandum and Affidavit) Emerald's Response to Equitable's Emergency Motion for Section 1292(b) Certification and for A Stay (Oct. 23, 2002)
- 2002 WL 32451358 (Trial Motion, Memorandum and Affidavit) Equitable's Emergency Motion for a Three Day Stay Pending a Hearing by Judge Kocoras on Equitable's Emergency Motion for an Order Certifying and Staying this Court's October 16, 2002 Ruling (Oct. 21, 2002)
- 2002 WL 32451365 (Trial Motion, Memorandum and Affidavit) Equitable's Emergency Motion for an Order Certifying and Staying this Court's October 16, 2002 Ruling (Oct. 17, 2002)
- 2002 WL 32451338 (Trial Motion, Memorandum and Affidavit) Motion to File Certain Documents Under Seal (Oct. 07, 2002)
- 2002 WL 32451347 (Trial Motion, Memorandum and Affidavit) Equitable's Motion for a Briefing Schedule and Oral Argument on its Rule 72(a) Objections and to Extend the Stay on Magistrate Judge Ashman's Order Striking Privilege Log (Oct. 07, 2002)
- 2002 WL 32451314 (Trial Motion, Memorandum and Affidavit) Equitable's Emergency Motion for Reconsideration of the Court's September 23rd Order or, in the Alternative, for a Stay Pending Appeal (Sep. 26, 2002)
- 2002 WL 32451323 (Trial Motion, Memorandum

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and Affidavit) Equitable's Emergency Motion for Leave to File Motion in Excess of 15 Pages (Sep. 26, 2002)

- 2002 WL 32742102 (Trial Motion, Memorandum and Affidavit) Emerald's Response to McDermott Attorneys' Motion to Modify Agreed Amended Protective Order (Sep. 26, 2002)
- 2002 WL 32451299 (Trial Motion, Memorandum and Affidavit) Motion to Modify Agreed Amended Protective Order (Sep. 19, 2002)
- 2002 WL 32451288 (Trial Motion, Memorandum and Affidavit) Equitable's Motion for Clarification and/or Amendment of the Court's August 14th Order (Aug. 16, 2002)
- 2002 WL 32451276 (Trial Motion, Memorandum and Affidavit) Emerald'S Amended Reply Brief Supporting Its Motion for Rule 26 and 37 Sanctions (Aug. 14, 2002)
- 2002 WL 32742095 (Trial Motion, Memorandum and Affidavit) Emerald's Amended Reply Brief Supporting Its Motion for Rule 26 and 37 Sanctions (Aug. 14, 2002)
- 2002 WL 32451267 (Trial Motion, Memorandum and Affidavit) Motion for Leave to File Instant Amended Reply Brief (Aug. 12, 2002)
- 2002 WL 32451255 (Trial Motion, Memorandum and Affidavit) Emerald's Reply Brief Supporting Its Motion for Rule 26 and 37 Sanctions (Aug. 09, 2002)
- 2002 WL 32742086 (Trial Motion, Memorandum and Affidavit) Emerald's Reply Brief Supporting Its Motion for Rule 26 and 37 Sanctions (Aug. 09, 2002)
- 2002 WL 32742080 (Trial Motion, Memorandum and Affidavit) Equitable's Response and Objections to Emerald's Motion for Rule 26 and 37 Sanctions (Aug. 06, 2002)
- 2002 WL 32451246 (Trial Motion, Memorandum and Affidavit) Equitable's Motion to Compel Emerald to Supplement its Prior Discovery Responses (Aug. 01, 2002)
- 2002 WL 32451233 (Trial Motion, Memorandum and Affidavit) Emerald's Motion for Rule 26 and 37 Sanctions (Jul. 25, 2002)
- 2002 WL 32451224 (Trial Motion, Memorandum

and Affidavit) Emerald's Unopposed Motion Requesting Two Additional Days to File Response to Equitable's Objections to Magistrate's Order (Jul. 08, 2002)

- 2002 WL 32451217 (Trial Motion, Memorandum and Affidavit) Emerald's Motion for Leave to Take Additional Discovery (Jun. 13, 2002)
- 2002 WL 32742077 (Trial Motion, Memorandum and Affidavit) Equitable's Response to Plaintiffs' Motion to Compel Expert Discovery (Jun. 03, 2002)
- 2002 WL 32451210 (Trial Motion, Memorandum and Affidavit) Plaintiffs' Motion to Compel Prior Testimony, Affidavits and Depositions of Equitable's Expert (May. 29, 2002)
- 2002 WL 32451197 (Trial Motion, Memorandum and Affidavit) Emerald's Motion to Compel Production of Documents from Equitable's Fourth Amended Privilege Log (May. 20, 2002)
- 2002 WL 32451200 (Trial Motion, Memorandum and Affidavit) Emerald's Motion for Leave to Take Additional Depositions Based on Equitable's Improper Withholding of Documents (May. 20, 2002)
- 2002 WL 32742064 (Trial Motion, Memorandum and Affidavit) Emerald's Reply in Support of Its Motion to Prohibit Defendants From Introducing Evidence at Trial for Its Repeated Failure to Produce Documents During Discovery and for Other Relief (May. 16, 2002)
- 2002 WL 32451191 (Trial Motion, Memorandum and Affidavit) Plaintiffs' Motion to Prohibit Defendants from Introducing Evidence at Trial for Its Repeated Failure to Produce Documents During Discovery and for other Relief (May. 06, 2002)
- 2002 WL 32451180 (Trial Motion, Memorandum and Affidavit) Equitable's Motion for Reconsideration of the Court's Ruling on Plaintiffs' Oral Motion to Compel the Production of the Names and Addresses of Equitable's Annuitants (Apr. 04, 2002)
- 2002 WL 32451164 (Trial Motion, Memorandum and Affidavit) Equitable's Motion to Strike Certain Affirmative Defenses in Emerald's Amended Answer to Complaint and Counterclaim (Mar. 28, 2002)
- 2002 WL 32451173 (Trial Motion, Memorandum

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(Cite as: 2002 WL 1058776 (N.D.Ill.))

and Affidavit) Equitable's Motion to Dismiss Counts I Through VI of Emerald's Counterclaim (Mar. 28, 2002)

- 2002 WL 32742049 (Trial Motion, Memorandum and Affidavit) Equitable's Motion to Strike Certain Affirmative Defenses in Emerald's Amended Answer to Complaint and Counterclaim (Mar. 28, 2002)
- 2002 WL 32742057 (Trial Motion, Memorandum and Affidavit) Equitable's Motion to Dismiss Counts I Through VI of Emerald's Counterclaim (Mar. 28, 2002)
- 2002 WL 32451136 (Trial Motion, Memorandum and Affidavit) Emerald's Reply Memorandum Supporting its Motion for Summary Judgment (Mar. 26, 2002)
- 2002 WL 32742034 (Trial Motion, Memorandum and Affidavit) Emerald's Response to Equitable's Statement of Additional Facts That Require the Denial of Summary Judgment (Mar. 26, 2002)
- 2002 WL 32742041 (Trial Motion, Memorandum and Affidavit) Emerald's Reply Memorandum Supporting Its Motion for Summary Judgment (Mar. 26, 2002)
- 2002 WL 32451145 (Trial Motion, Memorandum and Affidavit) Plaintiffs' Motion to Compel (Mar. 15, 2002)
- 2002 WL 32451109 (Trial Motion, Memorandum and Affidavit) Equitable's Motion to Strike Certain Affirmative Defenses (Mar. 07, 2002)
- 2002 WL 32451117 (Trial Pleading) Equitable's Motion to Strike Certain Affirmative Defenses (Mar. 07, 2002)
- 2002 WL 32451092 (Trial Motion, Memorandum and Affidavit) Motion to Shorten the 21-day Safe Harbor Period of Rule 11 (Feb. 06, 2002)
- 2002 WL 32451071 (Trial Motion, Memorandum and Affidavit) Equitable's Emergency Motion for Discovery Status Hearing and to Compel Discovery Responses (Jan. 22, 2002)
- 2002 WL 32451082 (Trial Motion, Memorandum and Affidavit) Motion to Permit Continuation of Deposition of Peter Noris Without Improper Instructions not to Answer, Obstruction of Questioning and Spurious Interruptions (Jan. 17,

2002)

- 2002 WL 32742018 (Trial Motion, Memorandum and Affidavit) Plaintiffs' Response to Equitable's Motion for § 1292(b) Certification of This Court's November 19, 2001 Ruling and Plaintiffs' Cross-Motion for Sanctions Pursuant to 28 U.S.C. § 1927 (Jan. 11, 2002)
- 2002 WL 32451063 (Trial Motion, Memorandum and Affidavit) Emerald's Motion to Compel Answers to Plaintiffs' Second Set of Interrogatories Nos. 1, 3, 4, and 6 and Answers to Plaintiffs' Third Set of Requests for Production of Documents Nos. 2, 4, 5, 6, and 8 (Jan. 10, 2002)
- 2002 WL 32451052 (Trial Motion, Memorandum and Affidavit) Emerald's Motion to Compel Production of Documents And Strike Privilege Log (Jan. 04, 2002)
- 2002 WL 32742013 (Trial Motion, Memorandum and Affidavit) Reply in Support of Emerald's Motion for Entry of Finding of A Rule 37 Violation, Possible Civil Contempt, Injunction, and for Other Appropriate Rulings (Jan. 04, 2002)
- 2001 WL 34483791 (Trial Motion, Memorandum and Affidavit) Defendant Equitable LEE Insurance Society of the United States's Motion for Section 1292(b) Certification of This Court's November 19, 2001 Ruling (Dec. 28, 2001)
- 2001 WL 34483785 (Trial Motion, Memorandum and Affidavit) Plaintiffs' Motion to Set Deposition Schedule (Dec. 11, 2001)
- 2001 WL 34483781 (Trial Motion, Memorandum and Affidavit) Motion to Strike Privilege Log (Dec. 06, 2001)
- 1:00CV06786 (Docket) (Oct. 30, 2000)

END OF DOCUMENT

TAB 2

Westlaw.

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H

Motions, Pleadings and Filings

Only the Westlaw citation is currently available.

United States District Court,
N.D. Illinois, Eastern Division.
James P. BRENEISEN, Jr., Barbara L. Breneisen,
Laura M. Jones, Anna M.
Lineweaver, Jennifer Horton, and Amy L. Boonos
a/k/a Amy L. Clark, Plaintiffs,
v.
MOTOROLA, INC., a corporation,, June Johnson,
individually and not as an
employee of Motorola, Inc., Darlene Patterson,
individually and not as an
employee of Motorola, Inc., Don Smith, individually
and not as an employee of
Motorola, Inc., Alan Shaw, individually and not as an
employee of Motorola,
Inc., Frank Galindo, individually and not as an
employee of Motorola, Inc., Roy
Fain, individually and not as an employee of
Motorola, Inc., and Mark Larson,
individually and not as an employee of Motorola, Inc.
Defendants.
No. 02 C 50509.

July 3, 2003.

Memorandum Opinion and Order

MAHONEY, Magistrate J.

*1 This Court must address a discovery dispute between James P. Breneisen (the "named Plaintiff") and other current and former employees of Motorola Inc. (collectively "Plaintiffs") and Motorola Inc. and seven individuals and supervisors of Motorola Inc. (collectively "Defendants" or "Motorola"). The current dispute before this Court is Plaintiffs' attempt to possess memoranda and emails written by the individual Defendants. In response to Plaintiffs' attempt, on December 2, 2002, while this case was still in the Eastern Division, Defendants filed a Motion for Protective Order ("Defendants' Motion for Protective Order"). Plaintiffs filed their response on December 30, 2002. On January 21, 2003, after this case had been transferred to the Western Division,

Defendants filed their reply. This Court held an in court hearing on April 15, 2003. The specifics of that hearing are not relevant for the instant motion. However, what is relevant is that during that in court hearing, this Court ordered Defendants to produce the documents listed on its privilege log for an *in camera* inspection. For the following reasons, Defendant's Motion for a Protective Order is granted in part and denied in part.

Background

This case involves claims brought under the Family Medical Leave Act, 29 U.S.C. § 2601 ("FMLA"), as well as common law claims for intentional infliction of emotional distress ("IIED"). Plaintiffs in this case are current and former employees of Motorola's Rockford facility who allegedly exercised their rights under the FMLA. Plaintiffs' Amended Complaint contains twenty counts against Defendants. Plaintiffs are alleging they were the victims of harassment and intimidation by Defendants in order to prevent additional employees from exercising their rights under FMLA.

Vital to Plaintiffs' case are five emails that are in the possession of the named Plaintiff. Allegedly, these emails were sent between August 31, 2001 and January 7, 2002 by Defendants June Johnson and Darlene Patterson to each other and to Defendant Alan Shaw. The validity of the emails is the crux of this litigation due to the damaging nature of their content. The named Plaintiff alleges he received these emails from Motorola information technology employee Jamie Campbell, although Ms. Campbell denies ever having the e mails or giving them to the named Plaintiff.

At issue are various communications, both memorandum and email form, between Defendants after the termination of the named Plaintiff. Defendants, in order to prevent disclosure of these communications, filed a Motion for Protective Order.

Defendants maintain that Plaintiffs seek discovery of documents created by the individual Defendants who are agents of Motorola, particularly those containing summaries of factual events and investigations relating to the claims in the instant case. The memoranda at issue are identified as "February 6, 2002, regarding J. Breneisen" and "April 8, 2002, regarding L. Jones," and updated versions of the

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February 6, 2002 memorandum. [FN1] Defendants oppose the discovery of these items, based on the assertion that the information is protected by the attorney-client privilege and the work-product doctrine.

FN1. It should be noted that Defendants' Motion for a Protective Order only sought the protection of certain documents that Plaintiffs had previously requested and not all the documents listed on Defendants' privilege log. However, Plaintiffs, in response to Defendants' Motion for a Protective Order, made it clear in their brief that they sought every document on the privilege log. Defendants, in reply, then articulated a privilege argument for every document listed on their privilege log.

*2 Defendants first argue that the factual summaries and chronological statements of events are protected by the attorney-client privilege. Specifically, Defendants argue that factual summaries and chronological statements were prepared by individual Defendants and the Human Resource Manager at the direction of counsel and in anticipation of and in response to the instant litigation. In terms of the February 6, 2002 memorandum and email relating to James Breneisen, Defendants argue that the named Plaintiff informed Motorola's Human Resources Manager, Bobbi Cooper, that he was going to sue Motorola based upon his alleged treatment. Ms. Cooper, at the direction of Motorola's law department, prepared a factual summary of events relating to, and in response to the named Plaintiff's threat of litigation.

In terms of the April 1, 2, 3, 8, 22 and May 10, 2002 documents and emails relating to the Plaintiffs, Defendants argue that the individual Defendants were served with the complaint for the instant case between March 22 and April 1, 2002. These individuals contacted Ms. Cooper who in turn contacted Motorola's law department. The law department, Defendant asserts, directed Ms. Cooper to assist the individuals in assembling information for outside counsel for litigation. Ms. Cooper, in turn, according to Defendants, communicated to the individual Defendants and assisted them in updating the memoranda relating to the named Plaintiff.

Plaintiffs argue that, in terms of the February 6, 2002 memorandum and email regarding James Breneisen, the claim that the memorandum was created at the direction of Motorola's legal department is supported

only by Ms. Cooper's unverified declaration. Additionally, documents reflecting any subsequent fact investigation of the Law and Human Resources Departments of Motorola are not privileged because they reflect statements that would have been made absent the privilege. The attorney-client privilege, according to Plaintiffs, protects only those disclosures necessary to obtain informed legal advice which might not have been made absent the privilege. Therefore, because Motorola policy requires its Human Resources Department to investigate employee complaints, Plaintiffs maintain that the documentation in question is merely documentation produced in the normal course of business and not in furtherance of litigation.

Defendants next argue, as discussed above, that the memoranda created by Ms. Cooper and the individual Defendants were created in response to a specific threat of litigation by the named Plaintiff. Therefore, pursuant to Federal Rules of Civil Procedure 26(b)(3), Defendants maintain that these documents should be privileged under the work-product doctrine.

Plaintiffs argue the February 6, 2003 memorandum and documents reflecting the subsequent fact investigation of Plaintiffs' claim were created in the ordinary course of business and are not work product. Specifically, Plaintiffs argue that not every document created or produced by a company can be categorized as work product simply because the company's internal investigation is co-existent with a present or anticipated lawsuit that is the same subject matter of the litigation. See Caremark v. Affiliated Computer Services, Inc., 195 F.R.D. 610, 614-15 (N.D.Ill.2000).

*3 Lastly, Plaintiffs argue that even if the memoranda and emails in question are protected by work-product privilege, Plaintiffs are nevertheless entitled to the documents because they have demonstrated a substantial need for the information. Specifically, Plaintiffs maintain that because of the nature of the information, Plaintiffs cannot and will not be able to obtain the documents from any other source, and as such, Plaintiff can demonstrate both a substantial need for the materials and that Plaintiffs would suffer undue hardship in procuring the requested information some other way.

Discussion

Rule 26(c) states "for good cause shown, the court in which the action is pending ... may make any order which justice requires to protect a party or person

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from annoyance, embarrassment, oppression, or undue burden or expense, including ... (1) that the disclosure or discovery not be had." Fed.R.Civ.P. 26(c)(1). The district court has discretion to decide when a protective order is appropriate and what degree of protection is required. Seattle Times Co., v. Rhinehart, 467 U.S. 20, 36, 104, 104 S.Ct. 2199, 81 L.Ed.2d 17 (1984). Rule 26(c) states only good cause is required in determining whether or not to issue a protective order. *Id.* at 37. In deciding whether good cause exists, the district court must balance the interests of the parties taking into account, the harm to the party seeking the protective order, and the importance of the disclosure to the non-moving party. Wiggins v. Burge, 173 F.R.D. 226, 229 (N.D.Ill.1997).

A. Attorney-Client Privilege

The Seventh Circuit applies the general principles of attorney-client privilege as outlined by Wigmore:

(1) Where legal advice of any kind is sought, (2) from a professional legal adviser in a capacity as such, (3) the communications relating to that purpose, (4) made in confidence, (5) by the client, (6) are at the client's instance permanently protected (7) from disclosure by the client or by the legal adviser (8) unless the protection is waived.

United States v. White, 950 F.2d 426, 430 (7th Cir.1991) (citing 8 Wigmore § 2292). Because Defendants are the party seeking to establish the privilege, Defendants bear the burden of demonstrating that all of the requirements for invoking the attorney-client privilege are met. White, 950 F.2d at 430. The inquiry into whether documents are subject to the privilege "must be made and sustained on a question-by-question or document-by-document basis;" it cannot be a blanket claim." Int'l Profit Assoc., 206 F.R.D. at 218 (citing White, 950 F.2d at 430).

The attorney-client privilege extends to corporate in-house counsel. See Upjohn Co. v. United States, 449 U.S. 383, 389, 101 S.Ct. 677, 66 L.Ed.2d 284 (1981) (stating corporate employees' communications to counsel for corporation in order to secure legal advice for corporation are privileged). However, communications made by and to a corporate in-house counsel with respect to business matters, management decisions, or business advice are not protected by the privilege. 6 Moore's Federal Practice, § 26.49 (Matthew Bender 3d ed.2002). To be entitled to the privilege, a corporate lawyer must not only be functioning as a lawyer, but the advice given must be predominately legal, as opposed to

business, in nature. *Id.* In deciding whether the privilege exists, this Court must examine whether the lawyer was acting as a lawyer rather than a business advisor or management decision maker. Generally, there is a presumption that a lawyer in the legal department of the corporation is giving legal advice, and an opposite presumption for a lawyer who works on the business or management side. However, the lawyer's position in the corporation is not necessarily dispositive. See e.g., Boca Investerings Partnership v. United States, 31 F.Supp.2d 9, 12 (D.D.C.1998) (finding documents prepared by a corporate attorney who worked on business side of office were nevertheless entitled to protection because advice was predominately legal as opposed to business).

*4 As stated above, Defendants first argue that the investigative factual summaries and chronological statements of events are protected by the attorney-client privilege. This is so, Defendants argue, because the investigative factual summaries and chronological statements were prepared by the individual defendants and Motorola's Human Resource Manager at the direction of counsel and in anticipation of and in response to filed litigation. This Court agrees that some of the communications are covered by attorney-client privilege, but not all.

As stated above, to establish an attorney-client privilege, there needs to be a communication with an attorney where legal advice is sought. After reviewing the documents submitted for an *in camera* inspection, this Court finds that only PR 0009 and 0023 falls under the attorney-client privilege. These documents contain communications from attorneys in Defendant's corporate law department which contain advice regarding the impending litigation. As such, these documents are privileged. See Lexecon, Inc. v. Milberg Weiss Bershad Spechthrie & Lerach, 1993 WL 179789, *7 (N.D.Ill. May 24, 1993) ("Attorney-client privilege claims would protect only documents, from client to lawyer or from lawyer to lawyer or from lawyer to client, whose production would reveal the content of privileged communications from clients made for the purpose of securing legal advice or services.")

B. Work-Product Doctrine

The work-product doctrine, codified as Rule 26(b)(3) of the Federal Rules of Civil Procedure, protects otherwise discoverable documents and tangibles. Rule 26(b)(3) provides:

[A] party may obtain discovery of documents and

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tangible things otherwise discoverable under subdivision (b)(1) of this rule and prepared in anticipation of litigation or for trial by or for another party or by or for that other party's representative (including the other party's attorney, consultant, surety, indemnitor, insurer, or agent) only upon a showing that the party seeking discovery has substantial need of the materials in the preparation of the party's case and that the party is unable without undue hardship to obtain the substantial equivalent of the materials by other means. In ordering discovery of such materials when the required showing has been made, the court shall protect against disclosure of the mental impressions, conclusions, opinions, or legal theories of an attorney or other representative of a party concerning the litigation.

Fed.R.Civ.P. 26(b)(3). The test to determine whether materials were prepared in anticipation of litigation is "whether, in light of the nature of the document and the factual situation in the particular case, the document can fairly be said to have been prepared or obtained because of the prospect of litigation." Binks Mfg. Co. v. Nat'l Presto Indus., Inc., 709 F.2d 1109, 1119 (7th Cir.1983). To qualify under the privilege, the material sought must come into existence because of the prospect of litigation or because some articulable claim is likely to lead to litigation. Id. at 1120. Important to note for this case, the work-product privilege extends beyond the attorney to documents prepared by a party's representative or agent. Ventre v. Datronic Rental Corp., No. 92 C 3289, 1993 WL 524377, at *3 (N.D.Ill.Dec. 13, 1993). The work-product privilege can be rebutted, however, "if the party seeking production demonstrates both a substantial need for the materials and that it would suffer undue hardship in procuring the requested information some other way." Logan v. Commercial Union Ins. Co., 96 F.3d 971, 976 (7th Cir.1996).

*5 In support of their position, Defendants have produced a declaration of Bobbi Cooper. Ms. Cooper's declaration is supported by the documents submitted for an *in camera* inspection to this Court. According to Ms. Cooper's declaration, on February 5, 2002, the named Plaintiff informed Ms. Cooper that he was going to sue Motorola based on his alleged treatment as an employee. After meeting with members of her team, Ms. Cooper stated that she felt it necessary to seek the advice of Motorola's law department. For the purpose of seeking legal advice, Ms. Cooper and Ms. Patterson prepared a memorandum concerning the named Plaintiff to be given to Motorola's internal law department on

February 6, 2002. (Decl. of Bobbi Cooper at ¶ 2). This document is PR 0063-0065. Two of the recipients of this document (email) were Kay Hoogland and Margaret Hockenberry, members of Motorola's internal law department. Additionally, Ms. Cooper stated that since the named Plaintiff's statement to her regarding his suing Defendant, Motorola's internal and outside attorneys have directed her to assist them by coordinating with the individual Defendants and coordinating some of the fact gathering efforts. (Decl. of Bobbi Cooper at ¶ 4). This statement is supported by the material submitted to this Court for an *in camera* inspection.

For example, PR 0011-0021, 0035-0039, 0047-0062 are chronological histories submitted to Ms. Cooper by the individual Defendants on or about April 1, 2002. These documents clearly are work product as they were gathered only in anticipation of litigation and for the purposes of assisting internal and outside attorneys in this case. Additionally, documents 0004-0008, 0010, 0022, 0024-0028, and 0033 were created in anticipation of litigation and for the purposes of assisting the attorney's in the instant action. While most of these documents are merely communications regarding deposition dates and schedules, they fit under the work-product privilege.

However, documents stamped 0001-0003, 0029-0032 and 0034 do not fit under the work-product privilege. Rather, these documents appear to be communications regarding the normal course of business activities and not prepared in anticipation of litigation. Therefore, 0001-0003, 0029-0032 and 0034 are discoverable. Defendants are ordered to produce those documents to Plaintiffs within 7 days of this Order.

Plaintiffs may still discover the documents deemed work product above, however, if they demonstrate a "substantial need" for the documents and that they would suffer "undue hardship" if they were required to obtain the information in another manner. Caremark, 195 F.R.D. at 614. This burden is difficult to meet and is satisfied only in "rare situations, such as those involving witness availability." Trustmark Insurance Co. v. General & Cologne Life Re of America, 2000 WL 1898518, at *3 (N.D.Ill.Dec.20, 2000). Plaintiffs have failed to meet this burden. Plaintiffs can obtain the information contained in the factual chronologies and/or investigative reports by submitting interrogatories and/or deposing the author of the chronology or report.

Conclusion

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*6 For the above stated reasons, Defendants' Motion for a Protective Order is granted in part and denied in part. Defendants are ordered to produce the documents bate stamped 0001-0003, 0029-0032 and 0034 within 7 days of this Order. The remaining bate stamped documents are privileged.

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Motions, Pleadings and Filings (Back to top)

- [2004 WL 1686286](#) (Trial Motion, Memorandum and Affidavit) Plaintiffs' Response in Opposition to Defendants' Motion for Protective Order (Mar. 26, 2004)
- [2004 WL 869795](#) (Trial Motion, Memorandum and Affidavit) Plaintiffs' Motion to Dismiss Defendants Fain, Galindo, Larson and Smith as Parties (Mar. 04, 2004)
- [2004 WL 1686285](#) (Trial Motion, Memorandum and Affidavit) Defendants' Response to Plaintiffs' Motion to Compel (Mar. 02, 2004)
- [2004 WL 869794](#) (Trial Motion, Memorandum and Affidavit) Defendants' Motion for A Protective Order (Mar. 02, 2004)
- [2004 WL 869793](#) (Trial Motion, Memorandum and Affidavit) Plaintiffs' Motion to Compel (Feb. 26, 2004)
- [2004 WL 869792](#) (Trial Motion, Memorandum and Affidavit) Plaintiffs' Motion to Compel (Feb. 23, 2004)
- [2003 WL 23418285](#) (Trial Motion, Memorandum and Affidavit) Plaintiffs' Motion to Expand Case Management Order and Other Relief (Dec. 05, 2003)
- [2003 WL 23418281](#) (Trial Motion, Memorandum and Affidavit) Plaintiffs' Motion to Expand Case Management Order and Other Relief (Dec. 04, 2003)
- [2003 WL 23418273](#) (Trial Motion, Memorandum and Affidavit) Defendants' Memorandum of Law in Support of Their Motion for Rule 11 Sanctions (Nov. 25, 2003)
- [2003 WL 23685322](#) (Trial Motion, Memorandum and Affidavit) Defendants' Memorandum of Law in Support of Their Motion for Rule 11 Sanctions (Nov. 25, 2003)
- [2003 WL 23418278](#) (Trial Motion, Memorandum and Affidavit) Defendants' Motion for Summary Judgment (Nov. 24, 2003)
- [2003 WL 23418270](#) (Trial Motion, Memorandum and Affidavit) Plaintiffs' Supplemental Memorandum in Further Support of Plaintiffs' Motion to Compel and for Sanctions (Jun. 05, 2003)
- [2003 WL 23418267](#) (Trial Motion, Memorandum and Affidavit) Defendants' Motion to Compel the Depositions of Plaintiffs Horton and Boonos on Dates Certain (May. 30, 2003)
- [2003 WL 23418262](#) (Trial Motion, Memorandum and Affidavit) Defendants' Motion to Postpone the March 11, 2003 Hearing (Mar. 03, 2003)
- [2003 WL 23418265](#) (Trial Motion, Memorandum and Affidavit) Defendants' Motion for A Discovery Order Concerning Certain Anonymous Letters Sent to Defendants' Witnesses (Mar. 03, 2003)
- [2003 WL 23418258](#) (Trial Motion, Memorandum and Affidavit) Plaintiffs' Motion to Compel and for Sanctions (Feb. 19, 2003)
- [2003 WL 23418249](#) (Trial Motion, Memorandum and Affidavit) Plaintiffs' Motion to Strike Affirmative Defenses (Feb. 12, 2003)
- [2003 WL 23418253](#) (Trial Motion, Memorandum and Affidavit) Plaintiffs' Motion to Disqualify Defendants' Attorneys (Feb. 12, 2003)
- [2003 WL 23418238](#) (Trial Motion, Memorandum and Affidavit) Defendants' Motion for Leave to File an Amended Answer and Affirmative Defenses to Plaintiffs' Amended Complaint (Jan. 29, 2003)
- [2003 WL 23418244](#) (Trial Pleading) Defendants' Amended Answer and Affirmative Defenses to Plaintiffs' Amended Complaint at Law (Jan. 29, 2003)
- [2003 WL 23686000](#) (Trial Pleading) Defendants' Amended Answer and Affirmative Defenses to Plaintiffs' Amended Complaint at Law (Jan. 29, 2003)
- [2003 WL 23418236](#) (Trial Motion, Memorandum and Affidavit) Agreed Motion for Extension of Time to Respond (Jan. 16, 2003)
- [2003 WL 23418233](#) (Trial Motion, Memorandum

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and Affidavit) Plaintiffs' Supplemental Memorandum
in Opposition to Defendants' Motion for A Protective
Order (Jan. 07, 2003)

- 2003 WL 23685998 (Trial Pleading) Plaintiffs'
Supplemental Memorandum in Opposition to
Defendants' Motion for a Protective Order (Jan. 07,
2003)
- 2002 WL 32452079 (Trial Pleading) Amended
Complaint at Law (Dec. 30, 2002)
- 2002 WL 32605282 (Trial Pleading) Amended
Complaint at Law (Dec. 30, 2002)
- 2002 WL 32451992 (Trial Pleading) Defendants'
Johnson, Patterson, Smith, Shaw, Galindo and Fain's
Answer and Affirmative Defenses to Plaintiffs'
Complaint (Jun. 20, 2002)
- 3:02CV50509 _____ (Docket)
(Apr. 18, 2002)

END OF DOCUMENT

TAB 3

LEXSEE 1999 U.S. DIST. LEXIS 17281

JOHN F. BYRNES et al., Plaintiffs, -against- EMPIRE BLUE CROSS BLUE SHIELD, Defendant.

98 Civ. 8520 (BSJ)(MHD)

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

1999 U.S. Dist. LEXIS 17281

**November 2, 1999, Decided
November 4, 1999, Filed**

CASE SUMMARY:

PROCEDURAL POSTURE: Plaintiffs sued defendant under Employee Retirement Income Security Act, 29 U.S.C.S. § 1101 et seq., and challenged denial of certain life insurance benefits. Defendant filed motion to quash subpoena duces tecum, served by plaintiffs on a non-party for documents defendant claimed were protected by attorney-client privilege and under work-product rule.

OVERVIEW: Plaintiffs sued defendant under Employee Retirement Income Security Act, 29 U.S.C.S. § 1101 et seq., and challenged denial of certain life insurance benefits. Plaintiffs served subpoena duces tecum for documents on non-party who was actuary and consultant to defendant. Defendant filed motion to quash subpoena. Defendant contended seven documents were protected by defendant's attorney-client privilege and two were covered under work-product rule. District court concluded one of seven documents and portion of second document were protected. Letter attached to memorandum from defendant's attorney to defendant's employees and to non-party's representative was within legal services attorney provided and was within privilege. Partially protected document consisted of memorandum from defendant's counsel to non-party's representative. Document was protected by privilege and work-product rule to extent it was communication by counsel to non-party which sought assistance in preparing document consisting predominantly of legal advice rendered by attorney to defendant. All other portions were unprotected.

OUTCOME: Defendant's motion to quash plaintiffs' subpoena duces tecum which required production of documents from non-party who served as actuary to defendant granted in part, denied in part. One of seven contested documents was protected by attorney-client privilege. Portion of second document was protected by privilege and work product rule.

LexisNexis(R) Headnotes

Evidence > Privileges > Attorney-Client Privilege
[HN1] The attorney-client privilege protects from disclosure those communications made in confidence between an attorney and a client for the purpose of facilitating the attorney's rendering of legal services to the client. The privilege is not limited, however, to communications directly between client and counsel. It also encompasses contacts between the attorney and a client's agent or representative and between the client and the attorney's agents, provided that the communications are intended to facilitate the provision of legal services by the attorney to the client.

Evidence > Privileges > Attorney-Client Privilege
[HN2] The party that invokes the attorney-client privilege bears the burden of proving the facts on which the privilege claim is based. To satisfy that burden, the party cannot rely on conclusory assertions, but rather must proffer competent evidence to demonstrate that its privilege claims are well founded.

Evidence > Privileges > Attorney-Client Privilege

1999 U.S. Dist. LEXIS 17281, *

[HN3] The attorney-client privilege does not cover communications between a non-attorney and a client that involve the conveyance of legal advice offered by the non-attorney, except perhaps when the non-lawyer is acting under the supervision and at the direction of an attorney.

Civil Procedure > Disclosure & Discovery > Work Product

[HN4] Fed. R. Civ. P. 26(b)(3) establishes a qualified immunity from discovery for documents "prepared in anticipation of litigation or for trial" by the party or its attorney or by an agent of the party or attorney. This wording covers documents prepared "because of" litigation or the prospect of litigation, regardless of whether the document was intended to assist in such litigation. There is no requirement that the anticipated litigation be imminent rather than merely a potential future prospect. If the preparation of the document is attributable to concern about the possibility of such litigation in the future, Rule 26(b)(3) is triggered.

Civil Procedure > Disclosure & Discovery > Work Product

[HN5] The protection of the work-product rule is only conditional. Even if otherwise applicable, it may be overcome if the discovering party demonstrates that he has a substantial need of the materials in the preparation of his case and that he is unable without undue hardship to obtain the substantial equivalent of the materials by other means. Fed. R. Civ. P. 26(b)(3).

COUNSEL: [*1] For RICHARD G. KUNKEL, JOSEPH G. MURPHY, DANIEL ROSENBERG, DANIEL G. SANDERS, JAMES C. SNYDER, ANTHONY J. TRUHON, JOHN WANDZILAK, JR., JOHN F. BYRNES, WILLIAM A. DE MAURO, FRANCIS J. DEVLIN, MICHAEL ELKINS, JERROLD I. EHRlich, BEVERLY GLICKERMAN, EUGENE F. HARRISON, GERALD HARRISON, JOHN F. LUCZUN, JOHN F. MULDOON, HARRY E. NICHOLSEN, RONALD D. ZAMMIT, plaintiffs: Meredith Haver Savitt, Hite & Casey, P.C., Albany, NY.

For STERLING E CATHEY, LOUIS L. LEVINE, ELLEN H. PROPP, JOHN L. SHURTLEFF, JULES K. LAMBEK, consolidated plaintiffs: Meredith Haver Savitt, Hite & Casey, P.C., Albany, NY.

For EMPIRE BLUE CROSS BLUE SHIELD, defendant: Gary H. Glaser, Seyfarth Shaw Fairweather & Geraldson, New York, NY.

JUDGES: MICHAEL H. DOLINGER, UNITED STATES MAGISTRATE JUDGE.

OPINIONBY: MICHAEL H. DOLINGER

OPINION:

MEMORANDUM & ORDER

MICHAEL H. DOLINGER
UNITED STATES MAGISTRATE JUDGE:

Plaintiffs are former employees of the defendant Empire Blue Cross Blue Shield. They have sued under the Employee Retirement Income Security Act, 29 U.S.C. § 1101 et seq., challenging the denial by defendant of certain life insurance benefits allegedly promised to them.

The parties [*2] currently dispute the discovery status of some documents in the possession of a non-party, the Segal Company, which served as an actuary and consultant to Empire. In that consulting capacity, representatives of Segal apparently participated in the decision-making process that led Empire to change the benefits plan in which plaintiffs were participants or beneficiaries.

Plaintiffs served a subpoena duces tecum on Segal, which triggered a motion by defendant to quash the subpoena in part. Specifically, defendant contends that seven documents sought by plaintiffs from Segal are protected by defendant's attorney-client privilege and that two of them are also immunized from discovery under the work-product rule.

For the reasons that follow, we grant the motion in part, concluding that one of the seven documents and a portion of a second document are protected.

ANALYSIS

Since the claims and defenses in this case arise under federal law, *Fed. R. Evid. 501* dictates that the application of the attorney-client privilege is governed by federal law. See, e.g., *United States v. Goldberger & Dubin, P.C.*, 935 F.2d 501, 505 (2d Cir. 1991); *von Bulow v. von Bulow*, 811 F.2d 136, 141 (2d Cir. 1987). [*3] As for the work-product rule, it is always assessed under federal law in the federal courts. See, e.g., *United Coal Cos. v. Powell Constr. Co.*, 839 F.2d 958, 966 (3d Cir. 1988); *Bowne of New York City, Inc. v. AmBase Corp.*, 150 F.R.D. 465, 471 (S.D.N.Y. 1993).

A. The Attorney-Client Privilege

[HN1] The attorney-client privilege protects from disclosure those communications made in confidence between an attorney and a client for the purpose of facilitating the attorney's rendering of legal services to the client. See, e.g., *United States v. Constr. Prods. Research, Inc.*, 73 F.3d 464, 473 (2d Cir. 1995); *United*

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States v. Adlman, 68 F.3d 1495, 1499 (2d Cir. 1995); *United States v. Schwimmer*, 892 F.2d 237, 243 (2d Cir. 1989). The privilege is not limited, however, to communications directly between client and counsel. It also encompasses contacts between the attorney and a client's agent or representative and between the client and the attorney's agents, provided that the communications are intended to facilitate the provision of legal services by the attorney to the client. See, e.g., *Adlman*, 68 F.3d at 1499 [*4] (citing *United States v. Kovel*, 296 F.2d 918, 918 (2d Cir. 1961)); *Golden Trade, s.r. L. v. Lee Apparel Co.*, 143 F.R.D. 514, 518 (S.D.N.Y. 1992) (citing 2 J. Weinstein & M. Berger, Weinstein's Evidence P 503(b)[03] at 503-1, 503-6 (1990)). Since all of the documents at issue were either authored by or sent to Segal -- which is not the client -- Empire argues that the privilege applies because Segal was assisting defendant's attorneys in preparing and rendering advice to Empire.

To assess this argument, we first turn to the evidentiary record before us. In this regard we note that [HN2] the party that invokes the privilege bears the burden of proving the facts on which the privilege claim is based. See, e.g., *Adlman*, 68 F.3d at 1500. To satisfy that burden, the party cannot rely on conclusory assertions, but rather must proffer competent evidence to demonstrate that its privilege claims are well founded. E.g., *von Bulow*, 811 F.2d at 146.

In this case defendant proffers principally the affidavit of Joyce Tichy, Esq., who is an Assistant Vice President and Associate Counsel for Empire. We have also been provided portions [*5] of the deposition testimony of S. Tyrone Alexander, the defendant's Senior Vice President of Human Resources.

We are not told in detail by either Ms. Tichy or Mr. Alexander what specific services Segal performed for Empire in connection with this project, although some idea of Segal's role may be gleaned from the withheld documents. The record so created demonstrates that Empire apparently had a long-term relationship with Segal, which served as the actuary for one or several of the benefit plans maintained by Empire for its employees. In addition, however, a representative of Segal served on a working group established by Empire to determine whether and in what respects the company should change its benefits plans, and Segal performed other services for Empire in connection with that project.

Segal's representative on the task force was not an attorney, and Segal itself is not a law firm. Rather its expertise, insofar as pertinent to the benefits modification decision, appears to have been in acquiring information about what other companies were offering and possibly in assessing the economic and competitive

significance of proposed changes in the benefit plans offered by Empire. [*6]

Given the apparent fact that Empire and its counsel utilized the services of Segal in assessing the advisability of altering Empire's benefits plan, we do not view the Second Circuit's decision in *United States v. Ackert*, 169 F.3d 136 (2d Cir. 1999), as necessarily fatal to Empire's privilege claims. In that case the attorney for the client had consulted an accounting firm for information useful to the attorney's performance of his legal duties to the client, but there was no indication that the accounting firm had been retained in whole or in part by the attorney or the client to assist in the project for which the legal services were being provided. *Id.* at 139-40. In contrast, as noted, here the Segal Company was involved as a consultant on the very project for which the attorney was also rendering assistance to Empire.

Nonetheless, the privilege claims of Empire can succeed only if the Segal employees' participation in the assertedly protected communications was designed to assist the attorney to perform her counseling function, and not merely to aid the business decision of Empire's officers. See, e.g., *Adlman*, 68 F.3d at 1500. [*7] To assess that question, we have reviewed the withheld documents in camera. Based on that review and the evidentiary record, we make the following rulings on defendant's claim of attorney-client privilege.

1. Memorandum from Joyce Tichy, Esq. to Noel Boyland and Others

This memorandum from Empire's attorney to a number of Empire employees and to Segal's representative, Noel Boyland, encloses a draft of a letter prepared by counsel for transmission to the State Insurance Superintendent. The covering memorandum requests that Mr. Boyland and other recipients review the letter and attached documents, and in context it is evident that this review is intended to assist the attorney in preparing the final version of the letter. Since preparation of that letter is within the scope of the legal services that the attorney is providing, document 1 comes within the scope of the privilege.

2. Memorandum from Joyce Tichy, Esq. to Noel Boyland

This communication from Empire's attorney conveys to Segal a copy of a memorandum that the attorney was sending to the corporate client. The memo to the client conveys an item of information previously requested by the client.

This set of documents [*8] is not protected by the privilege. First, there is no indication that counsel undertook this communication to Mr. Boyland to assist her in performing any services for the client, whether of

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a legal nature or otherwise. Second, the underlying memo to the client conveyed only a purely factual item of information, not self-evidently related to any legal service that an attorney might be expected to perform for a client. Since the conveyance by an attorney to a client of facts learned elsewhere is not protected by the privilege and is not ordinarily a legal service, see, e.g., *Smith v. Conway Org., Inc.*, 154 F.R.D. 73, 78 (S.D.N.Y. 1994), there is no basis for viewing this communication to Segal as protected.

3. Notes by Noel Boyland

This document consists of handwritten notes by Mr. Boyland of a meeting of the "Board", presumably of Empire. The notes do not, on their face, reflect any legal advice by counsel, and appear to refer to a discussion of non-legal aspects of the decision whether to modify Empire's benefit plans. Since defendant offers no competent evidence that this document reflects attorney-client privileged communications, n1 we conclude that it has [*9] not met its burden to demonstrate the applicability of the privilege.

n1 Empire's trial attorney lists this document as privileged on the basis that it contains "notes of comments by counsel regarding legal aspects of retiree benefit changes." (Undated Declaration of Gary H. Glaser, Esq., at P 3 (quoting privilege log)). This assertion is not competent evidence, since there is no indication that trial counsel was present at the meeting, and there is no other source of information as to what the notes reflect, either from their author or from corporate counsel. As noted, the notes themselves also do not appear to reflect legal advice.

4. Memorandum from Sonia Peter (of Segal) to Joyce Tichy, Esq.

This memorandum was sent from an employee of Segal to Empire's counsel and conveyed certain data that the attorney had requested from Segal. It is not self-evident from the document that the information was sought by counsel in order to facilitate her rendering of legal advice to the client, although that is at least [*10] possible.

We infer that defendant relies in this respect on the general statement by Ms. Tichy in her affidavit that her role in connection with Empire's decision to change its benefits plans "was solely legal, and was solely to render my legal opinion regarding potential risks, ramifications or liabilities associated with various proposed changes to benefits provided by Empire to both its employees as retirees." (Aff. of Joyce Tichy, Esq., sworn to June 4,

1999, at P 8). The implication is that any request by her to Segal for information was necessarily related to her performance of her legal advisory function.

The difficulty with this assertion is that it appears to be contradicted by at least one of the withheld documents -- numbered 2 -- which, as noted, indicates that counsel was also providing the client with business-related factual data, separate and apart from her advisory function. Given this lack of clarity, we conclude that defendant has not demonstrated that this particular document was conveyed to counsel for the purpose of assisting her in formulating legal advice for the client. See, e.g., *Adlman*, 68 F.3d at 1500 (privilege claim rejected since evidence [*11] was subject to conflicting interpretations).

5 & 6. Memos from Segal to Joyce Tichy, Esq. (# 5) and from Segal to Joseph Blunk (# 6)

The next two documents are a memorandum from Sonia Peter of the Segal Company to Empire's attorney and a letter from Ms. Peter to Empire's Vice President for Compensation, Benefits & HRIS. Each of these writings encloses the same chart, summarizing legal research performed at Segal. There is no specific indication that Segal undertook this research at the request of the attorney, and indeed the memorandum addressed to Ms. Tichy appears to suggest the contrary. n2

n2 From the letter to Mr. Blunk it may also be inferred that this research was performed at his request rather than at that of Ms. Tichy.

In this somewhat unusual circumstance we conclude that the attorney-client privilege may not be asserted. The privilege protects communications by an attorney that embody the attorney's legal advice. It also covers, as noted, communications by others within the reach of the attorney-client [*12] relationship that are designed to facilitate the attorney's performance of legal services. [HN3] It does not, however, cover communications between a non-attorney and a client that involve the conveyance of legal advice offered by the non-attorney, except perhaps when the non-lawyer is acting under the supervision and at the direction of an attorney. See, e.g., *Nat'l Hockey League Players' Assoc. v. Bettman*, 1994 U.S. Dist. LEXIS 1160, 1994 WL 38130, at *12 (S.D.N.Y. Feb. 4, 1994); *Stryker Corp. v. Intermedics Orthopedics, Inc.*, 145 F.R.D. 298, 305 (E.D.N.Y. 1992).

Although the matter is not free from doubt, it appears in this instance that Segal chose to undertake legal research either on its own or at the suggestion of a non-lawyer at Empire, and then provided the fruits of that research to the non-lawyer client and to Empire's

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counsel. Such work by a non-attorney, undertaken without a request by the attorney to assist her, is not within the privilege, see, e.g., *Occidental Chem. Corp. v. OHM Remediation Servs. Corp.*, 175 F.R.D. 431, 435 (W.D.N.Y. 1997) (no privilege absent proof that non-attorney was hired to assist counsel); *Nat'l Hockey League Players' Ass'n*, 1994 WL 38130, [*13] at *12 (same); cf. *Golden Trade. s.r. L.*, 143 F.R.D. at 519 (protecting communications with non-attorney patent agents), and hence is unprotected. n3

n3 We offer no suggestion as to whether these document would be protected under the work-product rule, since defendant does not invoke that defense to production for these documents.

7. Memorandum from Joyce Tichy, Esq. to Noel Boyland With Attached Documents

The last document consists of a memorandum from Empire's counsel to Segal's representative, and two attached memos. One conveys four questions or requests for information from an officer at Empire, and the other embodies a proposed response, apparently authored by the attorney. In the cover memorandum, however, the attorney requests that Segal's representative review the attached response before it is conveyed to the client.

Of the four inquiries, one calls for legal analysis and the other three seek purely factual information. The responsive memorandum consists of a legal analysis prepared [*14] by or for the General Counsel, and briefer responses to the factual inquiries.

The communication by counsel to Segal seeks assistance by the consultant in preparing a document that consists predominantly of legal advice rendered by the attorney to her client. As such it is covered by the privilege. As for the other two documents, to the extent that they reflect a request for legal advice to counsel and the attorney's advice in response to that request, they are protected.

The other segments of the two attached documents are not protected. The information in question is, as noted, purely factual, and appears to have been compiled originally by non-lawyers at Empire from the company's own records. Moreover, it is apparent that this data was intended to assist the business decision-makers to assess the economic impact of possible alternatives, and thus does not reflect the performance by counsel of legal services. See, e.g., *United States v. Millman*, 822 F.2d 305, 310 (2d Cir. 1987); *General Elec. Capital Corp. v. DirecTV, Inc.*, 1998 U.S. Dist. LEXIS 18932, 1998 WL 849389, at *6 (D.Conn. July 30, 1998). The fact that the

data was funneled by Empire through its attorney for conveyance [*15] back to a higher level decision-maker within the company does not trigger the protection of the privilege if it would not otherwise apply.

B. The Work-Product Rule

In support of the motion to quash, defendant invokes the work-product rule as an alternative ground to protect against compelled production of two of the seven disputed documents, those numbered 2 and 7. n4 We conclude that document 2 is not protected by the rule, and that the portion of document 7 that embodies legal advice, and is thus covered by the attorney-client privilege, is also protected work-product.

n4 In its memorandum of law, defendant initially lists documents 1, 2 and 7 as the items for which work-product immunity is sought. (Def.'s Mem. of Law at 9). In the body of its argument, however, the memorandum refers only to documents 2 and 7. (Id. at 9-10).

[HN4] *Rule 26(b)(3) of the Federal Rules of Civil Procedure* establishes a qualified immunity from discovery for documents "prepared in anticipation of litigation or for trial" by the [*16] party or its attorney or by an agent of the party or attorney. As recently interpreted by the Second Circuit, this wording covers documents prepared "because of" litigation or the prospect of litigation, regardless of whether the document was intended to assist in such litigation. See *United States v. Adlman*, 134 F.3d 1194, 1196-1203 (2d Cir. 1998). Moreover, there is no requirement that the anticipated litigation be imminent rather than merely a potential future prospect. If the preparation of the document is attributable to concern about the possibility of such litigation in the future, Rule 26(b)(3) is triggered. *Id.* at 1198. See also *id.* at 1205 (Kearse, J., dissenting).

[HN5] The protection of the work-product rule is only conditional. Thus, even if otherwise applicable, it may be overcome if the discovering party demonstrates that he "has [a] substantial need of the materials in the preparation of [his] case and that [he] is unable without undue hardship to obtain the substantial equivalent of the materials by other means." *Fed. R. Civ. P. 26(b)(3)*. See, e.g., *Horn & Hardart Co. v. Pillsbury Co.*, 888 F.2d 8, 12 (2d Cir. 1989). [*17]

In pressing its work-product theory, defendant makes no effort to demonstrate an evidentiary basis for its claim, at least in the affidavits and deposition testimony proffered on the motion. Again, however, it is possible that some support for the claim may be found in

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the substance of the withheld documents, and we have therefore referred to them for this purpose.

As noted, document 2 contains an answer to a purely factual question posed by an official at Empire. There is nothing in the document that suggests that the factual inquiry in question was motivated by a concern about possible future litigation, as distinguished from a need to assess the financial considerations that might affect the decision whether to change the company's benefits plans.

As for document 7, we have already concluded that the sections containing a legal analysis are protected by the attorney-client privilege. The same portions of the document are plainly within the ambit of the work-product rule, since the contents of the analysis make it self-evident that the concern of the client that elicited the analysis was the prospect of litigation. See *Adlman*, 134 F.3d at 1202. We also note that [*18] plaintiffs demonstrate no compelling need for these portions of the document, see, e.g., *Martin v. Valley Nat'l Bank*, 140 F.R.D. 291, 304 (S.D.N.Y. 1991), and therefore cannot justify setting aside the protection of the work-product rule in this instance.

The balance of the document does not trigger the same protection. It involves factual information relating to business considerations that might affect the decision in question, and we have every reason to believe that the corporate decision-makers would have reviewed such data even absent any concern about possible future lawsuits.

CONCLUSION

For the reasons noted, we conclude that document 1 is protected by the attorney-client privilege, and that the portions of document 7 that refer to or contain legal analysis are protected by the privilege and also constitute protectible work product. The balance of the documents at issue have not been shown to be privileged or otherwise immune from discovery and are therefore to be produced within seven days.

Dated: New York, New York

November 2, 1999

MICHAEL H. DOLINGER

UNITED STATES MAGISTRATE JUDGE

TAB 4

Westlaw.

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H

Motions, Pleadings and Filings

Only the Westlaw citation is currently available.

United States District Court, N.D. Illinois, Eastern
Division.
HEIDELBERG HARRIS, INC., Plaintiff,
v.
MITSUBISHI HEAVY INDUSTRIES, LTD. and
MLP U.S.A., INC., Defendants.
No. 95 C 0673.

Dec. 18, 1996.

Alan N. Salpeter, Javier H. Rubinstein, Mayer,
Brown & Platt, Chicago, IL, Richard L. Mayer,
Richard L. DeLucia, Richard S. Gresalifi, Michael D.
Loughane, Kenyon & Kenyon, New York City, for
Plaintiff.

Harry J. Roper, William P. Oberhardt, John E. Titus,
George S. Bosy, Roper & Quigg, Chicago, IL, for
Defendants.

MEMORANDUM OPINION AND ORDER

ASHMAN, United States Magistrate Judge.

I. Procedural Background

*1 Defendants, Mitsubishi Heavy Industries, Ltd. and Mitsubishi Lithographic Presses U.S.A., Inc. ("Mitsubishi"), bring this motion to compel Plaintiff, Heidelberg Harris ("Harris"), to produce documents claimed to be immune from discovery under the attorney client and work product privileges and additionally, to produce, in unredacted form, documents already produced.

Prior to the filing of this motion, Harris was withholding over 500 documents under claims of attorney client and work product privilege. After the motion to compel was filed, Harris reviewed its privilege log and produced almost 200 documents, many in redacted form. Mitsubishi, however, contends that the majority of the documents still claimed to be privileged are outside the scope of either the attorney client or work product protection. Consequently, Mitsubishi seeks the production of most of the remaining documents in unredacted form,

and the unredacted production of documents already produced. The documents have been submitted to this Court for *in camera* inspection.

II. Factual Background

Harris brought this suit alleging the infringement of three of its patents, all of which cover offset printing presses, specifically gapless blanket cylinders, used in the printing of newspapers, magazines and other publications. The patents at issue in this case include Patent Nos. 5,304,267 ("the '267 patent"), 5,429,048 ("the '048 patent") and 5,440,981 ("the '981 patent"). Harris claims that Mitsubishi is willfully infringing these three patents, thus subjecting Mitsubishi to potential liability for treble damages. 35 U.S.C. § 284. Mitsubishi denies the infringement of any Harris owned patents and further claims that the patents are invalid and unenforceable.

III. Legal Analysis

In asserting that Harris' unproduced documents are not within the scope of either the attorney client or work product privilege, Mitsubishi divides the documents into five categories, with numerous documents falling into more than one category. As an introductory matter, the Court notes that, because of the large numbers of documents reviewed, the Court will make its ruling on categories of documents, rather than explaining the basis for its ruling on each document individually. However, where the Court finds that a document is not privileged, the Court will address the document individually and explain the basis for its finding.

Category One--Communications Not Involving Attorneys

The first category of documents delineated by Mitsubishi are those which it claims do not contain communications to or from attorneys. Mitsubishi claims that these documents were neither authored nor received by attorneys. Defendant therefore contends that Harris must identify an attorney operating in his legal capacity to whom the document was sent or from whom the document originated in order to establish protection under the attorney client privilege. Mitsubishi essentially argues that, where the document was neither authored by or sent to an attorney, it cannot constitute a communication with an attorney, and thus is not entitled to protection under the attorney client privilege.

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*2 The essential elements of the attorney client privilege, as set forth by Wigmore, include:

- (1) Where legal advice of any kind is sought
- (2) from a professional legal advisor in his capacity as such,
- (3) the communications relating to that purpose
- (4) made in confidence
- (5) by the client,
- (6) are at his instance permanently protected
- (7) from disclosure by himself or by the legal advisor,
- (8) except the protection be waived.

8 J. Wigmore, EVIDENCE § 2292 at 904, (MacNaughton rev. ed. 1961).

The party asserting this privilege bears the full burden of establishing these elements. Fischer v. United States, 425 U.S. 391, 96 S.Ct. 1569 (1976). Therefore, the mere fact that an attorney client relationship exists does not create a presumption of confidentiality. U.S. v. Tramer, 511 F.2d 248 (7th Cir.1975). The party asserting the privilege must affirmatively demonstrate why the privilege should attach, which requires the party asserting the privilege to show who was involved in the communication and that the advice sought was of a legal nature. See Fischer, supra.

While revealing a privileged communication to a third party generally destroys the privilege, if the third party shares a community of interest with the privilege holder, the privilege remains intact. See Baxter Travenol Laboratories, Inc. v. Abbott Laboratories, 1987 WL 12919 (N.D.Ill.1987). A community of interest arises when two parties have an identical legal interest with respect to the subject matter of a communication between an attorney and a client regarding legal advice. Baxter Travenol, 1987 WL 12919 at *1. A community of interest may arise between two companies jointly developing a patent because they have a common legal interest in obtaining the greatest protection and ability to profit from the patent. *Id.* The community of interest, however, covers only communications relating to the prosecution and litigation of the patents, and not communications relating to the parties rights between themselves. *Id.* at *2. [FN1]

[FN1] During the course of the September 10, 1996 oral argument on Mitsubishi's motion, the Court ruled that Harris shared a community of interest with American Roller, but did not share any such relationship with Day International or Reeves Brothers. The Court notes, however, that a community of interest existed between Harris and Reeves Brothers solely for the purpose of the litigation

discussed in Doc. No. 238 in category four. Based on this community of interest, the Court finds Doc. No. 238 to be privileged and not subject to disclosure. However, for the purposes of the other documents to which Reeves was a party, no such community of interest exists, and indeed, the Plaintiff never argued to the contrary.

Additionally, Defendants claim such documents cannot be subject to the work product immunity. The work product immunity protects from discovery an attorney's thoughts, strategies, mental processes and opinions prepared in anticipation of litigation. See Hickman v. Taylor, 329 U.S. 495, 67 S.Ct. 385 (1947); FED.R.CIV.P. 26(b)(3) (1970).

Keeping the above principles in mind, the Court has conducted an *in camera* review of the documents in Mitsubishi's category one. Included in this category are documents numbered:

6, 22-24, 36, 40, 60, 66, 78, 89, 101, 128, 135, 159, 182, 196-197, 199, 267, 269, 300, 309, 321-323, 325, 352-353, 355, 367, 393, 399, 410-411, 441, 454- 455, 469, 482-483, 486, 488-489, 496-499, 505, 511 and 533.

The Court finds that the following documents are subject to the attorney client privilege based on the fact that each document is either a communication from an attorney to employees of Harris conveying legal advice on the patents at issue in this case or related patents, or a communication from a Harris employee to counsel conveying information for the purposes of obtaining legal advice on the above issues:

*3 22, 23, 24, 36, 60, 66, 78, 89, 128, 135, 159, 182, 196, 197, 199, 267, 300, 321, 322, 323, 352, 353, 355, 393, 410, 441, 469, 486, 488, 496, 497, 499, 505, and 511.

The Court also finds that the following documents, which contain attorneys' thoughts and strategies prepared in anticipation of this litigation, are subject to the work product doctrine: 60, 66, 323, and 355.

The following category one documents are not protected by the attorney client privilege or the work product immunity, or are only protected in part:

Doc. No. 6--This document is a handwritten note of one of the inventors, Jim Vrotacoe, regarding sleeves for the offset press. It contains neither legal advice from an attorney, nor information that was conveyed to counsel to obtain legal advice. The document is therefore not subject to any

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protection and must be produced unredacted.

Doc. Nos. 40--This is a communication from Bogert to Harris employees conveying legal advice about the Mitsubishi blanket. Pages two and three of the document are therefore privileged and need not be disclosed. However, the first page is a blank page with a handwritten note on it which is not privileged and must be produced.

Doc. No. 101--This is a letter from the Canadian patent agent, Dennison Associates, to a Harris employee regarding the Canadian patent application. Although the representatives of an attorney come within the ambit of the attorney client privilege, patent agents are generally not considered to be an attorney's representatives for purposes of the privilege. [FN2] *Sneider v. Kimberly-Clark Corp.*, 91 F.R.D. 1, 5 (N.D.Ill.1980). Consequently, this document is not privileged and must be produced unredacted.

FN2. While the Court concludes that the German patent agents at issue in this case are covered by the attorney client privilege based on its analysis in the later part of this opinion, the Court notes that this determination was made as a result of evidence presented which established that the German patent agents were engaged in the substantive lawyering process and were authorized under the law of their country to act, in essence, as attorneys. This conclusion with respect to the German patent agents in no way alters the general rule that patent agents who merely act as a conduit for information are not within the scope of the attorney client privilege.

Doc. No. 269--This document is a letter from a Harris employee to an employee of American Roller, a company with which Harris co-developed a patent, memorializing a draft of a contract between the two companies. No attorneys were involved in this communication and the document is therefore not privileged and must be produced in unredacted form.

Doc. No. 309--This is a handwritten note from one Harris employee to another discussing the joint patent application with American Roller. This document was the subject of a declaration that purported to establish the existence of an attorney client privilege, however, the declaration is not sufficiently specific to convince the Court of the applicability of the privilege to a document which appears, on its face, to contain only non-privileged business information.

Doc. No. 325--This communication is an e-mail from one employee of Harris to another regarding the blanket rubber formulas and does not convey legal advice or information conveyed for purposes of obtaining such advice. The document must therefore be produced in unredacted form.

Doc. No. 367--This document is an invention disclosure form that is essentially identical to *Doc. No. 366* which Harris voluntarily disclosed. Therefore, the privilege with respect to this document, if any existed, is waived and the document must be produced.

*4 *Doc. No. 399*--This is an e-mail from one Harris employee to another discussing conversations with Day International. The document does not contain any privileged information and therefore must be disclosed. The Court notes that this document was the subject of a declaration that did not match the substance of the document. The declaration was therefore disregarded in ruling on this document.

Doc. No. 411--This communication is a facsimile from an American Day employee to a Harris employee reproducing a letter originally sent from an American Roller employee to a Day International employee. The privilege with respect to this document is waived by virtue of disclosure to a third party, Day, and the document must be produced.

Doc. Nos. 454 and 455--*No. 454* is an e-mail from one Harris employee to another regarding blankets being developed by Grace. *Doc. No. 455* is a copy of *Doc. No. 454*. Neither document contains any privileged communication, as both involve business information. Therefore, both documents must be produced unredacted.

Doc. Nos. 482 and 483--*Doc. No. 482* is a letter from a Harris employee to an American Roller employee regarding the American Roller agreement. *Doc. No. 483* is a copy of *Doc. No. 482*. Neither document involves a communication with an attorney, nor does either serve to convey legal advice. Therefore, the documents must be produced.

Doc. No. 489--This document is a copy of a European patent containing handwritten notes of a Harris employee reflecting information conveyed to counsel to obtain legal advice. The European patent is public information and is therefore not privileged and must be produced. However, the handwritten notes are protected by the attorney client privilege and may be redacted.

Doc. No. 498--This document is the handwritten notes of a Harris employee reflecting instructions to seek legal advice on certain issues and containing miscellaneous business information.

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The notations concerning obtaining legal advice from Tarolli on the top of the page may be redacted as they are protected by the attorney client privilege. This information was ultimately conveyed to Tarolli to obtain legal advice on patent related issues. However, the remainder of the document is not privileged and must be produced.

Doc. No. 533--This communication is a handwritten memo from a Reeves employee to an American Roller employee regarding printing blanket terminology. This document contains no legal advice, nor information conveyed to obtains such advice and is therefore not privileged. Additionally, any privilege would have been waived by virtue of the document's disclosure to third parties.

Category Two--Anonymous or Undated Documents
The second category of documents designated by Mitsubishi are those it contends are anonymous or undated or both. Defendant claims that these omissions make it impossible to determine the applicability of the attorney client or work product privileges. No documents which are solely in this category are any longer at issue as a result of this Court's September 10, 1996 ruling and Harris' subsequent production.

Category Three--Document Not Addressed to a Recipient

*5 The third category of documents set forth by Mitsubishi includes documents not addressed to a recipient. Mitsubishi characterizes these documents as memoranda to files. Defendants argue that these documents cannot be privileged because, where a document is not addressed to anyone, there is no communication with a client. Included in category three are Doc. Nos.:

6, 22-24, 36, 66, 89, 159, 196, 197, 262-264, 273-277, 323, 353, 355, 367, 373, 393, 406, 410, 469, 486, 496-498, 505, 511 and 552.

Memos to files prepared by non-legal personnel containing business information are clearly not privileged. These memos are not communications directed to anyone for the purpose of obtaining legal advice and cannot therefore fall within the ambit of the privilege. *Sneider*, 91 F.R.D. at 6. The same reasoning applies with equal force to memos to file prepared by counsel because, once again, the intent to confidentially communicate with the client is missing. *Id.* However, these attorney produced memos may be covered by the work product privilege if they contain the attorney's mental impressions and were prepared in anticipation of

litigation. *Id.* Additionally, "memoranda of information or advice directed to or received from an attorney, prepared by an agent of the client or attorney, as a record of that advice or request are protected by the attorney client privilege. That the notes simply highlight or outline relevant portions of that advice should in no way defeat the privilege." *Abbott Laboratories v. Airco, Inc.*, Slip Op. No. 82 C 3292 (N.D.Ill. Nov. 5, 1985).

Applying the above principals, the Court finds that the following documents are subject to the attorney client privilege:

22, 23, 24, 36, 66, 89, 159, 196, 197, 262, 273-277, 323, 353, 355, 393, 406, 410, 469, 486, 496, 497, 505, 511, and 552.

The following documents are also subject to the work product privilege: 66, 323, 355, and 552.

The Court finds the following category three documents to be not within in the scope of the attorney client privilege:

Doc Nos. 263-264--Doc. No. 263 is a draft of a purchasing agreement between American Roller and Harris, prepared by one of Harris' attorneys. There is no claim that this draft is in any material respect different than the purchasing agreement ultimately used by the parties. The agreement concerns the parties' rights amongst themselves in the patent the two companies co-developed and does not relate to the prosecution or litigation of that patent. The communication is therefore not within the scope of the parties' community of interest and the privilege is therefore waived. Doc. No. 264 is the same as Doc. No. 263, with the addition of the attorney's handwritten notes conveying legal advice to employees of Harris. These handwritten notes are privileged and may be redacted.

Doc. No. 373--This document is the typed notes of a Harris employee regarding miscellaneous information about one of the patents with handwritten notes reflecting legal advice given by one of the Harris attorneys in a meeting. The typed document is not privileged and must be produced, however, the handwritten notes are subject to the attorney-client privilege and may be redacted.

*6 Additionally, Doc. Nos. 6, 367 and 498 were found not privileged as a result of the Court's analysis of the category one documents.

Category Four--Documents Related to Internal Business Strategy

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The fourth category of documents encompasses those communications which Mitsubishi claims relate to Harris' internal business strategy regarding licensing negotiations with third parties. Documents in category four include:

84, 87, 89, 91, 211, 238, 244, 254, 294-295, 299-300, 324-327, 337, 342, 371, 374-377, 379-387, 389-390, 392-400, 403, 405-406, 408, 410, 411-415, 418, 423, 427-431, 436, 438, 440-450, 452-456, 458-467, 469, 478-479, 481-483, 505-506 and 513.

Mitsubishi argues that, because many of the documents were sent to non-legal personnel, this indicates that the documents involve business strategy rather than legal communications.

Where the client is a corporation, the Seventh Circuit applies the "subject matter" test to determine the scope of the attorney client privilege. Under that test, "if the agent is in possession of information acquired in the ordinary course of business relating to the subject matter of his employment, and the information is communicated confidentially to corporate counsel to assist him in giving legal advice, then the communication is privileged." See *Harper & Row Publishers, Inc. v. Decker*, 423 F.2d 487 (7th Cir.1970), *aff'd*, 400 U.S. 348, 91 S.Ct. 479 (1971).

It is clear from the affidavits submitted and the context of the communications that all of the parties involved, either as authors or recipients, with the documents in this category fall within the perimeter of the subject matter test articulated above. Consequently, the Court finds the following documents to be protected by the attorney client privilege:

87, 89, 91, 211, 238, 244, 254, 294, 295, 299, 300, 324, 325-27, 337, 342, 374, 375, 376, 377, 379-387, 392, 393, 396, 398, 399, 400, 403, 406, 408, 410, 413-415, 430, 436, 438, 440, 441, 443, 446, 448, 460-467, 469, 478-479, 505, 506, and 513.

The Court also finds that Doc. No. 238 is privileged. This document is from an attorney for Reeves Brothers to the attorney for Harris discussing legal strategy and advice in anticipation of potential litigation pursuant to 35 U.S.C. § 1337. Reeves was one of two manufacturing licensees of Harris' gapless blanket technology. Reeves and Harris therefore shared the same legal interest in enforcing the Harris owned patents. Consequently, the Court finds that the two companies shared a community of interest for purposes of the information contained in Doc. No. 238.

The following documents are not privileged and must be produced either unredacted, or in redacted form, where indicated:

Doc. No. 84--This is a memo from one Harris employee to others regarding a meeting to discuss a review of the print blanket. The memo contains references to attorney advice on the subject of the blankets. The memo must be produced, but the attorney advice is privileged and may be redacted.

*7 *Doc. No. 371*--This document is a letter from a Harris employee to Day's general counsel regarding the licensing agreement between the parties. This document is not privileged because it was disclosed to a third party not subject to the community of interest exception. Any privilege is therefore waived and the document must be produced.

Doc. No. 389--This is an e-mail from one Harris employee to other Harris employees conveying information on a meeting with Day. Although the Court was unable to read the entire document because portions were blocked out, the information appears to be general business and scheduling information about the meeting which is not subject to the attorney client privilege. The document must therefore be produced.

Doc. No. 390--This communication is an e-mail from one Harris employee to several others conveying information about upcoming visits with Day and Reeves. Most of the document contains business information that is not subject to the attorney client privilege, however, paragraph three appears to contain legal advice and may therefore be redacted. The remainder of the document must be produced.

Doc. Nos. 394, 395 and 397--These documents are letters or memos from one of Harris' attorneys to employees of American Roller and/or Day conveying information on the licensing agreement. Because the documents were disclosed to a third party, namely Day, which is not subject to the community of interest exception, any attorney client privilege with respect to these documents has been waived, and all of the documents must be produced.

Doc. No. 405--This document is a memorandum from a Harris employee to the attorney for Day regarding a draft of the licensing agreement. Since Day is not covered by any community of interest exception, any attorney client privilege is waived by virtue of disclosure to a third party, and the document must be produced.

Doc. No. 412--This document is a letter from one of the attorneys for Harris to a Day employee regarding the '928 patent application. Disclosure

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to Day has waived any attorney client privilege and the document must be disclosed.

Doc. No. 418--This is an e-mail from one Harris employee to another regarding discussions with Day International personnel about the licensing agreement between the two companies. This communication contains business, rather than legal, information and is therefore not subject to the attorney client privilege. *Doc. No. 418* must be disclosed.

Doc. No. 423--This communication is a letter from a Day employee to a Harris employee regarding the licensing agreement. Attached is a copy of the agreement with changes proposed by Day. This document originated from a third party not covered by the community of interest exception and any privilege is therefore waived. However, the handwritten notes of the Harris employee requesting legal advice are privileged and may be redacted.

Doc. Nos. 427, 428 and 431--These are letters or memoranda from an attorney for Reeves to a Harris employee regarding a proposed licensing agreement. Attached to *Doc. No. 427* is a draft of the agreement. Any privilege with respect to these documents has been waived by disclosure to a third party (Reeves), not covered by the community of interest exception, and the documents must be produced.

*8 *Doc. No. 429*--This document is an e-mail from a Harris employee to other employees regarding the licensing agreement between Harris and Reeves. The information contained in this communication pertains to business and technical, rather than legal, matters and is therefore not privileged and must be produced.

Doc. Nos. 442, 444, 445, 447, 449, 450, 452, 453 and 458--These communications are either letters or e-mail from one Harris employee to others regarding discussions with Grace personnel about the testing of print blankets, the development of confidentiality agreements and other matters related to business conducted with Grace. These documents do not contain information conveyed for purposes of obtaining legal advice or legal opinions, but rather contain business information and are therefore not privileged and must be produced.

Doc. No. 456--This is a letter from one of Harris' attorneys to a Harris employee with a copy of a Grace patent attached. The letter contains legal advice and opinions and is therefore privileged, however, the attachment is public information and is subject to production.

Doc. No. 459--This is an e-mail from one Harris

employee to others containing information on the proposed business relationship with Grace. The document does not contain any privileged information and must therefore be disclosed.

Doc. No. 481--This is a two-page document. The first page contains no privileged information and must be produced. However, the second page contains information conveyed for the purpose of obtaining legal advice and is therefore privileged.

Additionally, the Court notes that *Doc. Nos. 411, 454-55, and 482-83* were ruled on in category one.

Category Five--Documents Connected with Harris' German Patent Agents

The fifth category delineated by Mitsubishi includes those documents connected with members of Harris' patent department in Germany, including Messrs. Bogert, Hoerschler, and Stoltenberg. Documents in category five include:

21, 34, 42, 43, 50, 95, 97, 99, 123, 168-171, 187-191, 288, 302-303, 354, 495 and 549.

After reviewing the arguments presented in the parties' memoranda submitted in connection with Mitsubishi's motion to compel, the Court requested the submission of affidavits by the members of Harris' German patent department regarding their qualifications as attorneys, the structure of the German legal system and their ability to practice law in Germany. These affidavits and a memorandum arguing that Harris' German patent employees were the functional equivalent of American attorneys were submitted along with the documents produced for *in camera* inspection and Defendants were then given leave to file a response.

The submitted affidavits establish that Mr. Stoltenberg is a Patentassessor and is the head of the Patent Department at Heidelberger Druckmaschinen AG, Harris' German parent corporation. [FN3] A "Patentassessor" is an in-house patent attorney who is qualified to practice before the German Patent Office, but who is not able to represent a client before the German District Court. Patentassessors are qualified to conduct any activities which take place before the German Patent Office, including the appealing of decisions of examiners on applications, and the filing and litigating of opposition proceedings. Patentassessors may also provide legal advice to clients on such issues as patentability, patent infringement and validity.

[FN3] Mr. Stoltenberg is responsible for all decisions related to patent lawsuits affecting

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Heidelberg Harris in the United States and U.S. attorneys handling those suits report directly to and request approval for any course of action from Mr. Stoltenberg.

*9 To become a Patentassessor, it is necessary to have a technical university degree, to have completed ten years of training with the patent department of a German company and to have passed a three-day "bar" exam concentrating on German patent law, but also covering other areas of German law. However, there is a distinction made between Patentassessors and a Rechtsanwalt, or an attorney-at-law, who appears before the civil and criminal courts.

Messrs. Bogert and Hoerschler are employed by the Patent Department of Heidelberger Druckmaschinen AG and are currently Patentanwaltzkandidats, studying to become Patentassessors. Both are qualified to render advice and opinions on patent issues to Heidelberger Druckmaschinen AG and its subsidiaries. Additionally, both have been under the supervision of and have reported directly to Mr. Stoltenberg. Mr. Bogert has been the primary person to whom Harris has turned for patent advice from October of 1988 to September of 1993.

Mitsubishi argues that, since neither Stoltenberg, Bogert, nor Hoerschler are licensed attorneys, the privilege cannot attach to any documents authored by or sent to any of them. Defendants argue that the extension of the attorney client privilege to cover communications not connected with a licensed attorney abrogates the traditionally narrow scope accorded to the privilege. By affidavit submitted from a German attorney-at-law, Defendants contend that, under German law, a Patentassessor is not capable of creating a privileged communication and that Patentanwaltzkandidats are really no more than the German equivalent of an American law student, unable to render legal advice or create confidential communications.

Additionally, Mitsubishi claims that applying the privilege as Harris contends it should be applied would lead to an anomalous result which is contrary to the law of the United States. Mitsubishi contends that if the attorney client privilege is applied to the facts of this case, the privilege would be extended to cover a communication created outside of this country, which would not be privileged where made (in Germany) and which, if made in the United States, would not be privileged here, based on the fact that communications with patent agents are generally not privileged. Defendant argues that Mr.

Stoltenberg is more closely equivalent to a Patent Agent than to an attorney.

The Court finds that Mr. Stoltenberg is the functional equivalent of an attorney and that the attorney client privilege therefore applies to legal communications with which he was involved. Additionally, the Court finds that Messrs. Bogert and Hoerschler were Mr. Stoltenberg's agents in that they shared a relationship similar to that which exists between an American attorney and a paralegal or law clerk. Therefore, legal communications emanating from or received by Bogert and Hoerschler are also subject to the privilege.

The purpose of the attorney client privilege is to encourage the free flow of communications between the professional qualified to give legal advice and the client seeking that advice. *Sneider*, 91 F.R.D. at 2. A mechanical application of this principle which focuses on labels rather than reasoning defeats the purpose of the privilege. It is therefore essential to look to the substance of the roles assumed by the parties, rather than merely ending the analysis with the titles attached to the parties involved.

*10 In this case, Messrs. Stoltenberg, Hoerschler, and Bogert were all qualified to give legal advice and were in fact often relied upon by Harris in this capacity. Courts have held that, where a foreign patent agent is engaged in the "substantive lawyering process" and communicates with a United States attorney, the communication is privileged to the same extent as a communication between American co-counsel on the subject of their joint representation. See *Mendenhall v. Barber-Greene Co.*, 531 F.Supp. 951, 953 (N.D.Ill.1982); *Baxter Travenol Laboratories, Inc. v. Abbott Laboratories*, 1987 WL 12919 *8 (N.D.Ill.1987). By parity of reasoning, where a party who may arguably be termed a foreign patent agent is engaged in the substantive lawyering process and communicates with his client, the communication is privileged to the same extent as a communication between an American attorney and his client.

The documents listed below are all communications to or from Mr. Bogert which either contain legal advice or convey information for purposes of obtaining such advice. Applying the principles discussed above, the Court finds that these documents are covered by the attorney client privilege and are therefore not subject to discovery. The privileged documents are:

21, 34, 42, 43, 50, 95, 97, 123, 168, 169, 188, 189,

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190, 191, 302, 354 and 549.

The remaining documents are not privileged and must be disclosed in whole or in part for the following reasons:

Doc. No. 99--This document is a letter from Bogert to a Harris employee requesting a copy of the agreement between American Roller and Harris. The letter contains no privileged information and must therefore be produced.

Doc. No. 170--This is a letter from Wallon (written for Stoltenberg) to a Harris employee requesting an improved copy of a document which Harris previously sent to Stoltenberg. The document contains no privileged information and must therefore be disclosed.

Doc. No. 171--This communication is a memo from an employee at Harris to Bogert conveying business and administrative information. The memo contains no legal advice or information conveyed for purposes of obtaining such advice and is therefore not privileged and must be produced.

Doc. No. 187--This is a cover letter from Bogert to a Harris employee with a copy of a German patent attached. The cover letter contains no privileged information and the German patent is information which is publicly available. Therefore, neither document is privileged and both must be produced.

Doc. No. 288--This is a compilation of patent evaluations and patent abstracts sent from a Harris employee to Hoerschler. The documents contain publicly available information and business advice and therefore are not privileged and must be produced.

Doc. No. 303--This document is a memo from one Harris employee to another conveying business, rather than legal, information or advice and is therefore not privileged and must be produced.

*11 *Doc. No. 495*--This communication is a memo from one Harris employee to another regarding Sunday press patent activity. The document contains largely non-privileged information and must therefore be produced, however, the information contained in paragraphs 2 and 7 is legal advice, subject to the attorney client privilege, and those paragraphs may be redacted.

The final two groups of documents Mitsubishi seeks production of include A) documents related to Harris' patent applications, including patent disclosures, drafts of patent applications, and technical, non-legal material and B) the complete text of documents already produced in redacted form. Each group will be addressed individually below.

Group A--Documents Related to Harris' Patent Applications

Mitsubishi moves for discovery of documents it claims appear to be patent disclosures, drafts of patent applications, and other technical, non-legal documents. These documents include:

13-17, 46, 50, 68, 78, 80, 93, 159, 162-166, 168-173, 177-180, 182, 187-193, 198-199, 202, 204-205, 207, 209-210, 228-230, 249, 289, 291-292, 296, 301-303, 308-309, 330-333, 339, 352-353, 357-364, 367, 373, 388, 391, 484, 486, 495-498, 511-512, 519, 521-522, 525, 529-530, 531-533, 536-549 and 557.

The intermingling of technical information with requests for legal advice or with the legal advice itself does not automatically destroy the privilege. *Sneider*, 91 F.R.D. at 4. Where the party asserting the privilege can establish that the communications were intended to be confidential and were made primarily to obtain legal advice or were primarily legal in nature, the privilege may attach. *Id.* However, this protection will not be extended to papers, communications and documents arising from *ex parte* patent proceedings and therefore, all "patent disclosures, draft patent applications and technical, non-legal material related to the final patent must be produced." *Id.*

In light of the above principles, the Court finds that the following documents are primarily legal in nature in that they predominately contain either legal advice or information conveyed for the purpose of obtaining such advice and are therefore privileged:

13, 14, 16, 17, 46, 50, 68, 78, 93, 163, 164, 166, 168, 169, 172, 173, 177, 178, 188, 192, 193, 199, 202, 204-05, 207, 209, 210, 228, 229, 289, 296, 301- 02, 309, 330-33, 339, 352, 357, 359-64, 388, 391, 484, 486, 496, 497, 519, 522, 531, 532, 536, 537-39, 547, 549 and 557.

Additionally, Doc. Nos. 17 and 549 were prepared in anticipation of litigation and contain attorney strategies and mental impressions and are therefore also covered by the work product doctrine.

The remaining documents are not privileged and must be produced in part or in whole for the following reasons:

Doc. No. 15--This communication is a letter from Hoerschler to a Harris employee conveying legal advice on a Mitsubishi patent, which is attached to the letter. The letter is a privileged communication and is not subject to production, however, the copy of the Mitsubishi patent is

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public information and must be disclosed.

**12 Doc. No. 80*--This is a memo from Stoltenberg to Harris employees and attorneys informing them that Mr. Hoerschler would be replacing Mr. Bogert as the patent engineer in charge of patent matters at Harris. This document contains no privileged communications and must therefore be disclosed.

Doc. No. 162--This is a copy of an information disclosure statement sent to the United States Patent and Trademark Office by one of Harris' attorneys. The communication is related to *ex parte* patent proceedings and appears to have been part of the patent application and is therefore not privileged and subject to discovery.

Doc. No. 165--This is a letter from one of the attorneys for Harris to Bogert conveying legal advice and providing information for the purposes of obtaining legal advice. Attached is a copy of a draft patent application. The letter contains privileged communications and need not be produced, however, the draft patent application is public information and must be disclosed.

Doc. No. 171--This communication is a memorandum from a Harris employee to Bogert discussing administrative patent matters. The memo does not contain any privileged information and is therefore subject to discovery.

Doc. No. 179--This document is a letter from an American Roller employee to a Harris employee discussing the joint patent application with a copy of a draft of the patent attached. The letter contains business, rather than legal, advice or information and is therefore not privileged. The draft of the patent application is also not privileged. Consequently, both documents must be produced.

Doc. No. 180--This is a letter from one of the Harris attorneys to a Harris employee containing legal advice on the patent information disclosure statement with a copy of the statement attached. The letter is privileged and need not be produced. However, the attachment is part of the patent application and must be disclosed.

Doc. No. 187--This communication is a cover letter from Bogert to a Harris employee discussing the submission of English translations of German patents with a copy of the patents attached. The letter does not contain any privileged information and the patent is public information. Therefore, both must be disclosed.

Doc. No. 198--This is a letter from one of the attorneys for Harris to a Harris employee discussing legal advice on some of the patent applications with a copy of the patent applications attached. The letter is privileged and need not be disclosed, but the drafts of the patent applications

are public information and must be produced.

Doc. No. 230--This document is a fax cover sheet from one of the attorneys for Harris to a Harris employee with a copy of a Mitsubishi patent attached. The cover sheet does not contain any confidential information and is therefore subject to discovery and the patent is public information and must be disclosed. However, the handwritten notes rendering legal advice which appear on the patent are privileged and may be redacted.

**13 Doc. No. 249*--This is a letter from a Harris employee to a Grace employee discussing experimentation on the Grace print blankets. The information appears to be primarily business information, and furthermore, any privilege which may have existed was waived by disclosure to the third party, Grace. Consequently, this document must be produced.

Doc. Nos. 291 and 292--*Doc. No. 291* is the same as the first part of *Doc. No. 292*, which is a two part document. The first part of *No. 292* is an e-mail from one of the Harris attorneys to Bogert discussing training sessions. The second part of *No. 292* is also an e-mail to several Harris employees from Harris' in-house counsel discussing legal advice from Harris' outside counsel. The first part of the document contains no privileged information. Therefore, both *Doc. No. 291* and the first part of *Doc. No. 292* must be disclosed. However, the second part of *Doc. No. 292* (the e-mail from Lee to Brown and others) is privileged and is not subject to discovery.

Doc. No. 308--This is a letter from one of the Harris attorneys to a Harris inventor conveying legal advice on the gapless blanket cylinder with a copy of U.S. patents attached. The letter is clearly privileged and need not be produced, however, the attached patents are public information and must be disclosed.

Doc. No. 358--This is a memo from one Harris attorney to a Harris employee conveying legal advice on the '587 patent with a copy of an office action from the United States Patent and Trademark Office rejecting one of the Harris patent applications. The letter contains privileged communications and therefore need not be disclosed, however, the attachment is public information and must be produced.

Doc. No. 373--This document is the typed notes of one Harris employee reflecting patent ideas with handwritten notes reflecting legal advice given by Harris' outside counsel. The typed notes are not privileged communications and therefore must be produced, however, the handwritten notes may be redacted as they contain privileged information.

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Doc. No. 512--This is a letter from one American Roller employee to an attorney for American Roller discussing administrative information about the joint Harris/American Roller patent. The letter does not contain any privileged communications and is therefore subject to production.

Doc. Nos. 521 and 525--These documents are letters from an American Roller employee to American Roller personnel and a Reeves employee. Any privilege is waived by disclosure to the third party, Reeves, with whom Harris does not share a community of interest. The document must therefore be produced.

Doc. No. 529--This is a letter from an American Roller employee to one of Harris' attorneys discussing administrative patent information. This document does not contain legal advice or information conveyed to obtain such advice and must therefore be produced.

Doc. No. 530--This communication is a letter from one American Roller employee to another discussing the joint patent developed with Harris. Information under "10/16/90" is not privileged and therefore must be produced. However, information under "10/18/90" reflects a privileged attorney client communication and therefore may be left redacted.

***14** *Doc. Nos. 540-546*--These documents are letters or facsimiles from employees of NEARC or Stork Screens to employees of American Roller. Any privilege with respect to these documents is waived by disclosure to third parties (NEARC and Stork Screens) not covered by the community of interest exception and all of the documents must therefore be produced.

Doc. No. 548--This is an e-mail from one Harris employee to another discussing the Mitsubishi printing presses. The communication does not contain any privileged information and must therefore be produced.

The Court notes that *Doc. Nos. 170, 189-191, 303 and 495* were addressed in category five, *Doc. No. 353* was addressed in category three, and *Doc. Nos. 182, 367, 498 and 533* were addressed in category one.

Group B--Documents Already Produced in Redacted Form

Finally, Mitsubishi seeks production of numerous documents already produced in redacted form. Mitsubishi claims the redacted portions of these documents are not subject to any privilege and that the full text of the documents must therefore be produced. Consequently, Mitsubishi seeks the

unredacted production of the following documents:

1, 2, 11, 12, 19, 35, 41, 44, 45, 47, 51-53, 56, 65, 67, 70, 72-74, 76, 77-79, 81, 86, 88, 94, 110, 120, 127, 140, 149, 152-55, 176, 181, 185, 186, 201, 203, 208, 212, 219, 220, 234, 235, 239, 240, 242, 246, 247, 253, 257, 260, 261, 278, 283, 285, 290, 293, 307, 320, 338, 347, 365, 402, 412, 471, 473, 474, 494, 503, 515, 518, 526, 528, 530, 535 and 555.

After examining the unredacted documents, the Court concludes that the following documents need not be produced in any greater detail based on the Court's conclusion that the redacted information was protected under either the attorney client privilege or the work product doctrine:

1 [FN4], 2, 11, 45, 51, 52, 56, 67, 72-74, 76, 77, 78, 81, 86, 110, 120, 140, 149, 152-55, 185, 186, 201, 203, 208, 235, 239, 247, 257, 285, 290, 293, 307, 320, 347, 365, 402, 471, 473, 474, 494, 503, 515, 526, and 555.

FN4. This document is also subject to protection under the work product doctrine.

The remaining documents must be produced in unredacted form for the following reasons:

Doc. Nos. 12 and 65--These documents are the same--both are a fax from one Harris employee to others of a copy of a Japanese patent. Patents are public information and are therefore not privileged. Consequently, the documents must be produced.

Doc. No. 19--This is a fax from the Japanese division of Harris to another Harris employee of a copy of a Japanese patent application. The document must be produced for the same reasons articulated above.

Doc. No. 35--This document is a letter from Bogert to Harris employees regarding Mitsubishi's plan to introduce the new machines to the market. The letter contains business, rather than legal, advice and information and must therefore be produced.

Doc. Nos. 41 and 70--These two documents are essentially the same. Both are letters from the Japanese branch of Harris to Stoltenberg regarding the opening of a patent for public inspection and information about the patent itself. The documents contain only business information and must therefore be produced.

***15** *Doc. No. 44*--This is a letter from Harris-Japan to Stoltenberg regarding research on Sumitomo's applications for patents and information on patent applications. Confidential research on matters of public record is not the equivalent of confidential legal communications and the documents must

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therefore be produced. See *Sneider*, 91 F.R.D. at 5. *Doc. No. 47*--This document is a status report from an unknown source to Harris employees listing the names of individuals associated with various organizations. This document does not contain any privileged communications and must be disclosed.

Doc. No. 53--This is an e-mail from one Harris employee to another listing the Sunday Press inventions and information on patents and use in current design. Nothing in this document is privileged and therefore the entire document must be produced.

Doc. No. 79--This document is a status report from one Harris employee to another conveying the status of various inventions. It does not appear to contain any privileged communications, but rather merely contains business information and must therefore be disclosed.

Doc. No. 88--This is the handwritten notes of one Harris employee discussing gapless blanket disclosures. This document does not contain legal advice or information that is legal in nature and the document must therefore be produced.

Doc. No. 94--This is a letter from an employee of the European Patent Office to a Harris employee. The Court was unable to determine the nature of this communication because the document is in German. Since the Plaintiff has failed to show how this document is privileged, the document must be produced.

Doc. No. 127--This is a copy of a document sent from the United States Patent and Trademark Office to one of Harris' attorneys. The redacted portion does not contain any privileged communications and therefore the entire document must be produced.

Doc. No. 176--This document is a memo from a Harris employee to an unknown recipient discussing the agenda for a meeting with American Roller. The document does not contain any privileged communication and must therefore be produced.

Doc. No. 181--This communication is a memo from one of Harris' attorneys to Harris Graphics discussing the summary of the invention, background information, a description of the invention and a discussion of the invention's patentability. The entire document must be produced with the exception of the paragraph on patentability which contains legal advice and may be left redacted.

Doc. No. 212--This is a letter from an employee of Perry Printing to a Harris employee discussing Perry Printing's possible patent infringement as a

result of its use of Mitsubishi's presses. This document was disclosed to a third party and therefore cannot be privileged. The entire document must be produced.

Doc. No. 219--This is a letter from the attorney for Sumitomo to a Harris employee discussing Harris' request for information on Sumitomo's patent, with a handwritten note directing a copy to the attention of Harris' attorneys. Nothing in this document is privileged, including the handwritten note, and the entire document must therefore be produced.

*16 *Doc. No. 220*--This document is a letter from a Harris employee to Sumitomo requesting information on blankets used by Mitsubishi which were produced by Sumitomo, with a handwritten note to send copies to Harris' attorneys. The document contains no privileged communication and must be produced in its entirety.

Doc. No. 234--This is a fax cover sheet from a Harris attorney to a Harris employee with a handwritten note at the bottom from an unknown source. The fax cover sheet and the note contain no privileged information. Additionally, there is no indication who authored the note. Therefore, the entire document must be produced.

Doc. No. 240--This is a copy of a draft of a licensing agreement between Harris and Reeves Brothers. The redacted information is handwritten notes which are illegible. Because Plaintiff has failed to establish how these notes are privileged and because the Court is unable to make this determination on its own, the document must be produced unredacted.

Doc. No. 242--This is a letter from a Reeves employee to an attorney for Harris discussing the licensing agreement between the two companies, with an illegible handwritten note redacted. The entire document must be produced for the reasons stated above.

Doc. No. 246--This is a letter from a Harris employee to a Grace employee discussing the production of experimental blanket sleeves, with a redacted handwritten note from a Harris employee to send copies to the attorneys for Harris. The note does not contain privileged communications and the letter must therefore be produced unredacted.

Doc. No. 253--This is a letter from a Harris employee to an employee of Day International with a redacted handwritten note by an unknown author to send a copy of the letter to the attorneys and with attached fax cover sheets from Harris' in-house counsel to outside counsel. None of the redacted information is legal advice or information conveyed to obtain such advice and the entire

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document must therefore be disclosed.

Doc. Nos. 260, 261 and 278--These documents all contain redacted handwritten notes either addressing a copy of the document to a Harris attorney or making general notations on patent related matters. The author of the notes in Doc. No. 278 is unknown. The notes do not contain privileged communications and therefore, the documents must all be produced unredacted.

Doc. No. 283--This is a two part document. The first part is a memo from one Harris employee to another discussing the status of the patents with redacted information that appears to be the Harris employee's guess on the odds of obtaining a patent on some of the new inventions. The redacted material is not privileged and must be disclosed. The second part of the document is a status report conveying legal advice of a Harris attorney and is therefore privileged. The second part of the document need not be produced.

Doc. No. 338--This is a memo from one Harris employee to another discussing a meeting with Day International with redacted information on what the attorneys for Day will tell the attorneys for Harris about the subjects discussed at the meeting. The information discussed at the Day meeting is not subject to any attorney client privilege because Day is a third party which does not share any community of interest with Harris. Consequently, any privilege that would have inhered in these discussions is waived and the entire document must be produced.

*17 *Doc. No. 412*--This is a letter from the attorney for Harris to an American Roller employee discussing the jointly developed patents with redacted notations and symbols by an unknown author. Because the author of these notations is unknown, the Court is unable to determine the applicability of any privilege and the documents must therefore be produced in unredacted form.

Doc. No. 518--This is a letter from one American Roller employee to another discussing the joint patent developed with Harris. The paragraph that begins with "(2)" contains legal advice and may be redacted, however, the remainder of the document contains strictly non-privileged information and must therefore be produced.

Doc. No. 528--This document is a letter from a Reeves employee to an American Roller employee discussing the patent on microspheres. The communication was revealed to a third party (Reeves) and therefore, the Court finds that any privilege is waived and the entire document must be produced.

Doc. No. 530--This communication is a letter from

one American Roller employee to another discussing the joint patent developed with Harris. Information under "10/16/90" is not privileged and therefore must be produced. However, information under "10/18/90" reflects a privileged attorney client communication and therefore may be left redacted.

Doc. No. 535--This is a letter from one American Roller employee to another discussing the joint American Roller/Harris patent application. The document does not contain any privileged information and must therefore be produced.

Conclusion

Based on the above reasons, Mitsubishi's motion to compel is granted in part and denied in part. Pursuant to this ruling, the Court orders the production of the documents specified in the individual rulings made in each category and group.

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Only the Westlaw citation is currently available.

United States District Court, N.D. Illinois, Eastern
Division.

John R. RAGER, Plaintiff,

v.

BOISE CASCADE CORPORATION, Defendant.

No. 88 C 1436.

Aug. 5, 1988.

MEMORANDUM DECISION

JOAN H. LEFKOW, United States Magistrate:

*1 This matter was referred for ruling on defendant Boise Cascade Corporation's motion for a protective order limiting the deposition testimony and documents sought by plaintiff John Ronald Rager from witness Clif Cecchi. Boise asserts that the documents and testimony to be excluded are communications between Cecchi and Boise attorney William R. VanHole and are protected from disclosure by the attorney-client privilege.

This case arises from a five-count complaint related to the termination of Rager's employment with Boise alleging violation of the federal Age Discrimination in Employment Act of 1967, 29 U.S.C. § 621 *et seq.*, and common law claims of breach of employment contract, libel and slander, retaliatory discharge and willful and wanton conduct. Rager served a notice of deposition stating his intent to take the deposition of witness Cecchi. According to the declaration of Cecchi, during 1987 and 1988 he was employed by the Gibbens Company. Gibbens was hired by Boise as its agent and representative in responding to Rager's application for unemployment compensation benefits. Cecchi acted as agent and representative of Boise to assist it in preparing for and during administrative proceedings related to Rager's unemployment compensation claim. While acting as Boise's agent, Cecchi sought and obtained legal advice from Boise's legal department. Specifically, on various occasions, including January 11, 13 and 14, 1988, Cecchi spoke by telephone with Boise

attorney VanHole. In his declaration, Cecchi states that the disclosures and discussions in his conversations with VanHole were made and intended to be held in confidence and related to issues regarding Rager's unemployment compensation proceedings and Cecchi's preparation for the proceedings. In his declaration, Cecchi also states that he does not desire to waive the attorney-client privilege applicable to his conversations with VanHole.

Rager opposes Boise's motion for a protective order. He first questions the sufficiency of the information before the court, specifically the adequacy of the description of the conversations between Cecchi and VanHole and of the terms of Gibbens' employment by Boise, and asserts that Boise's motion must be denied on this basis. Rager also suggests that *in camera* inspection of the notes pertaining to the conversations as well as examination of the contract between Boise and Gibbens is necessary, and Boise has indicated that it would submit the documents at issue for an *in camera* inspection. However, in the view of the court, the Cecchi declaration provides sufficient information to decide the motion.

Federal Rule of Evidence 501 provides that federal common law of privilege generally applies except "in civil actions and proceedings, with respect to an element of a claim or defense as to which State law applies the rule of decision, the privilege of a witness ... shall be determined in accordance with State law." The Senate Report and the Conference Committee notes on Rule 501 express a preference that in nondiversity jurisdiction civil cases, federal privilege law will generally apply. This is a federal question civil case with pendent state claims. Presumably, the evidence Rager seeks from Cecchi would be relevant to federal and state claims. Rule 501 does not explain how separate state and federal rules are to be applied when state and federal claims are involved, but the problem was noted in the Report of the Senate Committee on the Judiciary (Reproduced at 10 Moore, Federal Practice § 501.02 [3], pp. V-15-16). Research Institute for Medicine and Chemistry, Inc. v. Wisconsin Alumni Research Foundation, 114 F.R.D. 672, 675 n. 2 (W.D.Wis.1987). Where the evidence sought from the witness is relevant to both federal and state claims, federal law of privilege controls. VonBulow by Aversperg v. VonBulow, 811 F.2d 136, 141. (2d Cir.1987). If it becomes apparent

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that state and federal privileges are actually different, the state claim might have to be tried separately. Research Institute, 114 F.R.D. at 675 n. 2. Thus, in this case, at this juncture, federal common law of privilege applies.

The attorney-client privilege is "to be strictly confined within the narrowest possible limits consistent with the logic of its principle." United States v. Weger, 709 F.2d 1151, 1154 (7th Cir.1983), quoting In re Horowitz, 482 F.2d 72, 81 (2d Cir.1973). In the Seventh Circuit, the attorney-client privilege is stated in Wigmore's terms:

*2 (1) Where legal advice of any kind is sought (2) from a professional legal adviser in his capacity as such, (3) the communications relating to that purpose, (4) made in confidence (5) by the client, (6) are at his instance permanently protected (7) from disclosure by himself or by the legal advisor, (8) except the protection be waived.

Radiant Burners, Inc. v. American Gas Association, 320 F.2d 314, 319 (7th Cir.1963) (en banc), quoting 8 Wigmore, Evidence § § 2292 at 554 (McNaughton rev. 1961). When the client is a corporation, additional considerations come into play. Union Carbide Corporation v. Dow Chemical Company, 619 F.Supp. 1036, 1047 (D.Del.1985). Where a corporation asserts the attorney-client privilege, the concept of client is more complicated because the corporation cannot act except through agents. Thomas v. Pansy Ellen Products, Inc., 672 F.Supp. 237, 243 (W.D.Wis.1987), citing Upjohn Company v. United States, 449 U.S. 383, 389-90, 101 S.Ct. 677, 682-83 (1981). In Upjohn, the Supreme Court addressed important questions concerning the scope of the attorney-client privilege in the corporate context. The Court declined, however, to lay down a broad rule or series of rules to govern all conceivable future questions in this area. Thus, Upjohn does not provide a formula for deciding the crucial question here, whether Cecchi stands in the corporate shoes as a client of Boise's in-house attorney VanHole. Nevertheless, Upjohn provides some guiding principles: (1) The control group test is not the appropriate method for determining the applicability of the corporate attorney-client privilege; (2) The applicability of the corporate attorney-client privilege should be determined on a case-by-case basis; (3) The determination of the applicability of the corporate attorney-client privilege should be informed by the fact that the privilege exists to protect not only the giving of professional advice to those who can act on it, but also the giving of

information to the lawyer to enable him to give sound and informed advice. 449 U.S. at 390, 396-97, 101 S.Ct. at 683, 686.

The logic of Upjohn commands that the mere fact that the information-giver was not an employee of the corporation should not preclude application of the privilege. Sexton, A Post-Upjohn Consideration of the Corporate Attorney-Client Privilege, 57 N.Y.U.L.Rev. 443, 498 (1982).

[A]t times there will be potential information-givers who are not employees of the corporation but who are nonetheless meaningfully associated with the corporation in a way that makes it appropriate to consider them "insiders" for purposes of the privilege. Outside agents and certain independent contractors with a special relationship to the corporation are two examples of such persons.

Id. The author discusses the example of an accountant who, though an independent contractor, performs regular accounting services for a corporation over many years. Thus, one possible formulation of a corporate attorney-client privilege faithful to Upjohn

*3 ... would protect the communications of those persons (otherwise qualifying) who, either when they are speaking or after they have acquired their information: (1) possess decision-making responsibility regarding the matter about which legal help is sought, (2) are implicated in the chain of command relevant to the subject matter of the legal services, or (3) are personally responsible for or involved in the activity that might lead to liability for the corporation.

Sexton, *supra*, at 500 (footnotes omitted). One of the footnotes to this passage indicates that information-givers implicated in the chain of command would include one who is empowered to make recommendations about the subject but who lacks final decisionmaking authority and one who is authorized to collect information regarding the transaction in order to convey it to the attorney or to the decisionmaker. Sexton, *supra*, at 500 n. 180.

One approach to the issue here, possible even without Upjohn's guidance and post-Upjohn formulations, is to search for cases with analogous corporate information-givers. Boise characterizes Cecchi's role as that of the corporation's authorized agent who sought and received legal advice from the corporation's in-house counsel. With meeting the

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control group test in mind, Boise asserts that Cecchi had the authority to handle, specifically to influence or affect, decisions involving unemployment compensation claims of Boise employees, and because he is not a lawyer, he consulted with VanHole. Boise emphasizes that for purposes of unemployment compensation proceedings it acted through its agent Cecchi, who should not be distinguished from any other corporate employee for purposes of the attorney-client privilege. Boise also offers a rationale for protecting Cecchi's communications with VanHole: to do otherwise would chill conversations of legal importance between a corporation's in-house counsel and its authorized agents.

Rager characterizes the communications between VanHole and Cecchi as between corporate counsel and third party independent contractors. Rager insists that the privilege is unavailable to Cecchi because he is not VanHole's client; he was an independent contractor who used the corporation's legal counsel for advice. According to Rager, Cecchi is analogous to the independent contractor retained to investigate and adjust claims, a third party to whom the attorney-client privilege was not extended in *Shere v. Marshall Field and Company*, 26 Ill.App.3d 728, 327 N.E.2d 92 (1st Dist.1974). Rager also analogizes Cecchi to the typical patent agent who was found in *Chubb Integrated Systems, Ltd. v. National Bank of Washington*, 103 F.R.D. 52, 65-66 (D.D.C.1984), not to be an employee of the corporation, but akin to an independent contractor, not the giver or receiver of privileged communications with the corporation's lawyers. Rager also questions whether Cecchi has any control over Boise's decisions about the unemployment compensation matters for which Cecchi is employed or whether he does what is "normally expected" of agents handling such claims and simply takes direction from his principal.

There is no question that the communications between the in-house counsel of a corporation and at least some of the corporation's employees and agents are protected by the attorney-client privilege. The courts have drawn the line between protected and unprotected communications on the basis of the power of the communicating employee (the control group test). In *Upjohn*, the Supreme Court rejected a narrow control group test, emphasizing the importance of protecting the ability to give information, in favor of a case-by-case determination, while at the same time stressing the importance of being able to predict with some degree of certainty

whether particular discussions will be protected. Thus, *Upjohn's* ultimate message is to protect communications consistent with the underlying purposes of the attorney-client privilege, that being in the corporate context, to encourage full and frank communication of relevant information by employees of the client to attorneys seeking to render legal advice to the client corporation. To apply the privilege consistent with this purpose hardly necessitates inquiry into the power of the communicating employee or agent to act on that advice (the inquiry which the parties here have emphasized). The court need only determine whether Cecchi is an employee or agent of the corporation and whether protecting his communications with VanHole is consistent with the purpose of the attorney-client privilege in the corporate context.

*4 Cecchi's declaration establishes that he was an agent who should be treated as an employee rather than as an independent contractor. In *Henderson v. National Railroad Passenger Corporation*, 113 F.R.D. 502 (N.D.Ill.1986), a Title VII action, the court was asked to apply the application of the attorney-client privilege to communications of Zanders, an EEOC representative employed by the defendant. The court found the application not a straightforward task since Zanders could not be seen solely as the attorney or the client; she acted as a hybrid between the two. In *Henderson*, the court examined the principal-agent relationship that linked Zanders to the law department in order to decide whether Zanders' communications should be considered those of an attorney. The same model can be applied to Cecchi in order to decide whether Cecchi's communications should be considered those of an agent rather than an independent contractor. *Henderson* discusses the three fundamental requirements of agency, all of which are met by Cecchi in this case. See 113 F.R.D. at 509. First, an agent must have the power to affect the legal relations of the principal and others. Next, the agent is a fiduciary who works on behalf of the principal and primarily for his benefit. Last, the principal has the right to control the conduct of the agent. *Id.*, citing *Westinghouse Electric Corporation v. Rio Algom Ltd.*, 448 F.Supp. 1284, 1300-03 (N.D.Ill.1978).

The very purpose of the attorney-client privilege in the corporate context is implicated here: the encouragement of full and frank communication of relevant information by employees of the client to attorneys seeking to render legal advice to the client

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corporation. Though employed by another company, Cecchi provided relevant information to Boise's in-house counsel and received legal advice as to how he or Boise should act in unemployment compensations matters. Even without deciding whether Cecchi had the power, given to him by his principal Boise, to act personally on whatever legal advice he received from VanHole, consistent within the purposes underlying the attorney-client privilege, the communications between Boise's agent, Cecchi, and its attorney, VanHole, in the seeking and receiving of legal advice on behalf of Boise must be protected.

Rager indicates his belief that Cecchi has hybrid status here when he asserts that it is not even clear who is the client and who is the attorney. If different communications were involved here, say between Cecchi and Boise employees he had interviewed, Cecchi's role as attorney might have to be considered. But here only Cecchi as client is involved and this fact reveals the folly of applying any control group test. The focus here should be on what kind of information Cecchi sought from VanHole, not what use Cecchi personally could make of any information he received from VanHole. Cecchi's declaration makes it clear that he was employed to act essentially for and with Boise in unemployment compensation matters. It was his intention to obtain legal advice to be used for and with Boise in those matters. Under these circumstances, his status as VanHole's client for and with Boise cannot seriously be questioned. Accordingly, Boise's motion for a protective order is granted.

*5 Under Rule 72(a), Fed.R.Civ.P., objections to this order must be filed with the district judge within ten days after its entry. Failure to object will constitute a waiver of objections on appeal.

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Only the Westlaw citation is currently available.

United States District Court, N.D. Illinois, Eastern
Division.
Harry D. WEEKS, Plaintiff,
v.
SAMSUNG HEAVY INDUSTRIES CO., LTD.,
Samsung America, Inc., an Illinois
corporation, Samsung Shipbuilding & Heavy
Industries Co., LTD., and Samsung
Construction Equipment Co., an Illinois corporation,
Defendants.
No. 93 C 4899.

June 20, 1996.

Michael L. Flynn, Torquil R. Olson, Downers
Grove, IL.

Peter J. Mone, Andrew J. Boling, Nam Hung Paik,
Baker & McKenzie, Chicago, IL.

MEMORANDUM OPINION AND ORDER

GUZMAN, United States Magistrate Judge.

*1 Pending is plaintiff's, Harry D. Weeks, *Motion To Compel Production Of Documents Claimed As Privileged With Regard To The Conveyance Of Legal Advice And Opinion*. For the reasons stated below, the motion is hereby denied.

BACKGROUND FACTS

On June 10, 1994, the defendants issued a Privilege Log to plaintiff identifying the documents they withheld from production. Plaintiff later moved for Sanctions pursuant to FRCP 37, claiming that defendants had violated the rules of discovery. On January 19, 1996, this Court issued an order in response to plaintiff's motion. The order required defendants to provide plaintiff with an Amended Privileged Log on or before January 30, 1996. The order further required the Amended Privilege Log to be in compliance with FRCP 26(b)(5). Defendants provided plaintiff with their Amended Privilege Log on January 30, 1996.

On February 7, 1996, the parties held a Rule 12(k) conference. This conference was pursuant to this Court's order of January 19, 1996. During the conference, the parties could not agree whether the documents withheld from production by defendants were privileged. In particular, the parties could not agree whether Document 2 of defendants' Amended Privilege Log falls within the scope of the attorney-client privilege. Accordingly, under several motions, plaintiff moved this Court to compel the production of those documents withheld by defendant. One of these motions is now before the Court. In this motion, plaintiff contends, among other things, that the documents withheld from production by defendants do not convey legal advice or opinion.

In particular, plaintiff contends that Document 2 of defendants' Amended Privilege Log falls outside the scope of the attorney-client privilege. Document 2, along with others, was inadvertently produced by defendants to plaintiff as Bates Stamp Numbered Documents 1225-1227. Plaintiff was subsequently ordered to return to defendants all copies of inadvertently produced documents he possessed.

DISCUSSION

First, plaintiff contends that defendants' Amended Privilege Log does not comply with FRCP 26(b)(5). Federal Rule of Civil Procedure 26(b)(5) states:

When a party withholds information otherwise discoverable under these rules by claiming that it is privileged or subject to protection as trial preparation material, the party shall make the claim expressly and shall describe the nature of the documents, communications, or other things not produced or disclosed in a manner that, without revealing information itself privileged or protected, will enable other parties to assess the applicability of the privilege or protection.

F.R.Civ.Proc. 26(b)(5)

Plaintiff particularly alleges that Document 2 of defendants' Amended Privilege Log does not enable him to assess the applicability of defendants' claimed privilege. Plaintiff argues that defendants' description of Document 2 in their Amended Privilege Log provides no more information regarding the applicability of the attorney-client privilege than does defendants' description of Document 2 in their original Privilege Log.

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*2 This Court finds that defendants' description of Document 2 in their Amended Privilege Log is in compliance with FRCP 26(b)(5). In their Amended Privilege Log, defendants describe the nature of Document 2 in a way which enables plaintiff to assess the applicability of defendants' attorney-client privilege. Defendants describe both the persons involved in the relevant communication and the subject matter regarding that communication. Specifically, the defendants note that the document was sent from Chang Il Kim to Byung Tak Kim, both employees of defendants during the relevant times. Furthermore, defendants state that Document 2 is Chang Il Kim's summary of legal advice received from Baker & McKenzie, counsel for defendants. Thus, defendants' description of Document 2 in their Amended Privilege Log is sufficient to satisfy the requirements of FRCP 26(b)(5).

The Court notes however, that plaintiff's argument comparing defendants' Amended Privilege Log with their original Privilege Log is irrelevant. The relevant issue is whether defendants' description of Document 2 in their Amended Privilege Log is in compliance with FRCP 26(b)(5). Based on the foregoing analysis, this Court finds that the description of Document 2 in defendants' Amended Privilege Log is in compliance with Rule 26(b)(5).

Likewise, the Court finds that the other documents and communications listed in defendants' Amended Privilege Log are in compliance with FRCP 26(b)(5). Each listing describes the documents withheld from production in a manner which enables plaintiff to assess the applicability of defendants' claimed privilege.

Plaintiff next argues that defendants' Amended Privilege Log fails to comply with this Court's order of January 19, 1996. This order, of January 19, 1996, succinctly outlined defendants' obligations under FRCP 26(b)(5). Thus, by being in compliance with FRCP 26(b)(5) (see the analysis set forth above) defendants' Amended Privilege Log is also in compliance with the order of January 19, 1996.

Plaintiff next contends that the communications identified within Document 2 do not fall within the scope of the attorney-client privilege. Specifically, plaintiff argues that those communications do not represent the conveyance of legal advice or opinion. Plaintiff attached Document 2, which was inadvertently produced by defendants, and an English translation thereof as exhibits to his memorandum in support of this motion. For purposes of this motion,

defendants stipulate that the English translation is an accurate rendition of Document 2.

After reviewing the English translation of Document 2, this Court finds that the communications identified in that document fall within the scope of the attorney-client privilege. The English translation of Document 2 is clearly directed to legal advice given to Chang Il Kim, an employee of defendant Samsung Heavy Industries' Chicago office, by Baker & McKenzie, counsel for defendants. Document 2 is specifically directed to legal advice about defendants' legal obligations and potential litigation risks with respect to plaintiff.

*3 This Court notes, however, that Document 2 includes certain business and economic data in addition to the legal advice rendered by counsel for the defendants. Plaintiff correctly points out that a communication concerning business strategy or advice, as opposed to legal advice, does not fall within the scope of the attorney-client privilege. *In re Brand Name Prescription Drugs Antitrust Litigation*, 1995 WL 557412 at *2 (N.D. Ill. Sept. 19, 1995). Nevertheless, documents setting forth business and economic data fall within the scope of the privilege if such data is included merely for the purpose of giving or receiving legal advice. *Id.*

Here, the business data found in Document 2 is for that limited purpose. Document 2 describes plaintiff's compensation. Obviously, this information is in Document 2 to facilitate the analysis of defendants' potential litigation risks and legal obligations with respect to plaintiff. Accordingly, this Court finds that the communications outlined in Document 2 from Baker & McKenzie, counsel for defendant, to Chang Il Kim, manager of defendant Samsung Heavy Industries' Chicago-based office, are within the scope of the attorney-client privilege.

To support his contention that those communications are outside the scope of the attorney-client privilege, plaintiff argues that the legal advice rendered was not in anticipation of litigation. Plaintiff points out that, at the time of those communications, he was unaware of any facts which might give rise to his claim. Therefore, plaintiff argues, the communications outlined in Document 2 could not have been in anticipation of litigation and are outside the scope of the privilege.

Under this argument, plaintiff apparently confuses the attorney-client privilege with the work product doctrine. Under the work product doctrine, a

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qualified immunity attaches to any document prepared in anticipation of litigation by or for a party. Fed. R. Civ. P. 26(b)(3). The work product doctrine protects the documents from discovery, but does not protect the information contained therein. The information is freely discoverable by an opposing party.

On the other hand, the attorney-client privilege protects certain communications between a legal advisor and his/her client. Communications falling within the scope of the privilege are not discoverable unless the privilege is waived by its holder. Most importantly, communications may fall within the scope of the privilege whether or not they are made in anticipation of litigation. Therefore, plaintiff's argument is without merit.

Plaintiff next points out that defendants apparently did not label Document 2 as a privileged communication. Plaintiff argues that defendants therefore did not expressly state that it contains legal advice or opinion. This Court finds that plaintiff's argument is without merit. Document 2 contains legal advice and/or opinion, whether or not defendants marked that document as privileged.

The next argument asserted by plaintiff concerns a declaration by Chang Il Kim. Defendants attached the declaration as an exhibit for their response to the present motion. In the declaration, Chang Il Kim states, among other things, that he received advice from counsel regarding the legal obligations of defendants with respect to plaintiff. He further states that he summarized that advice and relayed it to his superiors, namely Byung Tak Kim.

*4 Plaintiff challenges the declaration on a variety of formal grounds, including (1) that it was not made under oath, (2) that it does not state that Chang Il Kim can or will competently testify to the matters contained therein and (3) that it is not notarized.

At the outset, this Court notes that it did not rely on the declaration of Chang Il Kim to find that Document 2 is a summary of legal advice given to him. Further, 28 U.S.C. § 1746 sets forth the formal requirements of unsworn declarations under penalty of perjury. That section is applicable here. If the declarant meets the section's requirements, the declaration has the same force and effect as a sworn affidavit for the purposes of any requirement imposed by a federal rule or regulation. Davis v. Frapolly, 756 F.Supp. 1065 (N.D. Ill. 1991). The section states, in substantial part, that, if the declaration is executed in

the United States (as was the case here), the declarant must simply declare under penalty of perjury that the contents of the declaration are true and correct. 28 U.S.C. § 1746(2). Furthermore, the declarant must state the execution date and sign the declaration. *Id.*

Although the section explicitly sets forth the language to be used in unsworn declarations, the case law construing that section indicates that the courts should not be unnecessarily hypertechnical in determining whether all non-substantive requirements of execution are satisfied. Pfeil v. Rogers, 757 F.2d 850, 859 (7th Cir. 1985).

In the *Davis* case, the declarant, much like Chang Il Kim, failed to notarize the declarations or have them sworn before a notary public. 756 F.Supp. at 1067. Nevertheless, the Court found that the declarations could be properly considered as evidence pursuant to 28 U.S.C. § 1746. *Id.* For such reasons this Court finds that Chang Il Kim's declaration could be properly considered as evidence.

Returning to the substantive issues of this motion, this Court has already held that the communications outlined in Document 2 falls within the scope of the attorney-client privilege. An issue remains, however, as to whether the defendants waived their privilege when Chang Il Kim prepared Document 2 and sent it to his superior Byung Tak Kim.

Communications between employees of a corporation may fall within the scope of the attorney-client privilege. SCM Corp. v. Xerox Corp., 70 F.R.D. 508, 514 (D. Conn.), *appeal dismissed*, 534 F.2d 1031 (2nd Cir. 1976). A privileged communication does not lose its status as such when an executive relays legal advice to another who shares responsibility for the subject matter underlying the consultation. *Id.* Management personnel should be able to discuss the legal advice rendered to them as agents of the corporation. *Id.*

Here, Chang Il Kim created Document 2 by summarizing the legal advice given to him by counsel for defendants. He then sent Document 2 to his superior Byung Tak Kim. Both Chang Il Kim and Byung Tak Kim shared responsibility regarding the legal obligation of defendants with respect to Harry Weeks. In other words, they shared responsibility for the subject matter under consultation. *Id.*

*5 Plaintiff argues in his reply to defendants' response that Chang Il Kim did not have decision making responsibility with respect to the retention of

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(Cite as: 1996 WL 341537 (N.D.Ill.))

Baker & McKenzie as counsel for defendants. Plaintiff's argument, however, is without merit. Whether or not Chang Il Kim was responsible for the retention of counsel for defendants, he shared responsibility (along with his superior Byung Tak Kim) for defendants' legal obligations concerning plaintiff (i.e., the matter under consultation). Accordingly, no waiver of the attorney-client privilege occurred when Chang Il Kim prepared and sent Document 2 to his superior Byung Tak Kim.

Lastly, plaintiff argues that insofar as Document 2 might convey legal advice or opinion and insofar as I might find that the document falls within the scope of the attorney-client privilege, plaintiff was prejudiced from replying to defendants' response. In particular, plaintiff states that he was ordered to return all copies of the document. Therefore, plaintiff argues, he could not adequately prepare his reply.

Clearly, Document 2 contains privileged communications. Plaintiff is not permitted to review this document. This Court having reviewed the document, found that it falls within the scope of the attorney-client privilege. Plaintiff has exhausted all avenues in his attempt to obtain disclosure of this document. Therefore, plaintiff was not prejudiced when defendant provided this Court with a copy of Document 2 for purposes of this motion.

CONCLUSION

Accordingly, plaintiff's motion is denied.

SO ORDERED.

1996 WL 341537 (N.D.Ill.)

Motions, Pleadings and Filings ([Back to top](#))

• 1:93CV04899 (Docket)
(Aug. 13, 1993)

END OF DOCUMENT

TAB 7

LEXSEE 1995 U.S. DIST. LEXIS 6942

JANET ZIEMACK, KENNETH Z. SLATER, and ELLEN Z. SLATER, HERBERT EISENSTADT, JOSEPH MEYER, HARVEY MEYER, and BRENDA DRUCKER, Plaintiffs, v. CENTEL CORPORATION, JOHN P. FRAZEE, JR., and J. STEPHEN VANDERWOUDE, Defendants.

No. 92 C 3551

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

1995 U.S. Dist. LEXIS 6942

**May 18, 1995, Decided
May 19, 1995, DOCKETED**

CASE SUMMARY:

PROCEDURAL POSTURE: Plaintiff stockholders brought a securities fraud class action against defendant corporate officers. The matter came before the court on the motion of the stockholders to compel production of documents withheld from discovery on privilege and work product grounds pursuant to *Fed. R. Civ. P. 37(a)* by the corporate officers.

OVERVIEW: The corporate officers informed the stockholders of their waiver of the attorney-client privilege with respect to a strategic alternative process (SAP), a plan for enhancing the shareholder's value, and their intention to produce those documents for the class period. The court found that there were two reasons that the corporate officers should produce certain of the documents they withheld on the basis of the attorney-client privilege. First, the corporate officers waived the attorney-client privilege as to all SAP related documents by voluntarily disclosing some of those documents. Second, many of the documents were not within the scope of the attorney-client privilege. The court rejected the stockholders' claim of inadvertent waiver. The court also found that the corporate officers' unduly limited definition of, and time frame for, the SAP were untenable. The court found it extremely unlikely that there was absolutely no discussion of the SAP before or after the class period. The court thus found that some documents were privileged or protected, that for some

documents the privilege was waived, and that the joint defense doctrine applied to four documents.

OUTCOME: The court granted in part and denied in part the stockholder's motion to compel production of documents withheld on privilege and work product grounds.

LexisNexis(R) Headnotes

*Evidence > Privileges > Attorney-Client Privilege
Civil Procedure > Disclosure & Discovery > Work Product*

[HN1] The scope of discovery should be broad in order to aid the search for the truth. Therefore, courts commonly look unfavorably upon anything that significantly restricts this scope. Because the attorney-client privilege and work-product doctrine obscure the search for the truth, both should be confined to their narrowest possible limits to minimize the impact upon the discovery process.

Evidence > Privileges > Waiver of Privilege

[HN2] Generally, the disclosure of a document or an otherwise confidential communication to third persons waives the attorney-client privilege. Moreover, production of some privileged documents waives the privilege as to all documents of the same subject matter.

Evidence > Privileges > Waiver of Privilege

[HN3] Under the subjective approach regarding waiver of a privilege, inadvertent disclosure never results in a waiver; waiver is an intentional relinquishment, and, thus, an inadvertent act lacks the requisite intent. Under the balancing test, the court weighs the reasonableness of precautions taken to prevent disclosure, time taken to rectify error, scope of discovery, extent of disclosure, and overriding fairness.

Evidence > Privileges > Attorney-Client Privilege

[HN4] The attorney-client privilege is designed to protect, from discovery, documents which reflect communications made in confidence by the client. The attorney-client privilege ought to be strictly confined within the narrowest possible limits consistent with the logic of its principle.

Evidence > Privileges > Attorney-Client Privilege

[HN5] The Seventh Circuit had adopted the following formulation of the essential elements of the attorney-client privilege: (1) where legal advice of any kind is sought (2) from a professional legal adviser in his capacity as such, (3) the communications relating to that purpose, (4) made in confidence (5) by the client, (6) are at his instance permanently protected (7) from disclosure by himself or by the legal adviser, (8) except the protection be waived.

Evidence > Privileges > Attorney-Client Privilege

Evidence > Procedural Considerations > Inferences & Presumptions

[HN6] The party seeking to invoke the attorney-client privilege bears the burden of establishing all of the privilege's elements. Additionally, the claim of privilege cannot be a blanket claim; it must be established on a document-by-document basis.

Evidence > Privileges > Attorney-Client Privilege

[HN7] Not every disclosure from client to attorney is entitled to protection from discovery. The attorney-client privilege protects only those disclosures, necessary to obtain informed legal advice, which might not have been made absent the privilege. Furthermore, communications from attorney to client fall under the privilege only to the extent that they reveal confidential information provided by the client. Thus, communications from the attorney to the client should be privileged only if the statements do in fact reveal, directly or indirectly, the substance of a confidential communication by the client. Legal advice or communications, standing alone, should not automatically receive protection. Instead, the party asserting the privilege must show that such advice relates to prior confidential client communications.

Evidence > Privileges > Attorney-Client Privilege

[HN8] The attorney-client privilege does not protect communications primarily regarding business advice. Documents or conversations created pursuant to business matters must be disclosed. Thus, for the privilege to apply, counsel must be involved in a legal, not business, capacity, and the confidential communications must be primarily legal in nature. Further, the privilege does not attach to purely legal advice unless the advice relates to a prior confidential communication from the client to the attorney.

Civil Procedure > Disclosure & Discovery > Work Product

[HN9] The work-product doctrine is distinct from and broader than the attorney-client privilege. Although different from the attorney-client privilege, the work-product doctrine is another significant limitation on the scope of discovery. The work-product doctrine prevents either party from gaining an unfair advantage by learning the other party's, or their counsel's, legal strategies and theories.

Evidence > Privileges > Attorney-Client Privilege

Civil Procedure > Disclosure & Discovery > Work Product

[HN10] Unlike the attorney-client privilege, a party may obtain discovery of documents protected by the work-product privilege upon a showing of substantial need. Under the work-product doctrine a party may obtain discovery of documents prepared in anticipation of litigation or for trial only upon a showing that the party seeking discovery has a substantial need of the materials in the preparation of the party's case and that the party is unable without undue hardship to obtain the substantial equivalent of the materials by other means. In ordering discovery of such materials when the required showing has been made, the court shall protect against disclosure of the mental impressions, conclusions, opinions, or legal theories of an attorney or other representative of a party concerning the litigation. *Fed. R. Civ. P. 26(b)(3)*.

Civil Procedure > Disclosure & Discovery > Work Product

[HN11] Although *Fed. R. Civ. P. 26* makes "ordinary" work-product accessible where there is a substantial need, Rule 26 specifically protects "opinion" work-product from disclosure, even in the face of undue hardship.

Evidence > Procedural Considerations > Inferences & Presumptions

Civil Procedure > Disclosure & Discovery > Work Product

[HN12] Initially, the court considering a claim of work-product privilege must determine whether the documents

were in fact prepared in anticipation of litigation; the mere fact that litigation eventually ensues does not, alone, protect all documents related to the subject matter of the litigation. The "test" for work-product protection is whether, in light of the nature of the document and the factual situation in the particular case, the document can fairly be said to have been prepared or obtained because of the prospect of litigation. Additionally, a document is only considered work-product if it is primarily concerned with legal assistance. The burden is on the party opposing discovery to show that the work-product doctrine applies.

Evidence > Privileges > Waiver of Privilege

[HN13] However, where the third-party shares a common interest with the disclosing party, and such interest is adverse to that of the party seeking discovery, then any existing privilege is not waived. Material which would otherwise be privileged is customarily discoverable if it has been disclosed to a third-party.

Evidence > Privileges

[HN14] The joint defense doctrine can only apply where the document is already protected by a privilege.

COUNSEL: [*1] Michael David Craig, SCHIFFRIN & CRAIG, LTD., Buffalo Grove, IL, Representing Plaintiffs.

Susan Getzendanner, SKADDEN, ARPS, SLATE, MEAGHER & FLOM, Chicago, IL, Representing Defendants.

JUDGES: ARLANDER KEYS, United States Magistrate Judge. Judge Brian Barnett Duff

OPINIONBY: ARLANDER KEYS

OPINION:

MEMORANDUM OPINION AND ORDER

This matter comes before the Court on Plaintiffs' Motion to Compel Production of Documents Withheld on Privilege and Work Product Grounds, n1 pursuant to *Federal Rule of Civil Procedure 37(a)*. For the following reasons, this Court orders that Plaintiffs' motion be granted in part and denied in part. n2

n1 This motion concerns documents requested in Plaintiffs' First Request for Production of Documents.

n2 Defendants' Motion to Strike Plaintiffs' Motion to Compel is hereby denied.

BACKGROUND

The events upon which Plaintiffs premise this securities fraud class action began at least as early as January 23, 1992. On that date, Centel Corporation ("Centel") announced its [*2] consideration of alternatives to enhance its shareholders' value. The alternatives that Centel considered included selling the company. These considerations apparently comprised a formal program known as the Strategic Alternatives Process ("SAP"). n3 The SAP culminated in Centel's merger with Sprint Corporation ("Sprint"). That merger was publicly announced on May 27, 1992 and finalized by shareholder vote on March 8, 1993.

n3 Plaintiffs allege that the SAP period began in August of 1991, or earlier, which was well before Centel's January 23, 1992 public announcement. *See infra* at 6-7.

Plaintiffs are individuals who purchased Centel common stock between January 23, 1992 and May 27, 1992. Plaintiffs filed suit on May 29, 1992, after the merger with Sprint was announced. Individual Defendants were the principal senior officers of Centel Corporation when Plaintiffs bought Centel's stock. The common law fraud and federal securities law violations alleged in the Complaint are premised on the theory of "fraud [*3] on the market" and are based upon statements, by Centel's officers, relating to the decision to sell the corporation. Plaintiffs maintain that Centel's officers made public statements which misled them into believing that Centel's stock was undervalued. Plaintiffs claim that they relied on the alleged misrepresentations and purchased Centel's stock at prices which they now claim were over-inflated.

The matter immediately before this Court involves the applicability of the attorney-client privilege, the work-product doctrine, and the joint defense doctrine to Defendants' documents relating to the merger and the SAP. On August 12, 1992, Plaintiffs served their First Request for Production of Documents. Defendants initially refused production of 1,017 documents, asserting the attorney-client privilege, as well as the work-product and joint defense doctrines. However, on January 11, 1995, Defendants informed Plaintiffs of their waiver of the attorney-client privilege with respect to the SAP, and their intention to produce those documents for the dates between January 23, 1992 and May 27, 1992 (the class period). During the week of January 17, 1995, Defendants produced more than 24 boxes [*4] of purportedly privileged documents. Additionally, Defendants produced to Plaintiffs a number of documents dated before and after the class period.

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Defendants claim that the production of these documents was inadvertent.

Plaintiffs' motion now seeks to compel production of the following remaining documents: n4 8, 17, 18, 52, 53, 66, 68, 101, 102, 103, 105, 107, 133, 136, 141, 146, 156, 157, 158, 161, 162, 166, 171, 177, 178, 179, 180, 192, 193, 195, 197, 200, 254, 256, 257, 263, 267, 296, 297, 300, 321, 328, 346, 348, 390, 427, 428, 432, 442, 455, 506, 570, 585, 589, 591, 592, 599, 677, 679, 685, 686, 702, 703, 705, 711, 712, 763, 779, 780, 803, 804, 805, 807, 812, 816, 822, 825, 827, 833, 834, 872, 873, 875, 876, 879, 881, 882, 886, 892, 894, 901, 904, 905, 906, 907, 920, 932, 933, 955, 956, 984, and 991. n5

n4 The documents, identified by their corresponding privilege-log numbers, are described in Plaintiffs' summaries of Defendants' privilege-log. (Reply Memorandum of Law in Support of Plaintiffs' Motion to Compel Production of Documents Withheld on Privilege and Work Product Grounds, attachments A-G [hereinafter Plaintiffs' Reply].) [*5]

n5 Plaintiffs additionally seek to discover a document which they admit is unrelated to the merger or the SAP. Document 359, according to Plaintiffs, is a single page memorandum dated July 10, 1992. (Memorandum of Law in Support of Plaintiffs' Motion to Compel Production of Documents Withheld on Privilege and Work Product Grounds at 6, n.7 [hereinafter Plaintiffs' Mem. Supp.]) The memorandum was sent by Centel's general counsel, Karl Berolzheimer, to Centel's officers and directors, representatives of Goldman Sachs & Co. (investment bankers), representatives of Morgan Stanley & Co. (investment bankers), and Skadden Arps Slate Meagher & Flom (Centel's attorneys). (Id.) The memorandum concerns Centel's document retention policy. (Id.)

Plaintiffs cite *In re Air Crash Disaster at Sioux City, Iowa*, 133 F.R.D. 515, 521 (N.D. Ill. 1990) in support of their position that document 359 is "clearly discoverable." In *Sioux City*, a party's in-house memorandum regarding the destruction of documents was ordered to be produced. *Id.* at 521. The memorandum in *Sioux City* had been sent to 500 employees, thus the court reasoned that there could be no expectation of confidentiality. *Id.*

It is unclear, from the description provided by Plaintiffs, exactly how many people received document 359. Thus to the extent that Plaintiffs rely on the plethora of recipients in *Sioux City*, that reliance is misplaced.

Neither party, in briefing this motion, has informed the court as to the basis of the privilege asserted by Defendants for document 359. However, it is clear that the attorney-client privilege does not apply to this document because it was sent to third persons. *Sioux City*, 133 F.R.D. at 518. Therefore, this Court will grant Plaintiffs' motion as to document 359 only if Defendants claimed protection under the attorney-client privilege. Otherwise, if Defendants claimed protection under the work-product doctrine, this Court will deny Plaintiffs' motion as to document 359.

[*6]

DISCUSSION

[HN1] The scope of discovery should be broad in order to aid the search for the truth. *United States v. White*, 950 F.2d 426, (7th Cir. 1991); *Radiant Burners, Inc. v. American Gas Ass'n*, 320 F.2d 314, (7th Cir. 1963), cert. denied, 375 U.S. 929, 11 L. Ed. 2d 262, 84 S. Ct. 330 (1963); *Allendale Mut. Ins. Co. v. Bull Data Sys. Inc.*, 152 F.R.D. 132, 135 (N.D. Ill. 1993). Therefore, courts commonly look unfavorably upon anything that significantly restricts this scope. *Allendale*, 152 F.R.D. at 135. Because the attorney-client privilege and work-product doctrine obscure the search for the truth, both should be confined to their narrowest possible limits to minimize the impact upon the discovery process. *White*, 950 F.2d at 430; *Radiant Burners*, 320 F.2d at 319, 323; *Allendale*, 152 F.R.D. at 135.

A. Attorney-Client Privilege

There are two reasons that Defendants should produce certain of the documents they withheld on the basis of the attorney-client privilege. First, Defendants waived the attorney-client privilege as to all SAP related documents by voluntarily disclosing some of those documents. Second, many of the documents [*7] are not within the scope of the attorney-client privilege.

1. Voluntary waiver of the attorney-client privilege

[HN2] Generally, the "disclosure of a document or an otherwise confidential communication to third persons waives the privilege." *In re Air Crash Disaster at Sioux City, Iowa*, 133 F.R.D. 515, 518 (N.D. Ill. 1990). Moreover, "production of some privileged documents waives the privilege as to all documents of

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the same subject matter." *Nye v. Sage Products, Inc.*, 98 F.R.D. 452 (N.D. Ill. 1982). n6 Plaintiffs persuasively argue that Defendants voluntarily waived n7 the attorney-client privilege, with respect to all communications on the subject of the SAP, when they provided Plaintiffs with selected, previously withheld, "attorney-client privileged" documents about the SAP. n8 Defendants attempt to both limit the scope of their voluntary waiver and comply with *Nye* by arguing that they previously provided Plaintiffs with all documents "of the same subject matter" (the SAP). Defendants insist that there are no documents concerning the SAP prior to January 23, 1992 (when the SAP was announced) or after May 27, 1992 (when the proposed merger was announced).

n6 The attorney-client privilege is sometimes deemed waived up until the date of the waiver. *Nye*, 98 F.R.D. at 454. Moreover, the attorney-client privilege can be deemed prospectively waived, beyond the date of the waiver. *Id.* However this court declines to find either such extensive waiver applicable here. [*8]

n7 Defendants acknowledged the extension of the waiver to communications between all counsel and Centel regarding the SAP. (Defendants' Memorandum in Opposition to Plaintiffs' Motion to Compel Production of Documents at 6, n.4.)

n8 Plaintiffs additionally argue that Defendants voluntarily waived the attorney-client privilege for all pre- and post-class period SAP documents, because Defendants "inadvertently" produced a variety of these documents. Plaintiffs maintain that this production, even if inadvertent, vitiates the privilege.

This court finds Plaintiffs' claim of inadvertent waiver to be without merit under either the subjective approach or the balancing test. *Central Die Casting and Mfg. Co., Inc., v. Tokheim Corp.*, No. 93 C 7692, 1994 U.S. Dist. LEXIS 11411, at *12 (N.D. Ill. Aug. 12, 1994) (citing *Mendenhall v. Barber-Greene Co.*, 531 F. Supp. 951, 954 (N.D. Ill. 1988)). [HN3] Under *Mendenhall's* subjective approach, inadvertent disclosure never results in a waiver; waiver is an intentional relinquishment, and, thus, an inadvertent act lacks the requisite intent. *Id.* Under *Central Die's* balancing test, the court weighs the reasonableness of precautions taken to

prevent disclosure, time taken to rectify error, scope of discovery, extent of disclosure, and overriding fairness. *Id.* In applying the *Central Die* test, especially in light of the number of documents involved in the production, this court finds that the inadvertent production of privileged documents did not result in waiver.

[*9]

Defendants' unduly limited definition of, and time frame for, the SAP are untenable. The class period dates dictate neither the duration of the SAP nor the permissible dates of discovery. It seems extremely unlikely that there was absolutely no discussion of the SAP before or after the class period. Defendants would apparently have this Court believe that Centel announced its intention to explore strategic alternatives which would maximize shareholder value, including the possible sale of the company, without previously analyzing or discussing the consequences of that announcement. To accept such an assertion would strain credulity. In fact, Plaintiffs refer to several documents, including documents from August 1991, which illustrate that the SAP occurred much earlier than the beginning of the class period. (Plaintiffs' Reply at 5-8.) Moreover, the merger was not "finalized" by shareholder vote and "closed" under the merger agreement until March 8, 1993. Although it seems unlikely that copious discussion about alternatives ensued once the merger was announced, there may have been discussions concerning contingency plans, in the event that the merger failed.

Defendants observe that [*10] "[a] clear cut-off date for [Defendants'] waiver is desirable." *Nye*, 98 F.R.D. at 454. This court agrees and finds that the end of the (SAP related) waiver is the finalization date of the merger, March 8, 1993. Thus, the attorney-client privilege is waived for the following documents relating to the SAP: 17, 52, 53, 103, 105, 180, 195, 197, 200, 442, 455, 591, 679, 702, 703, 712, 763, 804, 822, and 825. The attorney-client privilege is also waived for the following documents dated after announcement of the merger (May 27, 1992), but prior to the finalization by shareholder vote (March 8, 1993): 18, 141, 156, 267, 300, 346, 428, 599, 905, and 906. Although, it is unlikely that there are many documents after May 27, 1992 which qualify for the SAP waiver, there may be some. Post-announcement documents (dated after May 27, 1992) relating only to the merger, however, are not considered SAP documents. The parties should be able to determine, based on these instructions, which post-announcement documents are to be produced. This task is left to the parties, since the Court cannot discern the documents' contents from the privilege-log descriptions.

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2. Other documents for which Defendants [*11] claim attorney-client privilege

Defendants claim the attorney-client privilege for a number of documents which do not concern the SAP. Although these documents fall outside the scope of the waiver, many are unprotected by the privilege.

[HN4] The attorney-client privilege is designed to protect, from discovery, documents which reflect communications made in confidence by the client. *United States v. Lawless*, 709 F.2d 485, (7th Cir. 1983); *United States v. Weger*, 709 F.2d 1151, 1153 (7th Cir. 1983). The attorney-client privilege ". . . ought to be strictly confined within the narrowest possible limits consistent with the logic of its principle." *Radiant Burners*, 320 F.2d at 323; see also *White*, 950 F.2d at 430 (stating that the scope of the privilege is narrow, because it is in 'derogation of the search for truth').

[HN5] The Seventh Circuit has adopted Professor Wigmore's formulation of the essential elements of the attorney-client privilege:

- (1) Where legal advice of any kind is sought
- (2) from a professional legal adviser in his capacity as such,
- (3) the communications relating to that purpose,
- (4) made in confidence
- (5) by the client,
- (6) are at his instance permanently [*12] protected
- (7) from disclosure by himself or by the legal adviser,
- (8) except the protection be waived. 8 WIGMORE § 2292.

White, 950 F.2d at 430; *Lawless*, 709 F.2d at 487; *Radiant Burners*, 320 F.2d at 319. [HN6] The party seeking to invoke the attorney-client privilege bears the burden of establishing all of the privilege's elements. *White*, 950 F.2d at 430. Additionally, the claim of privilege cannot be a blanket claim; it must be established on a document-by-document basis. *Id.*

[HN7] Not every disclosure from client to attorney is entitled to protection from discovery. *Sioux City*, 133 F.R.D. at 518. The attorney-client privilege ". . . protects only those disclosures - necessary to obtain informed legal advice - which might not have been made absent the privilege." *Fisher v. United States*, 425 U.S. 391, 403, 48 L. Ed. 2d 39, 96 S. Ct. 1569 (1976).

Furthermore, communications from attorney to client fall under the privilege only to the extent that they reveal confidential information provided by the client. *Sioux City*, 133 F.R.D. at 518. "A rule conferring

privileged status upon a broad[er] range of communications from the attorney to the client would [*13] ignore *Radiant Burners*' caveat." *Ohio Sealy Mattress Mfg. Co. v. Kaplan*, 90 F.R.D. 21, 28 (N.D. Ill. 1980). Thus, communications from the attorney to the client should be privileged only if the statements do in fact reveal, directly or indirectly, the substance of a confidential communication by the client. *Id.* Legal advice or communications, standing alone, should not automatically receive protection. Instead, the party asserting the privilege must show that such advice relates to prior confidential client communications. n9

n9 This view is consistent with the Seventh Circuit's admonition to protect attorney-client communications as narrowly as possible, yet offer protection that is consistent with the privilege's purpose. *Radiant Burners*, 320 F.2d at 323.

Documents 321, 328, 506, 711, 894, and 920 are protected under the attorney-client privilege. Additionally, the following documents, which are drafts of the joint-proxy statement, for which the attorney-client privilege is claimed, are protected: [*14] n10 8, 68, 107, 133, 177, 179, 296, 348, 390, 427, 432, 589, 780, 805, 827, 833, 834, 875, 876, 881, and 882. However, documents 66, 101, 102, 136, 146, 157, 158, 161, 162, 166, 171, 178, 192, 193, 254, 256, 257, 263, 297, 570, 585, 592, 677, 685, 686, 705, 779, 803, 807, 812, 816, 872, 873, 879, 886, 892, 901, 904, 907, 932, 933, 955, 956, 984, and 991, do not fall under the protective cloak of the attorney-client privilege. As to these documents, Defendants have not sustained their burden to show that the privilege applies, and the documents fail to qualify for protection under the attorney-client privilege, either because: (a) the privilege-log descriptions clearly show that the documents are not privileged; (b) the privilege-log descriptions show that the documents are not privileged because they do not contain confidential client communications; or (c) the privilege-log descriptions are insufficient to show that the documents are privileged.

n10 This Court assumes that all the recipients and senders were either attorneys for, or employees of, Centel. Although the privilege-log does not make clear whether the original draft joint-proxy statement was sent from client to attorney, this Court makes that assumption. If the Court's assumption is incorrect, then Defendants are obligated to produce these documents. Otherwise, all drafts which were exchanged back

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and forth, between client and attorney, are privileged.

[*15]

(a) Privilege-log descriptions clearly show documents are not privileged

The privilege-log descriptions of documents 166, 171, 570, 592, 816, 872, 879, 886, and 907 show that they primarily concern business advice, or do not contain confidential client information.

[HN8] The attorney-client privilege does not protect communications primarily regarding business advice. n11 It is well settled that the ". . . requisite professional relationship is not established when the client seeks business . . . advice, as opposed to legal assistance." *Radiant Burners*, 320 F.2d at 324. Documents or conversations created pursuant to business matters must be disclosed. *Allendale*, 152 F.R.D. at 137. Thus, for the privilege to apply, counsel must be involved in a legal, not business, capacity, and the confidential communications must be primarily legal in nature. *Sneider v. Kimberly-Clark Corp.*, 91 F.R.D. 1, 4 (N.D. Ill. 1980). Further, as previously discussed, the privilege does not attach to purely legal advice unless the advice relates to a prior confidential communication from the client to the attorney.

n11 WIGMORE'S formulation of the attorney-client privilege prescribes the presence of eight elements, the first of which requires that the communication seek legal advice. *See supra* at 8-9.

[*16]

(b) Privilege-log descriptions show documents are not privileged because they do not contain confidential client communications

The following documents are not privileged: 66, 101, 102, 162, 192, 193, 254, 256, 257, 263, 585, 677, 779, 803, 807, 812, and 984. The attorney-client privilege applies only to documents which contain confidential information from the client. Although these documents are alleged to contain legal advice, there is no indication in the privilege-log that this advice relates to any confidential client communication. Documents in this category include attorneys' notes, which are discoverable unless they pertain to confidential client communication (or have work-product immunity).

Additionally, numerous documents as to which Defendants have claimed the attorney-client privilege appear to be, at best, purely legal documents containing

advice unrelated to any client communication. These documents concern Centel's Board of Directors' meetings and are discoverable: 146, 157, 161, 178, 932, 933, 955, 956, and 991. Defendants did not meet their burden of proving that these documents primarily contain legal advice concerning confidential communications, which would [*17] be protected by the attorney-client privilege. The mere fact that an attorney was present, or even participated in the meeting, does not make the meeting's minutes privileged.

Notwithstanding the above discussion, Defendants may redact any confidential client communications which were made for the purpose of receiving legal advice (and the legal advice given, if any) for the documents in this subsection.

(c) Privilege-log descriptions are insufficient to show documents are privileged

The following documents are not privileged because the privilege-log descriptions lack the sufficient detail which is necessary to show that the documents involved primarily legal advice which contained confidential client information: 136, 158, 297, 685, 686, 705, 873, 892, 901, 904.

4. Findings

In sum, this Court finds that Defendants waived the attorney-client privilege with respect to documents 17, 52, 53, 103, 105, 180, 195, 197, 200, 442, 455, 591, 679, 702, 703, 712, 763, 804, 822, and 825. Additionally, the Court finds that the attorney-client privilege is waived for documents 18, 141, 156, 267, 300, 346, 428, 599, 905, and 906.

Similarly, the Court finds that the attorney-client privilege [*18] does not apply to documents 66, 101, 102, 136, 146, 157, 158, 161, 162, 166, 171, 178, 192, 193, 254, 256, 257, 263, 297, 570, 585, 592, 677, 685, 686, 705, 779, 803, 807, 812, 816, 872, 873, 879, 886, 892, 901, 904, 907, 932, 933, 955, 956, 984, and 991.

This Court finds that attorney-client privilege attaches to documents, 321, 328, 506, 711, 894, and 920, as well as to drafts of the joint-proxy statement 8, 68, 107, 133, 177, 179, 296, 348, 390, 427, 432, 589, 780, 805, 827, 833, 834, 875, 876, 881, and 882.

B. Work-Product Doctrine

1. The standard

[HN9] The work-product doctrine is "distinct from and broader than the attorney-client privilege." *United States v. Nobles*, 422 U.S. 225, 238, n.11, 45 L. Ed. 2d 141, 95 S. Ct. 2160 (1975) (citing *Hickman v. Taylor*, 329 U.S. 495, 91 L. Ed. 451, 67 S. Ct. 385 (1947)); *see also Radiant Burners*, 320 F.2d at 323. Although

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different from the attorney-client privilege, the work-product doctrine is another significant limitation on the scope of discovery. The work-product doctrine prevents either party from gaining an unfair advantage by learning the other party's, or their counsel's, legal strategies and theories. [*19] *Allendale*, 152 F.R.D. at 135; see also *Binks Mfg. Co. v. National Presto Indus. Inc.*, 709 F.2d 1109, 1118-19 (7th Cir. 1983) (work-product doctrine applies to documents prepared by client as well as attorney).

[HN10] Unlike the attorney-client privilege, a party may obtain discovery of documents protected by the work-product privilege upon a showing of substantial need. Under the work-product doctrine a party may

. . . obtain discovery of documents . . . prepared in anticipation of litigation or for trial . . . only upon a showing that the party seeking discovery has a substantial need of the materials in the preparation of the party's case and that the party is unable without undue hardship to obtain the substantial equivalent of the materials by other means. In ordering discovery of such materials when the required showing has been made, the court shall protect against disclosure of the mental impressions, conclusions, opinions, or legal theories of an attorney or other representative of a party concerning the litigation.

FED R. CIV. P. 26(b)(3).

[HN11] Although Rule 26 makes "ordinary" work-product accessible where there is a substantial need, the Rule specifically protects [*20] "opinion" work-product from disclosure, even in the face of undue hardship. *Nye*, 98 F.R.D. at 454 (courts must take precautions to prevent disclosure of "opinion" work-product when ordering production of "ordinary" work-product). "Opinion" work-product includes documents revealing mental impressions, conclusions, opinions, or legal theories. FED R. CIV. P. 26(b)(3); *Sioux City*, 133 F.R.D. at 519, citing MOORE'S FEDERAL PRACTICE, para. 26, 64[1] at 26-349-3350 (1989) (opinion work-product involves preparation, strategy, and appraisal of strengths and weaknesses of an action, or activities of the attorneys involved, rather than the underlying evidence); see generally *Hickman*, 329 U.S. at 511.

[HN12] Initially, the Court must determine whether the documents were in fact prepared in anticipation of litigation; the mere fact that litigation eventually ensues does not, alone, protect all documents related to the subject matter of the litigation. *Binks*, 709 F.2d at 1118-19. The "test" for work-product protection is ". . .

whether, in light of the nature of the document and the factual situation in the particular case, the document can fairly be said to have been prepared or obtained [*21] because of the prospect of litigation." *Id.* at 1119. Additionally, a document is only considered work-product if it is primarily concerned with legal assistance. *Loctite Corp. v. Fel-Pro, Inc.*, 667 F.2d 577, 582 (7th Cir. 1981). The burden is on the party opposing discovery, to show that the work-product doctrine applies. *Allendale*, 152 F.R.D. at 137.

2. Application of the work-product doctrine

This case presents special difficulties in applying the work-product doctrine. Plaintiffs filed their suit shortly after Defendants' merger announcement. Thus, throughout the merger process and finalization, this litigation was pending. The mere fact that litigation was already in progress does not provide work-product immunity for documents which were prepared in the regular course of business rather than for purposes of litigation. CHARLES A. WRIGHT, ARTHUR R. MILLER, & RICHARD L. MARCUS, FEDERAL PRACTICE AND PROCEDURE: CIVIL 2d § 2024 (1983) at 346. However, documents which serve dual purposes may still be protected. *In re Special September 1978 Grand Jury (II)*, 640 F.2d 49, 61 (7th Cir. 1980) (protecting materials prepared in anticipation of litigation as well [*22] as for state required report). Thus, the work-product doctrine protects drafts of the joint-proxy statement. n12 The following documents are protected work-product: 68, 146, 158, 177, 296, 427, 432, 442, 589, 677, 679, 711, 780, 805, 812, 827, 833, 834, 873, 875, 876, 881, 882, 886, and 905. n13 The work-product doctrine, however, does not apply to 455, 763, 804, and 907 because they were not created in anticipation of litigation or trial. Additionally, the work-product doctrine does not apply to 506 because the privilege-log contains insufficient information to satisfy Defendants' burden of establishing work-product protection.

n12 Although the final, publicly presented joint-proxy statement was not created primarily in anticipation of litigation or trial, the drafts and revisions were so created. This action had already been filed when the drafts were created. A public proxy statement contains representations of the corporation and is, therefore, a likely target for scrutiny in a securities fraud lawsuit. Therefore, modifications to the drafts were influenced substantially by the fact that this litigation was pending. [*23]

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n13 The majority of these documents are, or concern, drafts of the joint-proxy statement.

privilege(s) upon which to premise the joint defense doctrine.

3. Findings

In sum, this Court finds that documents 68, 146, 158, 177, 296, 427, 432, 442, 589, 677, 679, 711, 780, 805, 812, 827, 833, 834, 873, 875, 876, 881, 882, 886, and 905 are protected by work-product doctrine. However, this Court finds that 455, 506, 763, 804, and 907, are not protected.

C. The Joint Defense Doctrine

1. The standard

[HN13] Material which would otherwise be privileged is customarily discoverable if it has been disclosed to a third-party. *Lawless*, 709 F.2d at 487; *Allendale*, 152 F.R.D. at 139; *Sioux City*, 133 F.R.D. at 518. However, where the third-party shares a common interest with the disclosing party, and such interest is adverse to that of the party seeking discovery, then any existing n14 privilege is not waived. *United States v. McPartlin*, 595 F.2d 1321, 1336-37 (7th Cir. 1979); see also *Allendale*, 152 F.R.D. at 140. This exception is known as the joint defense doctrine.

n14 [HN14] The joint defense doctrine can only apply where the document is already protected by a privilege. *Allendale*, 152 F.R.D. at 140.

[*24]

2. Findings

This Court finds that the joint defense doctrine is applicable to documents 177, 179, 427 and 589 because each of these documents is already protected by both the attorney-client privilege and the work-product doctrine. Therefore, each of these documents has the requisite

SUMMARY OF FINDINGS

Various documents as to which the attorney-client privilege is inapplicable are nonetheless protected by the work-product doctrine; the converse is true as well. Thus, the following documents are not protected, by either the attorney-client privilege or the work-product doctrine, and must be produced to Plaintiffs: 17, 52, 53, 66, 101, 102, 103, 105, 136, 157, 161, 162, 166, 171, 178, 180, 192, 193, 195, 197, 200, 254, 256, 257, 263, 297, 455, 570, 585, 591, 592, 685, 686, 702, 703, 705, 712, 763, 779, 803, 804, 807, 816, 822, 825, 872, 879, 892, 901, 904, 907, 932, 933, 955, 956, 984, and 991.

Documents 18, 141, 156, 267, 300, 346, 428, 599, and 906 must be produced to Plaintiffs if they contain any SAP discussion, including discussion of contingency plans. Additionally, document 359 must be produced if Defendants [*25] claimed attorney-client privilege protection for this document.

The following documents are protected by one or both privileges and need not be produced by Defendants: 8, 68, 107, 133, 146, 158, 177, 179, 296, 321, 328, 348, 390, 427, 432, 442, 506, 589, 677, 679, 711, 780, 805, 812, 827, 833, 834, 873, 875, 876, 881, 882, 886, 894, 905, and 920.

CONCLUSION

Based upon the above findings;

IT IS HEREBY ORDERED that Plaintiffs' Motion to Compel Production of Documents Withheld on Privilege and Work-product Grounds be granted in part and denied in part consistent with this Opinion.

Dated: May 18, 1995

ENTER:

ARLANDER KEYS

United States Magistrate Judge